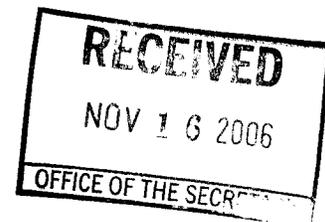


November 15, 2006



VIA OVERNIGHT DELIVERY

Nancy M. Morris, Secretary
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: In the Matter of Knight Securities L.P., Administrative Proceeding No. 3-11771

Dear Ms. Morris:

This firm represents Liberty Ridge Capital, Inc. ("LRC"), formerly known as Pilgrim Baxter & Associates, Ltd. On behalf of LRC I hereby submit the following comments on the Independent Distribution Consultant's Proposed Fair Fund Distribution Plan in this matter. In general, LRC believes Knight Securities, or its administrator, should bear the administrative burden and expense of: (a) generating checks to each affected LRC client (as opposed to sending an aggregate check to LRC) and (b) distributing the checks to the payees. LRC's specific comments are as follows:

1. Phase II of the Plan states: "the Distribution Amounts will first be calculated on a per-trade basis and then aggregated for each Institutional Customer for distribution". LRC has consistently aggregated trade orders for its client accounts (i.e. one trade with Knight was for the benefit of more than one LRC client account). Since Knight is first calculating Distribution Amounts on a per-trade basis it should be able to aggregate amounts for each LRC client account included in that order. In order to settle the original trade, Knight was provided with underlying LRC client account information (account name, custodian, etc.) for each LRC client account included in an aggregated trade. Knight should: (a) generate individual checks for each of LRC's client accounts who will participate in any Distribution Amount; and (b) conduct the required outreach to deliver those checks to the payees. LRC can readily provide Knight or its administrator with all of the relevant investors or related funds, including last-known contact information, on whose behalf a particular "not held" order was placed.

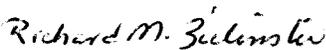
2. If Knight is not required to or is unable to perform the foregoing tasks, then LRC is likely to incur significant costs (both in time and expenses) in order to provide the certifications required by the Plan. In that event:

- a. LRC requests that Knight be required to provide the order-by-order breakdown used to calculate the Distribution Amount in electronic form so that LRC can most efficiently allocate the Distribution Amount to its client accounts.
- b. LRC requests reimbursement for reasonable fees and expenses associated with directing Distribution Amounts to recipients. With the exception of one continuing client, LRC *no longer serves as investment adviser* to the client accounts who are entitled to participate in the Distribution Amounts. Prior to disbursing funds to its former client accounts, LRC will need to conduct an outreach program to identify the appropriate individual or entity with the requisite authorization to act on behalf of those accounts (e.g. current power of attorney).

Representatives of LRC would be pleased to discuss these comments and answer any questions the SEC or the Distribution Consultant may have. Please direct any inquiries in the first instance to me. LRC looks forward to receiving the final Distribution Plan.

Finally, the LRC Distribution Plan letter referred to in the Plan should be addressed and sent to Stephen M. Wellman, President, Liberty Ridge Capital, Inc., 1205 Westlakes Drive, Berwyn, PA 19312, with a copy to me.

Very truly yours,


Richard M. Zielinski

RMZ/ayf

cc: Stephen M. Wellman
Ronald A. Bertino, CPA
Natasha Vij, Esq.

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