

8 August 2014

BY EMAIL

Office of the Secretary  
US Securities and Exchange Commission  
100 F St., N.E.  
Washington, D.C. 20549

**Re: In the matter of G-Trade Services LLC, et al. (collectively the “Respondents”)  
Administrative Proceeding File No. 3-15654  
Comments on Proposed Plan of Distribution**

Dear Sirs:

1. We, Towers Watson (Pty) Ltd, are the South African based investment consultants to “Client 5” described in the Deferred Prosecution Agreement between the United States of America and Convergenx Group LLC (United States District Court, District of New Jersey, Criminal No. 13-811, page reference A-14) (the “**Deferred Prosecution Agreement**”). “Client 5” has requested that their name be kept confidential at this time.
2. “Client 5” is a South African institutional fund and we believe a direct or indirect customer of the Respondents in the referenced matter that was charged excess trading profit (as defined in the Proposed Plan of Distribution in the above matter) during the relevant period, and, as such, is entitled to distributions from the Fair Fund, and has an interest in the Fair Fund and the Proposed Plan of Distribution.
3. The Respondents actively sought to offer their global transition management services to a number of similar institutional funds in South Africa. We are aware that they provided such transition services to at least another three South African institutional funds during the relevant period.
4. The Respondents presented their proposition on the basis that they were a global services provider and that they were able to provide South African clients with a higher level of expertise, independence and oversight more cost effectively than the local managers. The trustees of our client were indeed persuaded by this motivation.
5. The transition work that the Respondents did for “Client 5” and our other clients who may have been affected during the relevant period and, we believe, other institutional funds in South Africa, largely related to South African equities.
6. We believe it is therefore fundamentally unfair to treat US and non-US equities differently as set out in the Proposed Plan of Distribution especially since the basis of appointment of the Respondent was, at least in part, because they were an affiliate of very large US firm that was regulated by the SEC and the trustees of our clients therefore felt this robust regulatory oversight would provide improved security and protection in respect of the management of the assets of their funds by the relevant Respondents.

7. We concur with the arguments raised regarding the same matter by the Philadelphia Board of Pensions and Retirement (represented by Kutak Rock LLP) and EII Capital Management (represented by Ropes & Gray).
8. It is also not entirely clear how the Proposed Plan of Distribution will deal with the trading profits arising from *“a related party (CGM Limited) had taken positions onto its own books, exposed itself to the risk of any change in price, and later unwound the positions over time, which made it “difficult, if not impossible to determine” the spread taken”* (extracted from the Deferred Prosecution Agreement). We therefore respectfully request that consideration be given to the impact of this on “Client 5” specifically, as well as on any other affected customers who suffered a loss.
9. “Client 5” is in the process of appointing a USA law firm to represent it in this matter and will inform your office of this firm as soon this appointment has been finalized. Once we have informed your office of this law firm, any future correspondence regarding this matter in relation to “Client 5” should kindly be addressed to this law firm.
10. For the avoidance of doubt, we have no direct interest in this matter, nor in any eventual distribution made pursuant to the Proposed Plan of Distribution. We simply wish to place on record our misgivings regarding the proposal in the Proposed Plan of Distribution that US and non-US equities should be treated differently, as we believe this will be prejudicial to “Client 5” and other affected customers of the Respondents.
11. In the event that our comments are received after expiry of the deadline for the submission of comments, we respectfully request that you condone the late submission as we only recently became aware of the Proposed Plan of Distribution, and that you please take our comments into account.

Yours sincerely



Antony Lester  
**Towers Watson (Pty) Ltd**

- cc. The Principal Officer of “Client 5”  
Chairman of the Investment Committee of “Client 5”