

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 56543 / September 27, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-12839

In the Matter of

D.M. KECK & COMPANY, INC.
d/b/a DISCOUNT MUNIBROKERS,
DONALD MICHAEL KECK and
PATRICIA ANN SEELAUS,

Respondents.

ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-
DESIST PROCEEDINGS, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-DESIST
ORDER PURSUANT TO SECTIONS 15(b),
15B(c) AND 21C OF THE SECURITIES
EXCHANGE ACT OF 1934

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 15(b)(4) and 15B(c)(2) of the Securities Exchange Act of 1934 (“Exchange Act”) against D.M. Keck & Company, Inc. d/b/a Discount Munibrokers (“Discount Munibrokers” or “the Firm”) and Sections 15(b)(6), 15B(c)(4) and 21C of the Exchange Act against Donald Michael Keck (“Keck”) and Exchange Act Sections 15(b)(6) and 15B(c)(4) against Patricia Ann Seelaus (“Seelaus”) (collectively “Respondents”).

II.

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (“Offers”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist

Order Pursuant to Sections 15(b), 15B(c) and 21C of the Securities Exchange Act of 1934 (“Order”), as set forth below.

III.

FINDINGS

On the basis of this Order and Respondents’ Offers, the Commission finds that:

A. OVERVIEW

This matter involves material misrepresentations, adjusted trading and other unlawful conduct by Discount Munibrokers, a broker-dealer that operates as a municipal securities “broker’s broker,” and the Firm’s CEO Donald Michael Keck, as well as supervisory failures by the Firm, Keck and another supervisor at the Firm, Patricia Ann Seelaus. Until late 2006, when Discount Munibrokers ceased operating, the Firm acted as an intermediary for other municipal securities broker-dealers to pair buy and sell orders in municipal bonds in bond auctions. In connection with these auctions, the Firm and Keck engaged in one or more of the practices described in Section III.C. below, and violated various sections and rules of the Exchange Act and the Municipal Securities Rulemaking Board (“MSRB”).

B. RESPONDENTS

D.M. Keck & Company, Inc. d/b/a Discount Munibrokers, formerly headquartered in Cherry Hill, New Jersey, is a broker-dealer and a municipal securities dealer. Discount Munibrokers’ served as a broker’s broker in municipal securities. The Firm has been registered with the Commission as a broker-dealer since 1997 pursuant to Sections 15(b) of the Exchange Act. Discount Munibrokers ceased operations in late 2006 but has maintained its registration with the Commission. It is no longer a member of the NASD.

Donald Michael Keck, a resident of Cherry Hill, New Jersey, has been Discount Munibrokers’ President and Chief Executive Officer (“CEO”) since March 1997. Keck owns between 50% and 60% of the Firm. At all relevant times, Keck held a Series 53 license (Municipal Securities Principal) and a Series 52 license (Municipal Securities Representative). At all relevant times, Keck supervised the traders in conjunction with Seelaus.

Patricia Ann Seelaus, a resident of Cherry Hill, New Jersey, is Discount Munibrokers’ Senior Vice President and Chief Financial Officer (“CFO”). Seelaus is also the Firm’s Compliance Officer. Seelaus owns approximately 10% of the Firm. At all relevant times, Seelaus held a Series 63 license (Uniform Securities Agent State Law), a Series 53 license (Municipal Securities Principal), a Series 52 license (Municipal Securities Representative), a Series 24 license (General Securities Principal), and a Series 27 license (General Financial/Operations Principal). At all relevant times, Seelaus supervised the traders, in conjunction with Keck.

C. FACTS

1. Background

A municipal securities broker's broker is a securities firm that acts as an agent exclusively for other broker-dealers in municipal securities transactions. The role of the municipal securities broker's broker is to pair buy and sell orders in municipal bonds. The broker's brokers normally do not take any positions in municipal issues; all transactions by a broker's broker are effectively riskless because they are only executed when both sides of the transaction have agreed to the trade. In this way, the broker's broker never holds any securities in inventory.

2. Discount Munibrokers and Keck Gave Fake Cover Bids To High Bidders

During the relevant time period, Discount Munibrokers' principal business was executing municipal securities trades on behalf of other municipal securities dealers through an auction-type offer and sale process called a "bid-wanted." Typically in a bid-wanted auction, a broker-dealer will ask a municipal securities broker's broker, like Discount Munibrokers, to solicit bids from other broker-dealers for a municipal bond that it wants to sell. The broker's broker will then solicit bids from potential bidders (other broker-dealers) and receive bids over a limited period of time via phone, e-mail, facsimile transmission, or the Internet. When the bid-wanted auction closes, the broker's broker submits the highest bid to the broker-dealer seeking to sell the bond, who then decides whether to sell the bond to the high bidder. Following the bidding process, the high bidder generally is told the "cover bid," i.e., the second highest bid, and the total number of bids received during the bid-wanted auction. This information is also shared with the selling broker-dealer. These rules are not set by regulation, but appear to be industry custom and were followed by Discount Munibrokers.

If the difference between the high bid and the cover bid is relatively small, which is known in the industry as a "tight cover," the disclosure of the cover bid to the high bidder often provides the high bidder comfort that it did not overbid on, or overpay for, the security. Conversely, when the difference between the high bid and the cover bid is relatively large, i.e., a "loose cover," the disclosure of the cover bid might cause the high bidder to conclude that it bid or paid too much for the security since all the other bids were considerably lower than its own. Thus, the spread between the high bid and the cover bid provides the high bidder insight into how competitive the bid-wanted auction was and whether it is paying a fair price for the bonds it bid on.

When high bidders in auctions conducted by Discount Munibrokers learned that their cover bids were "loose," they oftentimes punished Discount Munibrokers for allowing them to "overpay" for securities. This punishment usually took the form of a refusal to give business to Discount Munibrokers for some period of time. In an effort to avoid this type of punishment, Discount Munibrokers disseminated fake cover bids to high bidders to make it appear to the high bidders that the auctions they won were more competitive than they really were. Specifically, when a Discount Munibrokers trader conducted a bid-wanted auction with a large gap between the winning bid and the second highest bid, the trader alerted other traders at the Firm and, if necessary, the traders worked as a group to create a fake cover bid by making false bid entries into Discount Munibrokers'

computer system with a fake customer identification number as detailed below. The trader leading the bid-wanted auction then passed off the fake cover bid as a legitimate cover bid to the winning bidder. The winning bidder was never told that the cover bid was a fake. This was all done pursuant to CEO Keck's instructions and with the knowledge and consent of Seelaus, Discount Munibrokers' CFO/Compliance Officer and a supervisor of the traders. The Discount Munibrokers trader principally handling the bid-wanted auction entered the fake bid into the Firm's trading/bidding software application, using a fake customer number of "666" instead of a legitimate customer number.

For example, on September 9, 2003, a broker-dealer, with the designated customer code 416, submitted a winning bid of \$103.121 per bond for 75,000 Kershaw County, South Carolina bonds in a bid-wanted auction conducted by Discount Munibrokers. Another broker-dealer, with the designated customer code 607, submitted a second place bid of \$101.804 per bond, which was \$1.317 less than the winning bid. Discount Munibrokers considered this a "loose cover", so one of Discount Munibrokers' traders entered a fake cover bid of \$102.868 under the customer number "666" into the Firm's electronic bid sheet, thus narrowing the gap between the winning bid and the cover bid to a mere \$.25.

Discount Munibrokers used fake cover bids in at least 5,682 bid-wanted auctions conducted between January 1, 2003 and April 30, 2004. Respondent Keck participated in the fraudulent conduct, and knowingly allowed his subordinates to engage in such conduct.

3. Discount Munibrokers And Keck Used Fake Bids to Meet Customer Requirements

Discount Munibrokers also used fake bids to meet the requirement of certain selling broker-dealers that Discount Munibrokers receive a minimum number of bids before executing a sale to the high bidder. At certain firms, traders are not allowed to sell securities through a bid-wanted auction unless the auction generated a minimum number of bids. Keck and others at the firm admitted that fake bids were created sometimes to meet these requirements.

4. Discount Munibrokers And Keck Engaged in Adjusted Trading Scheme

From at least June 2003 through May 2004, Discount Munibrokers engaged in an "adjusted trading" scheme for the benefit of a municipal securities trader at another broker-dealer ("Broker-Dealer A"), and reported these fictitious prices to the market. On certain transactions brokered by Discount Munibrokers, where Broker-Dealer A was selling municipal bonds from its inventory to other broker-dealers, Discount Munibrokers paid Broker-Dealer A proceeds for the sales that were greater than the actual amount paid by the purchasers. On these transactions, Discount Munibrokers absorbed the losses that resulted from the difference between the prices received by Broker-Dealer A and the prices paid by the purchasing broker-dealers. To make up Discount Munibrokers' losses, on other sales made by Broker-Dealer A through the Firm, Broker-Dealer A received proceeds that were less than the actual amount paid by the purchasers. After Discount Munibrokers' commissions on each transaction in the scheme were excluded, the overpayments and underpayments to Broker-Dealer A more or less netted out to zero. In the aggregate, the scheme did not materially affect Broker-Dealer A's profits and losses because its artificial gains

were always offset by artificial losses of roughly the same amount. Keck was aware of the scheme and often approved individual adjusted trades before they were executed.

Discount Munibrokers was able to accomplish this scheme because, as a municipal securities broker's broker, it routinely interposed itself between sellers and buyers on transactions it brokered—buying bonds from selling broker-dealers and then simultaneously selling the bonds to purchasing broker-dealers on a riskless principal basis. Given its interposition on each transaction with Broker-Dealer A, Discount Munibrokers was able to pay Broker-Dealer A prices for the bonds that were different from the prices at which those bonds were being purchased by broker-dealers on the other side of the transactions. Discount Munibrokers reported these artificial prices to the market.

For example, on July 8, 2003, in a bid-wanted auction Discount Munibrokers conducted for 90,000 Sevierville, Tennessee bonds Broker-Dealer A wanted to sell, the high bid (minus commission) that Discount Munibrokers received for Broker-Dealer A's bonds was \$101.568 per bond. However, Broker-Dealer A received \$104.439 per bond from Discount Munibrokers, giving Discount Munibrokers a \$2,590.10 loss on the sale rather than its normal commission of \$125 for a bid-wanted auction of this size. Less than two hours later, Broker-Dealer A paid Discount Munibrokers an artificially high commission of \$2,881 on a sale of 100,000 Montgomery, Alabama bonds to offset Discount Munibrokers' earlier loss. The high bid (minus commission) on the second sale was \$109.074 per bond, but Discount Munibrokers only paid Broker-Dealer A \$106.318 per bond. The Firm's average net commission on these offsetting trades was \$290.90, \$165.90 above Discount Munibrokers' published bid-wanted commission schedule for bid-wanted auctions of these sizes. In the aggregate however, Discount Munibrokers' average net commission on July 8, 2003, as a result of its adjusted trading scheme with Broker-Dealer A, was only \$163.53 per trade—close to the range of commissions the Firm generally charged.

5. Discount Munibrokers, Keck and Seelaus Failed Reasonably to Supervise the Firm's Traders

Discount Munibrokers, Keck and Seelaus failed reasonably to supervise the Firm's traders to prevent and detect the violative conduct by the firm's traders. Keck and Seelaus also condoned and participated in the conduct. The Firm only had approximately ten traders, who worked at a single trading desk (one trader worked from home on a part time basis). Keck and Seelaus were generally aware of everything that occurred at the Firm and, in fact, signed off on the conduct described above.

Additionally, Discount Munibrokers, Keck and Seelaus failed to establish reasonable policies and procedures or a system to implement these procedures reasonably designed to prevent and detect its traders' violative conduct. Specifically, the Firm's procedures failed reasonably to describe the responsibilities and activities of the traders with respect to the Firm's municipal securities business, and, in particular, the conduct of the auctions.

6. Discount Munibrokers Failed to Properly Retain Certain Books and Records

Discount Munibrokers received bids and conducted business by facsimile, but failed to retain the facsimiles. The facsimiles that were not retained contained information directly related to Discount Munibrokers' municipal securities business.

IV.

VIOLATIONS

As a result of the conduct described above, the Commission finds that:

Discount Munibrokers willfully violated (i) Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder, in that it, used devices, schemes or artifice to defraud various persons and engaged in acts, practices and a course of business which operated as a fraud or deceit upon various persons by making untrue statements of material fact and omitting to state material facts "in connection with the purchase or sale of securities", (ii) Section 15(c)(1)(A) of the Exchange Act as defined in Rule 15c1-2, in that it, while acting as a broker-dealer, effected transactions in the purchase and sale of securities by means of manipulative, deceptive, and other fraudulent devices or contrivances¹, (iii) Section 15B(c)(1) of the Exchange Act, in that it, while acting as a broker-dealer or municipal securities dealer, used the mails or interstate commerce "to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any municipal securities in contravention of any rule" of the MSRB and, (iv) MSRB Rule G-17, in that it, while acting as a broker-dealer or municipal securities dealer, dealt unfairly with persons and engaged in a "deceptive, dishonest, or unfair practice." Specifically, Discount Munibrokers disseminated fake cover bids to high bidders in auctions it conducted in an effort to convince the high bidders that the auctions they won were more competitive than they really were. Discount Munibrokers also used fake bids to meet minimum bid requirements imposed by certain broker-dealers attempting to sell securities through the bid-wanted auction process. By giving the appearance that Discount Munibrokers was conducting municipal bond auctions with tighter spreads between the winning bids and cover bids and by creating the illusion of additional interest in the bonds they were auctioning, Discount Munibrokers deceived its customers. Discount Munibrokers also reported deceptive prices to the market through its participation in an adjusted trading scheme, in violation of Section 10(b) and Rule 10b-5 promulgated thereunder.

Discount Munibrokers willfully violated MSRB Rule G-13, in that it, while acting as a broker-dealer or municipal securities dealer, caused to be distributed or published,² a quotation³

¹ Rule 15c1-2 under the Exchange Act provides that the term "manipulative, deceptive or other fraudulent device or contrivance," as used in Section 15(c)(1)(A) of the Exchange Act, is defined to include "any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person."

² MSRB Rule G-13(a) defines the terms "distributed" or "published" as "the dissemination of quotations by any means of communication."

³ MSRB Rule G-13(a) defines the term "quotation" as any bid for, or offer of, municipal securities, or any request for bids for or offers of municipal securities, including indications of a "bid-wanted" or "offer-wanted."

relating to municipal securities which did not represent a bona fide bid for, or offer of, municipal securities by such broker, dealer or municipal securities dealer. MSRB Rule G-13 states that a quotation shall be deemed to represent a “bona fide bid for, or offer of, municipal securities” if the broker, dealer, or municipal securities dealer making the quotation is prepared to purchase or sell the security which is the subject of the quotation at the price stated in the quotation and under such conditions, if any, as are specified at the time the quotation is made. Specifically, Discount Munibrokers placed fake bids on municipal bonds without the intent of ever purchasing the bonds. Because the fake bids were placed without the intent of purchasing the bond the bids were not “bona fide bids for” municipal securities, as defined by MSRB Rule G-13. Some Discount Munibrokers traders communicated bids that were not bona fide to both the selling broker-dealers and bidding broker-dealers, and therefore Discount Munibrokers willfully violated MSRB Rule G-13.

Discount Munibrokers willfully violated MSRB Rule G-14, in that it, while acting as a broker-dealer or municipal securities dealer, distributed or published or caused to be distributed or published,⁴ fictitious reports of a purchase or sale of municipal securities in “furtherance of a fraudulent, deceptive or manipulative purpose.” Specifically, Discount Munibrokers knew that the adjusted trades with Broker-Dealer A were being executed to further a fraudulent scheme. Discount Munibrokers also knew that the trades were being reported at the artificial sales prices. Because it reported the fraudulent adjusted trades at the bogus prices, Discount Munibrokers violated MSRB Rule G-14.

Discount Munibrokers willfully violated Section 17(a) of the Exchange Act, Exchange Act Rule 17a-4 and MSRB Rules G-8 and G-9, by failing to maintain originals of all communications received and copies of all communications relating to its business as such for a period of not less than three years. Specifically, Discount Munibrokers failed to retain facsimiles relating to its business for three years as required pursuant to Exchange Act Rule 17a-4 and MSRB Rules G-8 and G-9.

MSRB Rule G-27(a) requires each broker, dealer and municipal securities dealer to supervise the conduct of its municipal securities business and the municipal securities activities of its associated persons to ensure compliance with MRSB rules as well as the applicable provisions of the Exchange Act and the rules promulgated thereunder. MSRB Rule G-27(c) requires each broker, dealer and municipal securities dealer to adopt, maintain and enforce written supervisory procedures reasonably designed to ensure compliance with the same rules and Exchange Act provisions.

Discount Munibrokers, Keck and Seelaus failed reasonably to supervise Discount Munibrokers’ traders pursuant to Section 15(b)(4)(E) of the Exchange Act with a view towards preventing and detecting the traders’ conduct, which aided and abetted and caused Discount Munibrokers’ violations of Sections 15(c)(1)(A), 15B(c)(1) and 17(a) of the Exchange Act and

⁴ MSRB Rule G-14(a) defines the terms “distributed” or “published” as “the dissemination of a report by any means of communication.”

Rule 17a-4(b) promulgated thereunder and MSRB Rules G-13, G-14 and G-17. In the case of Discount Munibrokers, its failure to supervise constituted a violation of MSRB Rule G-27(a). Discount Munibrokers also violated MSRB Rule G-27(c) which requires the adoption, maintenance and enforcement of written supervisory procedures reasonably designed to ensure compliance with the applicable rules. Keck and Seelaus, on behalf of Discount Munibrokers, failed to establish reasonable procedures for ensuring that the Firm's bid-wanted auctions were being conducted in compliance with the federal securities laws. Rather, Keck and Seelaus both knowingly allowed violations of the antifraud, trade reporting and books and records provisions of the federal securities laws and the MSRB's rules. Nor did Keck or Seelaus establish procedures, written or otherwise, to prevent fraudulent adjusted trading. Again, Keck and Seelaus allowed such conduct to go on at their Firm. By his complicity in the Firm's misconduct, Keck aided and abetted and caused the Firm's violations of MSRB Rule G-27.

Keck willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder. Moreover, Keck willfully aided and abetted and caused Discount Munibrokers' violations of Sections 15(c)(1)(A), 15(B)(c)(1) and 17(a) of the Exchange Act and Rule 17a-4 promulgated thereunder and MSRB Rules G-8, G-9, G-13, G-14, and G-17. As the primary supervisor of the trading desk, Keck was aware of and approved the use of fake bids to decrease the spread between winning bids and relatively low cover bids. He also knew that when a trader placed a bid on behalf of the Firm, there was no intent to purchase the bonds and that the trader would not disclose the true nature of the bid to the buyers and sellers of the bonds. Keck also endorsed and encouraged the Firm's practice of engaging in adjusted trades with Broker-Dealer A. Finally, Keck was responsible for overseeing whether the Firm maintained all communications relating to its business. Keck, however, failed to carry out this duty by not establishing and enforcing adequate procedures for maintaining facsimiles relating to Discount Munibrokers' business.

In determining to accept the Offer, the Commission considered cooperation afforded the Commission staff.

V.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondents' Offers.

Accordingly, it is hereby ORDERED that:

- A. Pursuant to Sections 15(b) and 15B(c) and of the Exchange Act, Discount Munibrokers' broker-dealer registration be, and hereby is, revoked.
- B. Pursuant to Section 21C of the Exchange Act, Keck shall cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

- C. Pursuant to Section 21C of the Exchange Act, Keck shall cease and desist from causing any violations and any future violations of Sections 15(c)(1)(A) and 17(a) of the Exchange Act and Rule 17a-4 promulgated thereunder.
- D. Pursuant to Section 21C of the Exchange Act, Keck shall cease and desist from causing any violations and any future violations of Section 15B(c)(1) of the Exchange Act, including (1) failing to deal fairly with all persons and not engage in any deceptive, dishonest or unfair practice under MSRB Rule G-17, (2) failing to make and keep current certain books and records under MSRB Rules G-8 and G-9, (3) failing to distribute or publish, a quotation relating to municipal securities which represents a bona fide bid for, or offer of, municipal securities under MSRB G-13, (4) failing to distribute or publish, accurate reports relating to municipal securities under MSRB G-14 and (5) failing to supervise the conduct of the Firm's associated persons to ensure compliance with the MSRB rules under MSRB G-27.
- E. Keck shall pay a civil money penalty in the amount \$15,000 within 15 days of entry of this Order. Payments of civil money penalty shall be : (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under a cover letter that identifies the Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Fredric D. Firestone, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., N.E., Washington, DC 20549.
- F. Pursuant to Sections 15(b)(6) and 15B(c)(4) of the Exchange Act, Keck be, and hereby is barred from association with any broker or dealer or municipal securities dealer with the right to reapply for association after one year to the appropriate self-regulatory organization, or if there is none, to the Commission. Any reapplication for association by Keck will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against Keck, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.
- G. Pursuant to Sections 15(b)(6) and 15B(c)(4) of the Exchange Act, Keck be, and hereby is barred from association with a broker or dealer or municipal securities dealer in a supervisory capacity with the right to reapply for association after five years to the appropriate self-regulatory organization, or if there is none, to the Commission. Any reapplication for association by Keck will be subject to the applicable laws and regulations

governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against Keck, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

- H. Pursuant to Sections 15(b)(6) and 15B(c)(4) of the Exchange Act, Seelaus be, and hereby is barred from association with a broker or dealer or municipal securities dealer in a supervisory capacity with the right to reapply for association after five years to the appropriate self-regulatory organization, or if there is none, to the Commission. Any reapplication for association by Seelaus will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against Seelaus, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Nancy M. Morris
Secretary