

BLACK & COMPANY

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U.S. Securities and Exchange Commission
San Francisco District Office
44 Montgomery Street, Suite 1100
San Francisco, CA 94101

Attn: Mr. John J. Bruns, Chief
Broker-Dealer Examinations



Re: SEC File Number 8-07602

Dear Mr. Bruns:

The two mission critical computer systems that were referenced in your letter of October 22nd 1999, are now Y2K compliant. All systems mission critical to Black & Company, Inc. are Y2K compliant.

Patches were applied to the Brass server by Brass personnel on September 23rd 1999. The Brass router was replaced on October 15th 1999. Testing of these systems and their components was successfully completed on October 30th, 1999. Copies of the Brass scripts and results of the testing are herewith attached.

Blak 2, our gateway to Pershing, had a component which was not Y2K compliant. This component, the motherboard, was replaced on October 30th 1999, with a new motherboard that is Y2K compliant. In addition, all required Y2K patches were applied to the network operating system and all software loaded on to it. In addition, to bring the entire Pershing system into compliance it was necessary to replace the emulation software needed on the workstations. The installation of this software was done on approximately October 12th 1999.

Testing of the Pershing system has begun successfully. The testing schedule established by Pershing involves repeated testing over a ten day period starting November 1st 1999, ending November 12th. Each day of testing uses a different theoretical day. For example, testing done on Wednesday November 3rd 1999, uses a theoretical calendar date of December 29th 1999. This was the first date with a settlement date of January 3rd 2000, for trades with a normal three business day settlement. Option trades entered with this test reflected the correct settlement date of December 30th 1999. Testing done on November 4th 1999 used a theoretical calendar date of December 30th 1999, with the corresponding settlement date of January 4th 2000, for trades with a three business day settlement.

The Pershing test protocol does not provide any pass or fail certification. Rather the proof is online in the Pershing system where the previous days' transactions are reflected.

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We have printed out the tests performed on November 3rd & 4th which correctly reflect transactions settling in the year 2000. Copies of these printouts are herewith attached and we believe prove that our systems are in fact Y2K compliant. We will of course continue testing throughout the ten business day cycle and will forward to you the printed results as a follow up to this letter.



We are also submitting for your review and confidence copies of Y2K certifications from all vendors and service providers on whom Black & Company relies.

Sincerely,

Frank J. Niezgoda
Chief Operating Officer

CC: Ms. Rosalind Tyson
Associate Regional Director
Securities and Exchange Commission
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Mr. Justin Milne
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Enclosures