Robert J. Peacock
[redacted]

VIA US Mail and email

March 13, 2007

Chairman Christopher Cox and the Commissioners Campos, Nazareth, Casey and Adkins
United States Securities and Exchange Commission
100 F Street, NE
Washington, D.C.20549

Re: Providing Relief and Damage Reimbursement to Victims of Violations
NYSE Specialists Violations

Dear Chairman Cox and Commissioners Campos, Nazareth, Casey, and Atkins:

For your consideration, please find attached a proposed order modifying the Distribution Plan for the SEC Specialist Settlement Fund ("the Plan"). The concept of the proposed modification is borrowed from Congress' response to the attacks on the World Trade Center and on the Pentagon. Aspiring to reduce lawsuits, Congress found a single man, Kenneth R. Feinberg, qualified to compensate families victimized by the 9/11 terrorist attacks.

Similarly, what I suggest is that Heffler, the Fund's administrator, works together with the SEC's Office of Administrative Law Judges to consider and approve requests for relief and reimbursement of damages from victims of the violations. I believe the relief and reimbursement mechanism in the proposed modification could be used to settle the outstanding class action lawsuit now before Judge Robert W. Sweet in the Southern District of New York, the Sea Carriers vs. Empire litigation, and all other outstanding lawsuits against the NYSE Specialists....

I request a meeting with all of you as soon as possible to discuss this proposal, as well as to discuss my February 12, 2007, submission to the Commission, Summary of Damage Claims and Customer Complaints. Thank you for your urgent consideration in this matter.

Sincerely yours,

Robert J. Peacock
Special Victim of the Violations

cc: Brenda P. Murray, Chief Administrative Law Judge
Ed Sincavage and Ron Bertino, Heffler, the Fund Administrators
The Honorable Robert W. Sweet, United States District Judge, S.D.N.Y.
David Rosenfeld, David Markowitz, and Sanjay Wadhwa, SEC, New York

Tel: 908-273-7539 email: robertpeacock1@yahoo.com

THIS IS NOT AN ORDER ISSSUED BY THE SECURITIES AND EXCHANGE COMMISSION. IT IS A DRAFT ORDER SUBMITTED BY ROBERT J. PEACOCK.

In the Matters of

Bear Wagner Specialists LLC
Admin. Proc, File No. 3-11445 Fleet
Specialist, Inc.
Admin. Proc. File No. 3-11446
LaBranche & Co. LLC
Admin. Proc. File No. 3-11447 Spear, Leeds
& Kellogg Specialists LLC
Admin. Proc, File No. 3-11448 Van der
Moolen Specialists USA, LLC
Admin. Proe, File No. 3-11449
Performance Specialist Group LLC
Admin. Proc. File No. 3-11558 SIG
Specialists, Inc.
Admin. Proc, File No. 3-11559

Respondents.

I.

FACTS

1. In March and July 2004, the Commission entered into settlements with the seven specialist firms operating on the New York Stock Exchange. The Commission's orders (Securities Exchange Act Release Nos. 49498 -49502 and Nos. 50075 - 50076) (the "Settlement Orders") provided, among other things, for payment of disgorgement and civil penalties totaling, in the aggregate, over $247 million. The Settlement Orders further provided that the disgorgement and civil penalties were to be placed in Fair Funds to be distributed pursuant to a distribution plan (the "Plan") drawn up by a fund administrator. Heffler. Radetich & Saitta I.L.P, ("Heffler") was appointed the fund administrator in October 2004.

2. On March 30, 2004, the Commission, in release no. 2004-42, stated the settlement with five of the seven NYSE specialists firm included, ***"$87,735,635 in civil penalties, which, under the Sarbanes-Oxley Act of 2002, may be distributed to victims in SEC enforcement actions."*** [see page 2 of the release, the first full paragraph. This statement is consistent with Section 308.(a) of the Sarbanes-Oxley Act of 2002].

3. On December 27, 2005, the Commission published an opportunity for the public to comment on the use of the Fund's surplus, estimated at that time to be $50-70 million. In January, 2006, the Commission received a total of eight public comments. Five of the eight commentators, indicated they had suffered damages over and above the actual disgorgement amounts.

4. During 2006 and most recently on February 12, 2007, the Commission and Heffler have received requests for emergency relief and reimbursement of damages from Robert Peacock, a former independent contractor and trader for Sea Carriers of Greenwich, Connecticut. Supporting his requests for emergency relief and damage reimbursement, Mr. Peacock provided extensive documentation supporting his claim that he is a ***special victim*** of the violations. After review of his requests for emergency relief and reimbursement of damages, along with the supporting documentation, the Commission has determined that Mr. Peacock is a victim of the violations.

II.

In view of the foregoing, it is ORDERED that:

1. Effective immediately, and consistent with Section 308.(a) of the Sarbanes-Oxley Act of 2002, the May 2006 Order and the Plan are hereby modified and expanded to provide relief and reimbursement of damages to "***victims of the violations***". Such relief and reimbursement of damages shall be funded from the surplus in the SEC Specialist Settlement Fund, such surplus being comprised of civil penalty amounts. Additional disgorgement, prejudgment interest, civil penalties, and other remedial relief will be added to the SEC Specialist Settlement Fund as Administrative Proceeding File No. 3-11893 and/or other additional Administrative Proceedings are concluded.

2. The SEC Representative is hereby authorized to approve and to instruct Heffler to pay emergency relief and damage reimbursement in the amount of $________ to Robert J. Peacock, former independent contractor and trader for Sea Carriers of Greenwich, Connecticut.

3. **Individual or institutions who believe they are *Victims of the Violations* may submit requests for relief and damage reimbursement to Heffler via email to rbertino@heffler.com. Alternatively, such requests can be sent by mail to:**

   Mr. Ronald Bertino
   Heffler, Radetich & Saitta, L.L.P.
   1515 Market Street, Suite 1700
   Philadelphia, PA 19102

   To facilitate evaluation and processing of such requests, the Commission suggests the following format:

   a. Date of request,
   b. Name, Address, of person or institution making the request, and preferred contact method (email address (preferred), phone, mail…),
   c. One page summary of the nature of the claim and damages suffered,
   d. Additional documentation supporting request.

   The Commission is sensitive of the potential material costs to victims associated with retaining legal counsel to pursue requests for relief and damage reimbursement. The Commission therefore encourages those who believe they are victims of the violations to consider first pursing requests without counsel, submitting requests in their own words. Victims of the violations always have the option to retain counsel at a later point in this process if need be.

4. In a timely manner, Heffler shall evaluate each request and submit a written recommendation to the Commission regarding its evaluation and suggested settlement amount, if any. Such evaluations and recommendations for settlement amounts shall be forwarded to the Commission's Office of Administrative Law Judges for consideration and for determination of final settlement amounts.