

IN UNITED STATES OF AMERICA
Before The
SECURITIES AND EXCHANGE COMMISSION
March 19, 2026

ADMINISTRATIVE PROCEEDING

File No. 3-21924

<p>In the Matter of the Application of</p> <p>ALPINE SECURITIES CORPORATION</p>

REPLY IN SUPPORT OF
MOTION OF NSCC AND DTC FOR LEAVE TO FILE SUR-REPLY TO
ALPINE SECURITIES CORPORATION'S APPLICATION FOR REVIEW

Alpine's briefs follow a familiar pattern. Alpine makes a claim that is ambiguous or imprecise; then, it takes a definitive position on the same topic; and finally, when the inconsistency or falsehood is called out, Alpine feigns confusion and points back to its original statement while attacking its opponent. This is also the pattern of how Alpine dealt with the new ENC requirements in 2023, and therefore it is highly relevant to the instant matter before the Commission.¹

In every previous instance where Alpine tried to explain away its counsel's letter asserting that some of the \$10 million on account was not capital, Alpine called it an innocent mistake without explaining how the mistake happened. Alpine offered these accounts, among others:

- "Counsel's letter . . . was an error because it did not take into account that the capital was already authorized."²
- "With respect to the letter from counsel, it was incorrect regarding whether funds had been authorized as capital because it did not take into account that

¹ The Clearing Agencies submit this Reply pursuant to Commission Rule of Practice § 201.154(b).

² Tab 124, Alpine Post-Hr'g Br. 17 n.41.

the funds had already been identified as capital at the time of the transfer, including in the transfer description.”³

- “That statement was a mistake. There was authorized capital. It was stated incorrectly.”⁴
- “Q. Do you know whether that ‘not yet authorized’ was because I [Maranda Fritz] was not aware that you had authorized it at the time of the transfer and that it was then reported as a capital contribution?
A. I [John Hurry] knew that today, yes.”⁵

All these attempts to discount Ms. Fritz’s letter were implausible because there was other extensive evidence that Alpine did not have \$10 million in unencumbered cash: the daily capital reports, the \$1.6 Million Resolution, the testimony of other Alpine employees, and so on. But since Alpine did not explain the source or the nature of the “mistake,” there was little more to say about it.

Then, in its Reply Brief before the Commission, Alpine for the first time offered a concrete explanation for Ms. Fritz’s “mistake,” namely that she “had not seen the initial transfer that designated the funds as capital.”⁶ Evidently, Alpine was trying to make its narrative sound more believable by including a factual assertion about something that did (or did not) happen. Unfortunately for Alpine, it was demonstrably false. Ms. Fritz must have seen the initial transfer that designated the funds as capital because she attached that very transfer document to her letter.⁷ The inescapable conclusion is that Ms. Fritz knew Mr. Hurry had sent \$6.4 million to Alpine, but she *also* knew that a sizeable portion was not designated as available capital because Mr. Hurry did not want to commit it as ENC.

³ Tab 128, Alpine Post-Hr’g Reply Br. 2 n.10.

⁴ Tab 116, Hearing Tr. 439:9–16 (Maratea).

⁵ Tab 115, Hearing Tr. 324:21–325:19 (Hurry).

⁶ Reply in Support of Application for Review 10.

⁷ Tab 33, Alpine Letter to Clearing Agencies (Nov. 3, 2023).

Rather than leave bad enough alone, Alpine now doubles down on its claim, arguing that just because Ms. Fritz attached the KS Bank transfer document does not prove she was aware of what it said. According to Alpine, Ms. Fritz “attached the wire transfer to show that funds were received,” but she “fail[ed] to focus on the transfer description of ‘Capital Paid.’”⁸ Here is the entire document:



Account: ALPINE SECURITIES Current Time: 10/25/23 2:21:54 PM

Current Balance: 6,408,343.90
Available Balance: 6,408,343.90

Date ▾	Ref/Check No	Description	Debit	Credit	Balance
10/25/2023	1025230280	Pending Trf from SCA CLEARING 2 Capital Paid Under Protest		6,400,000.00	6,408,343.90
Totals:		Transactions: 1	Debits: 0.00	Credits: 6,400,000.00	

It contains only about five lines. While anything is possible, it is highly implausible that Ms. Fritz noticed the figures on the right but missed the ten words on the left—the only line of text on the whole page.

The larger point is that the Clearing Agencies must be able to rely on the financial reporting of its Members without wading through conflicting statements and figures. Although Alpine now claims that it had \$10 million in ENC at all times, including on November 3, 2023, it remains to this day entirely unclear which funds were authorized as capital and when. As early as October 26, 2023, Alpine claimed that it had over \$10 million in ENC,⁹ even though its daily capital report reported less than \$10 million.¹⁰ Ms. Fritz’s letter a week later offered no clarity whatsoever, simultaneously: (i) showing a bank statement purporting to show a \$6.4 million transfer of funds labeled “Capital Paid Under Protest”; (ii) attaching a resolution authorizing only \$1.6 million,

⁸ Opp. 3.

⁹ Tab 30, Alpine Email to Clearing Agencies (Oct. 26, 2023).

¹⁰ Tab 72, Daily Capital Reports, for period ending 10/26/2023.

which Ms. Fritz characterized in the letter as “the resolution regarding *authorized* capital”; and (iii) admitting that “[a] portion of those funds have not been authorized as capital pending a decision from FINRA regarding whether it will agree to modify a pre-existing \$2.3 million escrow requirement in light of the firm’s increased capitalization.”¹¹ That same day, Alpine’s chief accountant reported Alpine’s ENC as \$5,057,862 for the period ending November 3.¹²

To dismiss Ms. Fritz’s letter now as a mistake is not credible. It also does not solve the problem that the Clearing Agencies needed to know whether Alpine had satisfied its ENC obligations. The Commission should permit the Clearing Agencies to submit their surreply showing that Alpine’s misrepresentation about the letter reinforces their determination that Alpine is untrustworthy.

¹¹ Tab 33, Alpine Letter to Clearing Agencies (Nov. 3, 2023).

¹² Tab 72, Daily Capital Reports, for period ending 11/03/2023.

Respectfully submitted,

PROSKAUER ROSE LLP

New York, New York
March 19, 2026

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ATTORNEY CERTIFICATION

Pursuant to Rule 154(c) of the Commission's Rules of Practice, I hereby certify that the foregoing document contains 905 words, exclusive of the tables of contents and authorities.

Dated: March 19, 2026

/s/ Mark D. Harris

Mark D. Harris

CERTIFICATE OF SERVICE

I hereby certify that, on March 19, 2026, the undersigned caused a true and accurate copy of the foregoing document to be served by electronic mail on the following persons:

DTCC Corporate Secretary (corporatesecretary@dtcc.com)
Maranda Fritz (maranda@fritzpc.com)
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Dated: March 19, 2026

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