

# HSE

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October 12, 1999

Division of Market Regulation  
U.S. Securities and Exchange Commission  
450 Fifth St, NW  
Washington, DC 20549-1002  
Attention: Y2K compliance

Dear Sirs,

Pursuant to rule 15b7-3T(e)(2), I am hereby submitting to the Commission our current status with regard to our previously reported year 2000 problem.

As outlined in our letter dated August 31, 1999, we have installed and tested a software system designed by United Data Systems. Installation was completed ahead of schedule, on September 15, 1999, and has been running parallel to our current system since that date. All testing has been completed without incident.

Accordingly, as called for in rule 15b7-3T(e)(2):

1. We have replaced a noncompliant clearing and back office accounting system with one that has been certified compliant, specifically the United Data System.
2. Testing of the new system has been successfully completed.
3. Based on inquiries and the best of our knowledge, we have resolved all Year 2000 problems in our mission critical systems which could impair our ability to ensure prompt and accurate processing of securities transactions, including order entry, execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, or the delivery of funds and securities.

Yours truly,



Richard Funke  
President

cc: NASD Washington Office  
NASD Chicago Office

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