April 30, 1992

The Honorable Richard C. Breeden
Chairman
Securities and Exchange Commission
450 5th St., N.W.
Washington, D.C. 20549

Dear Sir:

On behalf of the Board of Directors I submit herewith the Twenty-first Annual Report of the Securities Investor Protection Corporation pursuant to the provisions of Section 11(c)(2) of the Securities Investor Protection Act of 1970.

Respectfully,

James G. Stearns
Chairman
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"SIPC shall not be an agency or establishment of the United States Government... SIPC shall be a membership corporation the members of which shall be all persons registered as brokers or dealers...

—Securities Investor Protection Act of 1970 Sec. 3(a)(1)(A) & (2)(A)

*Except those engaged exclusively in the distribution of mutual fund shares, the sale of variable annuities, the insurance business, furnishing investment advice to investment companies or insurance company separate accounts, and those whose principal business is conducted outside the United States. Also excluded are government securities brokers and dealers who are registered as such under section 15C(a)(1)(A) of the Securities Exchange Act of 1934."
SIPC begins 1992 in the strongest financial position in our history. At the end of the year, the SIPC Fund balance was over $678 million, and SIPC had two major achievements in 1991 designed to assure that we have the resources to promote investor confidence and to protect customers of SIPC members in the future.

The SIPC Board of Directors' decision to build the SIPC Fund to $1 billion was implemented by the adoption in September of a new bylaw on assessments which will bring the SIPC Fund to the target balance of $1 billion by April 1, 1997. SIPC will also substantially increase its available resources through an increase in its line of credit with a consortium of banks to $1 billion. The confirmed line of credit of $1 billion, twice the previous amount, will be in place in the second quarter of 1992.

The innovative approach to assessments taken in the new assessment bylaw was the result of the recommendations of the Task Force on Assessments appointed by the SIPC board to evaluate and develop recommendations on the assessment structure in order to build the SIPC Fund to $1 billion. The Task Force was composed of a distinguished group of industry, government, and self-regulatory organization representatives. The Task Force recommended planned, steady growth by setting the assessment rate for each year based on projections of SIPC’s expenses, interest income, industry earnings, and other relevant factors. The assessment rate will be set so as to achieve an annual fund growth of ten percent.

The modest rate of customer protection proceedings seen in recent years continued in 1991. In the year, SIPC was called upon to act to protect customers of only eight small members in six states across the nation. Three of those members met the criteria for SIPC to act as trustee and one was an “out-of-court” direct payment proceeding.

In May, John H. “Hank” Moelter, Senior Vice President, retired after 18 years of service at SIPC. Hank brought to SIPC a uniquely valuable combination of talents, common sense, accounting and finance expertise, and industry experience. We will miss Hank, but SIPC will continue to benefit from his many contributions to the SIPC program.

James G. Stearns
Chairman
Overview of SIPC

The Securities Investor Protection Corporation (SIPC) had its origins in the difficult years of 1968-70, when the paperwork crunch, brought on by unexpectedly high trading volume, was followed by a very severe decline in stock prices. Hundreds of broker-dealers were merged, acquired or simply went out of business. Some were unable to meet their obligations to customers and went bankrupt. Public confidence in our securities markets was in jeopardy.

Congress acted swiftly, passing the Securities Investor Protection Act of 1970 (SIPA). Its purpose is to afford certain protections against financial loss to customers of broker-dealers which fail and, thereby, promote investor confidence in the nation's securities markets. Currently, the limits of protection are $500,000 per customer, except that claims for cash are limited to $100,000 per customer.

SIPC is a nonprofit, membership corporation. Its members are, with some exceptions, all persons registered as brokers or dealers under Section 15(b) of the Securities Exchange Act of 1934 and all persons who are members of a national securities exchange.*

A board of seven directors determines policies and governs operations. Five directors are appointed by the President of the United States, subject to Senate approval. Three of the five represent the securities industry and two are from the general public. One director is appointed by the Secretary of the Treasury and one by the Federal Reserve Board from among the officers and employees of those organizations. The Chairman, who is the Corporation's chief executive officer, and the Vice-Chairman are designated by the President from the public directors.

The self-regulatory organization—the exchanges and the National Association of Securities Dealers, Inc.—and the Securities and Exchange Commission (SEC) report to SIPC concerning member broker-dealers who are in or approaching financial difficulty. If SIPC determines that the customers of a member require the protection afforded by the Act, the Corporation initiates steps to commence a customer protection proceeding. This requires that SIPC apply to a Federal District Court for the appointment of a trustee to carry out a liquidation. Under certain circumstances, SIPC may pay customer claims directly.

The SIPC staff, numbering 33, initiates the steps leading to the liquidation of a member, advises the trustee, his counsel and accountants, reviews claims, audits distributions of property, and carries out other activities pertaining to the Corporation's purpose. In cases where the court appoints SIPC or a SIPC employee as Trustee and in direct payment proceedings, the staff responsibilities and functions are all encompassing—from taking control of customers' and members' assets to satisfying valid customer claims and accounting for the handling of all assets and liabilities.

The resources required to protect customers beyond those available from the property in the possession of the trustee for the failed broker-dealer are advanced by SIPC. The sources of money for the SIPC Fund are assessments collected from SIPC members and interest on investments in United States Government securities. As a supplement to the SIPC Fund, a revolving line of credit was obtained from a consortium of banks. In addition, if the need arises, the SEC has the authority to lend SIPC up to $1 billion, which in turn, would be borrowed from the United States Treasury.

Further information about the provisions for customer account protection is contained in a booklet, “How SIPC Protects You,” which is available in bulk from the Securities Industry Association, 120 Broadway, New York, NY 10271, and from the National Association of Securities Dealers, Inc., Book Order Department, P.O. Box 9403, Gaithersburg, MD 20898-9403.
Directors

JAMES G. STEARNS
Chairman

THOMAS J. HEALEY
Partner
Goldman Sachs & Co.

JESSE D. WINZENRIED
Vice Chairman

FRANK G. ZARB
Chairman &
Chief Executive Officer
Smith Barney, Harris
Upham & Co., Inc.

GEORGE H. PFUA, JR.
Senior Vice President
PaineWebber Incorporated

MICHAEL J. PRELL
Director, Division of Research and
Statistics
Board of Governors of the Federal
Reserve System

THEODORE H. FOCHT
President & General Counsel

Michael E. Don
Deputy General Counsel & Secretary

Joseph F. Marino
Vice President—Operations & Finance
Customer Protection Proceedings

"An Act to provide greater protection for customers of registered brokers and dealers and members of national securities exchanges."

—Preamble to SIPA

Customer protection proceedings were initiated for eight SIPC members in 1991, bringing the total since SIPC’s inception to 228 proceedings commenced under SIPA. The 228 members represent less than 1 percent of the approximately 28,800 broker-dealers that have been SIPC members during the last 21 years. Currently, SIPC has 8,153 members.

The eight new cases compare with eight commenced in 1990. Over the last ten-year period, the annual average of new cases was eight.

Trustees other than SIPC were appointed in four of the cases commenced during the year. SIPC serves as trustee in three cases and the other case is a direct payment proceeding. SIPC members for which customer protection proceedings were undertaken are:

<table>
<thead>
<tr>
<th>Member</th>
<th>Date Trustee Appointed</th>
</tr>
</thead>
<tbody>
<tr>
<td>John M. Sorenson &amp; Co., Inc.</td>
<td>1/22/91</td>
</tr>
<tr>
<td>Faitos &amp; Co., Inc.</td>
<td>2/27/91</td>
</tr>
<tr>
<td>Gateway Securities, Inc.</td>
<td>4/23/91</td>
</tr>
<tr>
<td>C. J. Wright &amp; Company, Inc.</td>
<td>4/24/91</td>
</tr>
<tr>
<td>Pilgrim Planning Associates, Inc.</td>
<td>5/23/91</td>
</tr>
<tr>
<td>Affiliated Security Brokers, Inc.</td>
<td>9/12/91</td>
</tr>
<tr>
<td>T. L. Reed Securities, Inc.</td>
<td>10/08/91</td>
</tr>
<tr>
<td>Cooper-Daher Securities, Inc.</td>
<td>9/13/91*</td>
</tr>
<tr>
<td>Gateway Securities, Inc.</td>
<td>4/23/91</td>
</tr>
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<td>4/23/91</td>
</tr>
<tr>
<td>C. J. Wright &amp; Company, Inc.</td>
<td>4/24/91</td>
</tr>
<tr>
<td>Pilgrim Planning Associates, Inc.</td>
<td>5/23/91</td>
</tr>
<tr>
<td>Affiliated Security Brokers, Inc.</td>
<td>9/12/91</td>
</tr>
<tr>
<td>T. L. Reed Securities, Inc.</td>
<td>10/08/91</td>
</tr>
<tr>
<td>Cooper-Daher Securities, Inc.</td>
<td>9/13/91*</td>
</tr>
</tbody>
</table>

*Date notice published

Of the 228 proceedings begun under SIPA to date, 183 have been completed, 37 involve pending litigation matters, and claims in 8 are being processed (See Figure I and Appendix II).

During SIPA’s twenty-one year history, cash and securities distributed for accounts of customers aggregated approximately $1.8 billion. Of that amount, approximately $1.6 billion came from debtors’ estates and $174 million came from the SIPC Fund (See Appendix I).

Claims over the Limits

Of the more than 329,000+ claims satisfied as of December 31, 1991, a total of 292 were for cash and securities whose value was greater than the limits of protection afforded by SIPA.

The 292 claims, a net decrease of one during 1991, represent less than one-tenth of one percent of all claims satisfied. The unsatisfied portion of claims, $21.2 million, decreased approximately $3.3 million during 1991. These remaining claims approximate one percent of the total value of securities and cash distributed for accounts of customers.

FIGURE I

Status of Customer Protection Proceedings

December 31, 1991

Year proceeding commenced

- Customer claims being processed (8)
- Customer claims satisfied, litigation matters pending (37)
- Proceedings completed (183)

*Adjusted from reporting in prior years.
SIPC Fund Advances

Table I shows that the 43 debtors for which net advances from the SIPC Fund of more than $1 million have been made accounted for 84 percent of the total advanced in all 228 customer protection proceedings. The largest net advance in a single liquidation is $31.7 million for Bell & Beckwith. This exceeds the net advances in the 162 smallest proceedings combined.

In eleven proceedings SIPC advanced $130.9 million, or 55 percent of net advances from the SIPC Fund for all proceedings.

TABLE I
Net Advances from the SIPC Fund
December 31, 1991
228 Customer Protection Proceedings

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Number of Proceedings</th>
<th>Amounts Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000,001</td>
<td>$10,000,000</td>
<td>4</td>
<td>$86,460,265</td>
</tr>
<tr>
<td>5,000,001</td>
<td>10,000,000</td>
<td>7</td>
<td>44,437,901</td>
</tr>
<tr>
<td>1,000,001</td>
<td>5,000,000</td>
<td>32</td>
<td>67,264,858</td>
</tr>
<tr>
<td>500,001</td>
<td>1,000,000</td>
<td>23</td>
<td>16,346,979</td>
</tr>
<tr>
<td>250,001</td>
<td>500,000</td>
<td>33</td>
<td>11,034,085</td>
</tr>
<tr>
<td>100,001</td>
<td>250,000</td>
<td>50</td>
<td>8,134,016</td>
</tr>
<tr>
<td>50,001</td>
<td>100,000</td>
<td>38</td>
<td>2,725,418</td>
</tr>
<tr>
<td>25,001</td>
<td>50,000</td>
<td>19</td>
<td>701,200</td>
</tr>
<tr>
<td>10,001</td>
<td>25,000</td>
<td>8</td>
<td>115,547</td>
</tr>
<tr>
<td>0</td>
<td>10,000</td>
<td>10</td>
<td>36,089</td>
</tr>
<tr>
<td>Net recovery</td>
<td>4</td>
<td>(1,489,599)*</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$235,866,759*</td>
</tr>
</tbody>
</table>

*Recovery of assets and appreciation of debtors' investments after the filing date enabled the trustee to repay SIPC its advances plus interest.
*Consists of advances for accounts of customers ($174,834,104) and for administration expenses ($61,032,655).

Administration

In January, 1991, President Bush nominated George H. Pfau, Jr., Senior Vice President, PaineWebber Incorporated, to serve as a SIPC director. After confirmation by the Senate, Mr. Pfau joined our board of directors as one of its industry members. Mr. Pfau has been associated with PaineWebber in its San Francisco office since 1978.

In May, 1991, J. H. "Hank" Moelter retired after eighteen years of loyal service to the corporation. At the time of his retirement Hank was serving as SIPC's Senior Vice President. Throughout his years with us he had assumed leadership roles in our Operations group. His knowledge and expertise were invaluable in developing and shaping the financial aspects of our work involving the liquidation proceedings of SIPC members.
**Membership and the SIPC Fund**

"SIPC shall . . . impose upon its members such assessments as, after consultation with self-regulatory organizations, SIPC may deem necessary . . ."

—SIPA, Sec. 4(c)2

The net decrease of 1,805 members during the year brought the total membership to 8,153 at December 31, 1991. Table II shows the members’ affiliation for purposes of assessment collection, as well as the year’s changes therein.

### TABLE II

<table>
<thead>
<tr>
<th>Agents for Collection of SIPC Assessments</th>
<th>Year Ended December 31, 1991</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>National Association of Securities Dealers, Inc.</td>
<td>4,414</td>
</tr>
<tr>
<td>SIPC(b)</td>
<td>422(c)</td>
</tr>
<tr>
<td>Chicago Board Options Exchange Incorporated</td>
<td>1,317</td>
</tr>
<tr>
<td>New York Stock Exchange, Inc.</td>
<td>710</td>
</tr>
<tr>
<td>American Stock Exchange, Inc.</td>
<td>456</td>
</tr>
<tr>
<td>Pacific Stock Exchange, Inc.</td>
<td>257</td>
</tr>
<tr>
<td>Philadelphia Stock Exchange, Inc.</td>
<td>151</td>
</tr>
<tr>
<td>Midwest Stock Exchange, Inc.</td>
<td>120</td>
</tr>
<tr>
<td>Boston Stock Exchange, Inc.</td>
<td>19</td>
</tr>
<tr>
<td>Administrative Adjustments</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,153</strong></td>
</tr>
</tbody>
</table>

Notes:

a. The numbers in this category do not reflect transfers of members to successor collection agents that occurred within 1991.

b. SIPC serves as the collection agent for registrants under section 15(b) of the 1934 Act that are not members of any self-regulatory organization. The “SIPC” designation is an extralegal category created by SIPC for internal purposes only. It is a category by default and mirrors the SECO broker-dealer category abolished by the SEC in 1983.

c. This number reflects the temporary status of broker-dealers between the effective date of registration under section 15(b) of the 1934 Act and membership in a self-regulatory organization.

d. This number reflects the temporary status of broker-dealers between the termination of membership in a self-regulatory organization and the effective date of the withdrawal or cancellation of registration under section 15(b) of the 1934 Act.

### Delinquencies

Members who are delinquent in paying assessments receive notices pursuant to SIPA Section 14(a).1 As of December 31, 1991, there were 155 members who were subjects of uncured notices, 131 of which were mailed during 1991, 22 during 1990 and one each during 1989 and 1988. Subsequent filings and payments by 12 members left 143 notices uncured. SIPC has been advised by the SEC staff that: (a) 26 member registrations have been cancelled or are being withdrawn; (b) 24 are no longer engaged in the securities business and cancellations of their registrations have been or are being recommended; (c) 3 are expected to cure their delinquencies; and (d) 90 are being contacted by its regional offices or the affected examining authorities.

### SIPC Fund

The SIPC Fund, consisting of the aggregate of cash and investments in United States Government securities, amounted to $678.8 million at year end, an increase of $110.2 million during the year.

Tables III and IV present principal revenues and expenses for the years 1971 through 1991. The 1991 member assessments were $38.9 million and interest from investments was $47.1 million. During the years 1971 through 1977, 1983 through 1985 and 1989 through 1991, member assessments were based on a percentage of each member’s gross revenue (net operating revenue for 1991) from the securities business.

Appendix III is an analysis of revenues and expenses for the five years ended December 31, 1991.

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14(a) Failure to Pay Assessment, etc.—If a member of SIPC shall fail to file any report or information required pursuant to this Act, or shall fail to pay when due all or any part of an assessment made upon such member pursuant to this Act, and such failure shall not have been cured, by the filing of such report or information or by the making of such payment, together with interest and penalty thereon, within five days after receipt by such member of written notice of such failure given by or on behalf of SIPC, it shall be unlawful for such member, unless specifically authorized by the Commission, to engage in business as a broker or dealer. If such member denies that it owes all or any part of the full amount so specified in such notice, it may after payment of the full amount so specified commence an action against SIPC in the appropriate United States district court to recover the amount it denies owing.
TABLE III
SIPC Revenues for the Twenty-one Years Ended December 31, 1991

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member assessments and contributions:</td>
<td>$567,039,908</td>
</tr>
<tr>
<td>Interest on U.S. Government securities:</td>
<td>$405,525,759</td>
</tr>
</tbody>
</table>

History of Member Assessments*

1971: 1/4 of 1% plus an initial assessment of 1/4 of 1% of 1969 revenues, $150 minimum.
1972-1977: 1/4 of 1%.
January 1-June 30, 1978: 1/4 of 1%.
July 1-December 31, 1978: None.
1989-1990: 1/4 of 1% ($150 minimum).
Fiscal years beginning in 1991: .065% of members' net operating revenues ($150 minimum).

*Rates based on each member's gross revenues (net operating revenues for 1991) from the securities business.

TABLE IV
SIPC Expenses for the Twenty-one Years Ended December 31, 1991

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer protection proceedings:</td>
<td>$257,366,759</td>
</tr>
<tr>
<td>(Includes net advances of $233,866,759 less estimated future recoveries of $3,400,000 and $24,900,000 of estimated costs to complete proceedings.)</td>
<td></td>
</tr>
<tr>
<td>Other expenses:</td>
<td>$62,575,788</td>
</tr>
</tbody>
</table>

* Net recoveries.
During 1991, SIPC and SIPC trustees were actively involved in litigation at both the trial and appellate levels. The more significant matters are summarized below.

In SIPC v. Vigman, No. 90-727 (Sup. Ct.), an action wherein SIPC and trustees for two broker-dealers in liquidation under SIPA alleged numerous violations of the antifraud provisions of the securities laws and of the Racketeer Influenced and Corrupt Organizations Act ("RICO") by various individuals, corporate entities related to them, and seven issuers of securities in which the two broker-dealers made markets, the United States Supreme Court granted the petition for certiorari and thereby invalidated the automatic termination provision in the debtor's securities dealer blanket bond and (ii) the SIPA trustee was entitled to seek coverage for a possible loss under the bond. 111 B.R. 1007 (S.D. Fla. 1990). A decision is pending.

In In re Blinder, Robinson & Co., Inc. (Keller v. Blinder), ___ B.R. ___, 1991 WL 276061 (D. Colo., December 23, 1991), the district court held, among other things, that a claimant who files a customer claim in a SIPA liquidation proceeding waives the right to a jury trial in a related adversary proceeding initiated by the SIPA trustee.

Also, in In re Blinder, Robinson & Co., Inc. (Intercontinental Enterprises, Inc. v. Keller), Civil Action No. 90-K-1670 (D. Colo., July 1, 1991), the district court held that, although the SIPA trustee and his counsel failed the disinterestedness standard of SIPA and although both the trustee and his counsel were not forthright in disclosing the potential problem (representation of a creditor) for independent court review before their appointment, the bankruptcy court's ultimate conclusion that the trustee and his counsel would not be disqualified will be upheld. The district court noted the exigencies of modern legal practice, counsel's subsequent withdrawal from representing the potential creditor, and the fact that the liquidation proceeding had progressed to the point that appointing a new trustee and counsel would be a major disruption.

In In re Investment Bankers, Inc., (Turner v. Davis, Gillenwater & Lynch), Adv. Proc. 82-M-0087 (Bankr. D. Colo., August 9, 1991), the bankruptcy court held the trustee is entitled to prejudgment and postjudgment interest on the amounts set aside by the court as preferential and fraudulent transfers, which included fees paid by the debtor to its attorney to resist the SIPA liquidation petition.

In In re Fitzgerald, DeArman & Roberts, Inc. (Newsome v. Culp), Case No. 88-01859-W (SIPA) (Bankr. N.D. Okla., July 15, 1991), the bankruptcy court applied the D'Oench, Duhme doctrine (i.e., one who signs a facially unqualified note subject to an unwritten and unrecorded condition upon its repayment that is likely to mislead the banking authorities is estopped from asserting want of consideration as a defense) in favor of the SIPA trustee and granted judgment to the trustee on a note against a person who issued the note in a scheme to mislead securities regulators about the debtor's financial condition.

In In re Waddell Jenmar Securities, Inc., (Steinman v. SIPC), 126 B.R. 935 (Bankr. E.D.N.C. 1991), the bankruptcy court held, among other things (1) that the deposit of an endorsed in blank authorization to draw funds from another broker-dealer, with the debtor's principal, who entered as payee the name not of the debtor but of an entity related to the debtor, was the deposit of cash with the debtor and not with the related entity and the claimant was entitled to receive the cash back; (2) that claimants whose checks were made payable to, and deposited with, an entity related to the debtor for the purpose of purchasing securities are not customers under SIPA because the checks were not deposited with the debtor, even though both entities were controlled by the same individual; and (3) that a claimant failed to meet her burden of proof to reach the special status of "customer" because her check with the notation of "For Stock Market Investments" was "entirely too vague to identify any securities which were to have been purchased" and she did not present any other evidence as to the intended purchase.

In In re Investors Center, Inc., No. 089-0017-21 (Bankr. E.D.N.Y., January 31, 1991), the bankruptcy court held that customer claims which are based on unexecuted sales are limited to the return of the securities when no written confirmation of the sale was sent to the customer. The court stated that SIPC rules "essentially codify prior judicial determinations and were intended by Congress to have the full force and effect of the law."

Also, in In re Investors Center, Inc., 129 B.R. 339 (Bankr. E.D.N.Y. 1991), the bankruptcy court held that a claimant
Disciplinary and Criminal Actions

SIPC routinely forwards to the Securities and Exchange Commission, for possible action under Section 10(b) of SIPA, the names of principals and others associated with members for which SIPC customer protection proceedings have been initiated. Those individuals are also reported to the self-regulatory organization exercising primary examining authority for appropriate action by the organization. Trustees appointed to administer customer protection proceedings and SIPC personnel cooperate with the SEC and with law enforcement authorities in their investigations of possible violations of law.

As a result of SEC and self-regulatory action in 1991, eight persons associated with members subject to SIPC proceedings were barred from association with any broker or dealer.

Criminal and Administrative Actions

Criminal action has been initiated in 85 of the 228 SIPC proceedings commenced since enactment of the Securities Investor Protection Act in December 1970. A total of 200 indictments have been returned in federal or state courts, resulting in 164 convictions to date. As of December 31, 1991, sentencing was pending against 1 person who had been convicted.

Administrative and/or criminal action in 219 of the 228 SIPC customer protection proceedings initiated through December 31, 1991, was accomplished as follows:

<table>
<thead>
<tr>
<th>Action Initiated</th>
<th>Number of Proceedings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joint SEC/Self-Regulatory Action</td>
<td>57</td>
</tr>
<tr>
<td>Exclusive SEC Administrative Action</td>
<td>35</td>
</tr>
<tr>
<td>Exclusive Self-Regulatory Action</td>
<td>42</td>
</tr>
<tr>
<td>Administrative Action</td>
<td>7</td>
</tr>
<tr>
<td>Criminal and Administrative Action</td>
<td>78</td>
</tr>
<tr>
<td>Criminal Action Only</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>219</td>
</tr>
</tbody>
</table>

In the 212 customer protection proceedings in which administrative action has been effected, the following sanctions have been imposed against associated persons:

<table>
<thead>
<tr>
<th>SEC</th>
<th>Self-Regulatory Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice of Suspension</td>
<td>112</td>
</tr>
<tr>
<td>Bar from Association</td>
<td>332</td>
</tr>
<tr>
<td>Fines</td>
<td>Not</td>
</tr>
</tbody>
</table>

Suspensions by self-regulatory authorities ranged from five days to a maximum of ten years. Those imposed by the SEC ranged from five days to a maximum of one year.

Bars against associated persons included exclusion from the securities business as well as bars from association in a principal or supervisory capacity.

The $3,433,800 in fines assessed by self-regulatory authorities were levied against 85 associated persons and ranged from $250 to $450,000.

Members in or Approaching Financial Difficulty

Section 5(a)(1) of SIPA requires the SEC or the self-regulatory organizations to immediately notify SIPC upon discovery of facts which indicate that a broker or dealer subject to their regulation is in or is approaching financial difficulty. The Commission, the securities exchanges and the NASD fulfill this requirement through regulatory procedures which integrate examination and reporting programs with an early-warning procedure for notifying SIPC. The primary objective of those programs is the early identification of members which are in or are approaching financial or operational difficulty and the initiation of remedial action by the regulators necessary to protect the investing public.

Members on Active Referral

SIPC maintained active files on 17 members referred under Section 5(a) during the calendar year 1991. Fourteen referrals were received during the year and 3 active referrals had been carried forward from prior years. Four of the 17 remained on active referral at year-end.

In addition to formal referral of members under Section 5(a), SIPC received periodic reports from the self-regulatory organizations identifying those members which, although not considered to be in or approaching financial difficulty, had failed to meet certain pre-established financial or operational criteria and were under closer-than-normal surveillance.

1Notices of suspension include those issued in conjunction with subsequent bars from association.

had a claim for cash and not for securities, where the claimant received a sale confirmation and that a subsequent unilateral cancellation of the sale by the broker-dealer did not change the nature of the claim.

In In re First Ohio Securities Co., Case No. 590-0072 (Bankr. N.D. Ohio, December 23, 1991), the bankruptcy court held that a claimant had a claim for cash and not for securities where the claimed securities never existed.

In In re Oberweis Securities, Inc. (SIPC v. Oberweis Securities, Inc.), Civil Action No. 90C 3466 and Adv. No. 90A 0486 (Bankr. N.D. Ill., December 31, 1991), the bankruptcy court held that a claimant had a claim for cash but not a claim for dividends where the customer never invested the cash in mutual funds as requested and the customer never received confirmation of the purchase of the mutual funds.

Board of Directors
Securities Investor Protection Corporation

We have audited the accompanying statement of financial condition of Securities Investor Protection Corporation as of December 31, 1991, and the related statements of operations and fund balance and cash flows for the year then ended. These financial statements are the responsibility of the Corporation’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Securities Investor Protection Corporation at December 31, 1991, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Ernst & Young
Washington, D.C.
March 31, 1992
Securities Investor Protection Corporation

Statement of Financial Condition
December 31, 1991

ASSETS
Cash (Net of $187,354 escrowed funds) $ 324,656
Estimated member assessments receivable (Note 3) 4,500,000
U.S. Government securities, at amortized cost and accrued interest receivable ($12,656,023);
(approximate market $702,500,000) 678,444,553
Advances to trustees for customer protection proceedings in progress, less allowance for possible
losses ($141,715,301) (Note 4) 3,400,000
Other 271,465

$686,940,674

LIABILITIES AND FUND BALANCE
Advances to trustees — in process (Note 4) $ 74,936
Accounts payable and accrued expenses (Note 7) 1,342,618
Estimated costs to complete customer protection proceedings in progress (Note 4) 24,900,000
Member assessments received in advance (Note 3) 8,000,000

Commitments (Note 5)

Fund balance 652,623,120

$686,940,674

Statement of Operations and Fund Balance
for the year ended December 31, 1991

Revenues:
Interest on U.S. Government securities $ 47,074,838
Member assessments (Note 3) 38,851,496

85,926,334

Expenses:
Salaries and employee benefits (Note 7) 2,355,831
Legal and accounting fees (Note 4) 484,171
Credit agreement commitment fee (Note 5) 1,050,000
Rent (Note 5) 499,831
Other 768,453

5,158,286

Provision for estimated costs to complete customer protection proceedings in progress (Note 4) 9,861,915

15,020,201

Excess revenues

Fund balance, beginning of year 70,906,133

Fund balance, end of year $652,623,120

See notes to financial statements.
**Securities Investor Protection Corporation**

**Statement of Cash Flows**
for the year ended December 31, 1991

Operating activities:
- Member assessments received $79,551,496
- Interest received from U.S. Government securities 47,378,400
- Advances paid to trustees (15,720,503)
- Recoveries of advances 4,324,039
- Salaries and other operating activities expenses paid (5,007,937)
- Net cash provided by operating activities 110,525,495

Investing activities:
- Proceeds from sales of U.S. Government securities 653,693,350
- Purchases of U.S. Government securities (764,297,488)
- Purchases of furniture and equipment (39,973)
- Net cash used by investing activities (110,644,111)

- Decrease in cash (118,616)
- Cash, beginning of year 443,272
- Cash, end of year $324,656

See notes to financial statements.

**Notes to Financial Statements**

1. **Organization**

The Securities Investor Protection Corporation (SIPC) was created by the Securities Investor Protection Act of 1970 (SIPA), which was enacted on December 30, 1970, primarily for the purpose of providing protection to customers of its members. SIPC is a nonprofit membership corporation and shall have succession until dissolved by an Act of Congress. Its members include all persons registered as brokers or dealers under Section 15(b) of the Securities Exchange Act of 1934 except for those persons excluded under SIPA.

2. **The “SIPC Fund”**

The “SIPC Fund,” as defined by SIPA, consists of cash and U.S. Government securities aggregating $678,769,209.

In the event the SIPC Fund is or may reasonably appear to be insufficient for the purposes of SIPA, the Securities and Exchange Commission is authorized to make loans to SIPC and, in that connection, the Commission is authorized to issue notes or other obligations to the Secretary of the Treasury in an aggregate amount not to exceed $1,000,000,000.

3. **Member assessments**

Effective January 1, 1989, member assessments were at a rate of $\frac{3}{16}$ths of 1% of gross revenues from the securities business, with a $150 minimum. Effective January 1, 1991, for members’ fiscal years beginning in 1991, the assessment rate is .065% of net operating revenues from the securities business or $150, whichever is greater. Assessments received in advance will be applied to future assessments and are not refundable except to terminated members.

4. **Customer protection proceedings**

Customer protection proceedings (proceedings) include liquidations conducted by court appointed trustees and direct payment proceedings conducted by SIPC. There are 45 proceedings in progress at December 31, 1991. Customer claims have been satisfied in 37 of these proceedings and in 8 proceedings customer claims and distributions are being processed.

Advances to trustees represent net amounts disbursed and amounts currently payable for proceedings in progress, less any allowance for possible losses.

Estimated costs to complete proceedings are accrued based upon the costs of completed cases of comparable size and complexity and other costs that can be reasonably estimated. Recoveries are estimated based upon the expected disposition of the debtors’ estates.

SIPC has advanced $145.1 million for proceedings in progress to carry out its statutory obligation to satisfy customer claims and to pay administration expenses. Of this amount, $141.7 million is not expected to be recovered.
The following table summarizes transactions during the year that result from these proceedings:

<table>
<thead>
<tr>
<th>Customer Protection Proceedings</th>
<th>Advances to trustees, less allowance for possible losses</th>
<th>Estimated costs to complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$5,700,000</td>
<td>$28,800,000</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated future recoveries</td>
<td>2,000,000</td>
<td></td>
</tr>
<tr>
<td>Provision for estimated costs to complete proceedings</td>
<td>11,800,716</td>
<td></td>
</tr>
<tr>
<td>Less:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recoveries estimated previously</td>
<td>4,300,000</td>
<td></td>
</tr>
<tr>
<td>Advances to trustees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$3,400,000</td>
<td>$24,900,000</td>
</tr>
</tbody>
</table>

Customer payments and related expenses of direct payment proceedings are recorded as expenses as they are incurred. Legal and accounting fees include fees and expenses of litigation related to proceedings.

These financial statements do not include accountability for assets and liabilities of members being liquidated by SIPC as Trustee. Such accountability is reflected in reports required to be filed with the courts having jurisdiction.

5. Commitments

Future minimum annual rentals for office space under a ten-year lease effective September 1, 1987, at the rate of $404,730 for the first five years and $472,185 thereafter, total $2,631,000. Additional rental based on increases in operating expenses, including real estate taxes, and in the Consumer Price Index, is required by the lease. Rent expense for 1991 totalled $499,831.

A credit agreement effective March 31, 1989, with a consortium of banks provides SIPC with a $500,000,000 revolving line of credit for a three-year period to and including March 31, 1992. Any outstanding borrowing by SIPC at the end of March 1992 must be repaid at a minimum in equal quarterly installments over the succeeding five years. A fee of 1/8th of 1% per annum on the unused portion of the commitment is payable quarterly to the banks. Effective April 1, 1992, SIPC has entered into a new credit agreement with a consortium of banks to provide SIPC with a $1 billion revolving line of credit.

6. Reconciliation of excess revenues with net cash provided by operating activities:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess revenues</td>
<td>$70,906,133</td>
</tr>
<tr>
<td>Decrease in member assessments receivable</td>
<td>32,700,000</td>
</tr>
<tr>
<td>Increase in member assessments received in advance</td>
<td>8,000,000</td>
</tr>
<tr>
<td>Net decrease in estimated costs to complete customer protection proceedings</td>
<td>(3,900,000)</td>
</tr>
<tr>
<td>Net decrease in estimated recoveries of advances to trustees</td>
<td>2,300,000</td>
</tr>
<tr>
<td>Increase in amortized premium on U.S. Government securities</td>
<td>1,126,037</td>
</tr>
<tr>
<td>Increase in accrued interest receivable on U.S. Government securities</td>
<td>(822,475)</td>
</tr>
<tr>
<td>Increase in accounts payable and accrued expenses</td>
<td>109,007</td>
</tr>
<tr>
<td>Other reconciling items</td>
<td>106,793</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>$110,525,495</td>
</tr>
</tbody>
</table>
7. Retirement Plans

SIPC has a noncontributory defined benefit plan and a contributory defined contribution plan which cover all employees. Information regarding these plans, provided in accordance with Statement No. 87 of the Financial Accounting Standards Board, follows:

Defined benefit plan (actuarially determined*):
- Service cost—benefits earned during 1991: $183,264
- Interest accrued on Projected Benefit Obligation: 297,055
- Return on Plan assets: (737,675)
- Net amortization and deferral: 397,781

Net pension expense: 140,425

Defined contribution plan—SIPC contributions (60% of employee contributions, up to 3.6% of salary): 56,379

Total pension expense for 1991: $196,804

*Assumptions used:
1. Discount rate: 8%
2. Expected long-term rate of return: 9%
3. Average compensation increase: 5%
4. Cost of living adjustment: 4%

As of January 1, 1992, the most recent actuarial valuation date, the funded status of the defined benefit plan was:

Present value of benefit obligations:
- Vested: $3,070,541
- Non-vested: 288,234

Effect of projected future salary increases: 3,358,775

Projected Benefit Obligation: 4,251,104
Market value of Plan assets: 4,366,309

Funded Status—Projected Benefit Obligation less than the market value of Plan assets: 115,205
Unrecognized net asset: 280,111

(164,906)

Prepaid pension expense: (7,770)

Unrecognized net loss: $(172,676)

SIPC also has two defined benefit postretirement plans that cover all employees. One plan provides medical and dental insurance benefits and the other provides life insurance benefits. The postretirement health care plan is contributory, with retiree contributions adjusted annually; the life insurance plan is noncontributory.

Information regarding these plans' funded status, provided in accordance with Statement No. 106 of the Financial Accounting Standards Board, follows:

Defined benefit postretirement plan (actuarially determined):
- Accumulated postretirement benefit obligation:
  - Currently retired employees: $110,743
  - Fully eligible active employees: 0
  - Other active employees: 1,098,669
- Plan assets at fair value: 0

Funded Status: 1,209,412
Unrecognized net from past experience different from that assumed and from changes in assumptions: (127,157)

Accrued postretirement benefit expenses: $1,082,255

The net periodic postretirement benefit cost for 1991 included the following components:

Service cost—benefits earned during 1991: 69,311
Interest on accumulated postretirement benefit obligation: 69,115
Return on Plan assets: 0
Amortization of unrecognized net gain: (177)

Net periodic postretirement benefit expense for 1991: 138,249

For measurement purposes, a 16% annual rate of increase in the health care trend factor was assumed for 1991, and the rate was assumed to decrease gradually to 6% for 2001 and thereafter. The health care trend factor assumption has a significant effect on the amounts reported. To illustrate, increasing the assumed health care trend factor by 1% in each year would increase the accumulated postretirement benefit obligation as of December 31, 1991, by about $330,000 and the aggregate of the service cost and interest cost components of net periodic postretirement benefit cost for the year ended December 31, 1991, by about $39,000.

The discount rate used in determining the accumulated postretirement benefit obligation was 8%.
## APPENDIX I

**Distributions for Accounts of Customers for the Twenty-One Years Ended December 31, 1991**

*(In Thousands of Dollars)*

<table>
<thead>
<tr>
<th>Year</th>
<th>From Debtor's Estates</th>
<th>From SIPC</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As Reported By Trustees</td>
<td>Advances</td>
<td>Recoveries*</td>
</tr>
<tr>
<td>1971</td>
<td>$ 271</td>
<td>$ 401</td>
<td>$ 401</td>
</tr>
<tr>
<td>1972</td>
<td>9,300</td>
<td>7,347</td>
<td>(4)</td>
</tr>
<tr>
<td>1973</td>
<td>170,672</td>
<td>35,709</td>
<td>(4,003)</td>
</tr>
<tr>
<td>1974</td>
<td>21,582</td>
<td>4,903</td>
<td>(5,125)</td>
</tr>
<tr>
<td>1975</td>
<td>6,379</td>
<td>6,952</td>
<td>(2,206)</td>
</tr>
<tr>
<td>1976</td>
<td>19,901</td>
<td>1,292</td>
<td>(528)</td>
</tr>
<tr>
<td>1977</td>
<td>5,462</td>
<td>2,255</td>
<td>(2,001)</td>
</tr>
<tr>
<td>1978</td>
<td>1,242</td>
<td>4,200</td>
<td>(1,682)</td>
</tr>
<tr>
<td>1979</td>
<td>9,561</td>
<td>1,754</td>
<td>(6,533)</td>
</tr>
<tr>
<td>1980</td>
<td>10,163</td>
<td>3,846</td>
<td>(998)</td>
</tr>
<tr>
<td>1981</td>
<td>36,738</td>
<td>64,311</td>
<td>(1,073)</td>
</tr>
<tr>
<td>1982</td>
<td>28,442</td>
<td>13,807</td>
<td>(4,448)</td>
</tr>
<tr>
<td>1983</td>
<td>21,901</td>
<td>52,927</td>
<td>(15,789)</td>
</tr>
<tr>
<td>1984</td>
<td>184,910</td>
<td>11,480</td>
<td>(13,472)</td>
</tr>
<tr>
<td>1985</td>
<td>180,973†</td>
<td>19,400</td>
<td>(11,726)</td>
</tr>
<tr>
<td>1986</td>
<td>28,570</td>
<td>14,886</td>
<td>(4,414)</td>
</tr>
<tr>
<td>1987</td>
<td>394,443</td>
<td>20,425</td>
<td>(2,597)</td>
</tr>
<tr>
<td>1988</td>
<td>72,052†</td>
<td>8,707</td>
<td>(10,585)</td>
</tr>
<tr>
<td>1989</td>
<td>121,958†</td>
<td>(5,481)†</td>
<td>(10,244)</td>
</tr>
<tr>
<td>1990</td>
<td>301,237</td>
<td>3,960</td>
<td>(4,444)</td>
</tr>
<tr>
<td>1991</td>
<td>1,943</td>
<td>6,234</td>
<td>(2,609)</td>
</tr>
</tbody>
</table>

|       | $1,627,700 | $279,315 | $(104,481) | $174,834 | $1,802,534 |

†Restated to reflect correction.

*Recoveries not limited to cases initiated this year.
APPENDIX II  
Customer Protection Proceedings  
PART A: Customer Claims and Distributions Being Processed

<table>
<thead>
<tr>
<th>Member and Trustee By Date of Appointment</th>
<th>Date Registered as Broker-Dealer</th>
<th>Filing Date</th>
<th>Trustee Appointed</th>
<th>Customers(a) To Whom Notices and Claim Forms Were Mailed</th>
<th>Responses(a) Received</th>
<th>Total Customer Claims Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carolina First Securities Group, Inc.</td>
<td>6/12/89</td>
<td>8/24/90</td>
<td>10/31/90</td>
<td>210</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Winston-Salem, North Carolina</td>
<td>(L. Bruce McDaniel, Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lloyd Securities, Inc.</td>
<td>6/02/61</td>
<td>6/24/90</td>
<td>12/22/90</td>
<td>500</td>
<td>163</td>
<td>1</td>
</tr>
<tr>
<td>Elkins Park, Pennsylvania</td>
<td>(Robert E. Shields, Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greenwich, Connecticut (SIPC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. J. Wright &amp; Company, Inc.</td>
<td>10/17/85</td>
<td>4/24/91</td>
<td>4/24/91</td>
<td>1,500</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>Ocala, Florida</td>
<td>(K. Rodney May, Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pilgrim Planning Associates, Inc.</td>
<td>6/21/79</td>
<td>5/22/91</td>
<td>5/23/91</td>
<td>2,834</td>
<td>104</td>
<td>9</td>
</tr>
<tr>
<td>Easton, Pennsylvania (SIPC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affiliated Security Brokers, Inc.</td>
<td>4/10/81</td>
<td>9/12/91</td>
<td>9/12/91</td>
<td>2,000</td>
<td>89</td>
<td>6</td>
</tr>
<tr>
<td>Tyler, Texas</td>
<td>(Wayne M. Secore, Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooper-Daher Securities, Inc.</td>
<td>1/05/88</td>
<td>9/13/91+</td>
<td></td>
<td>268</td>
<td>35</td>
<td>3</td>
</tr>
<tr>
<td>San Francisco, California (Direct Payment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T. L. Reed Securities, Inc.</td>
<td>6/10/87</td>
<td>10/08/91</td>
<td>10/08/91</td>
<td>4,500</td>
<td>210</td>
<td></td>
</tr>
<tr>
<td>Irving, Texas</td>
<td>(Jack L. Kinzie, Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL 8 MEMBERS: PART A

|                                      | 15,028 | 853  | 53  |

(a) Date notice published
### Distributions From Debtor's Estate

<table>
<thead>
<tr>
<th>Total</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 55,982</td>
<td>$55,982</td>
<td></td>
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</tbody>
</table>

### SIPC Advances

<table>
<thead>
<tr>
<th>Total Advanced</th>
<th>Administration Expenses</th>
<th>Contractual Commitments</th>
<th>Securities</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 384,248</td>
<td>$ 78,921</td>
<td></td>
<td></td>
<td>$ 305,327</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Administration Contractual</th>
<th>Securities</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>$293,375</td>
<td>74,948</td>
<td></td>
<td></td>
<td>218,427</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>120,808</td>
<td>$120,808</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Administration Contractual</th>
<th>Securities</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>115,000</td>
<td>15,000</td>
<td></td>
<td></td>
<td>100,000</td>
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</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
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</thead>
<tbody>
<tr>
<td>25,395</td>
<td>25,395</td>
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<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Administration Contractual</th>
<th>Securities</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>10,000</td>
<td></td>
<td></td>
<td>253,641</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,751</td>
<td>4,751</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Administration Contractual</th>
<th>Securities</th>
<th>Cash</th>
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<tbody>
<tr>
<td>268,641</td>
<td>15,000</td>
<td></td>
<td></td>
<td>109,600</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>8,875</td>
<td>8,875</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Administration Contractual</th>
<th>Securities</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>123,011</td>
<td>13,411</td>
<td></td>
<td></td>
<td>15,000</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Total</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
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<tr>
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<th>Administration Contractual</th>
<th>Securities</th>
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<th>Securities</th>
<th>Cash</th>
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<td>37,546</td>
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<table>
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<tr>
<th></th>
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<th>Administration Contractual</th>
<th>Securities</th>
<th>Cash</th>
</tr>
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<td>$1,001,995</td>
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December 31, 1991
## APPENDIX II  Customer Protection Proceedings

### PART B: Customer Claims Satisfied, Litigation Matters Pending

<table>
<thead>
<tr>
<th>Member and Trustee By Date of Appointment</th>
<th>Date Registered as Broker-Dealer</th>
<th>Filing Date</th>
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<th>Customers(a) To Whom Notices and Claim Forms Were Mailed</th>
<th>Responses(a) Received</th>
<th>Total Customer Claims Satisfied</th>
</tr>
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<tbody>
<tr>
<td>Executive Securities Corp. New York, New York (Cameron F. MacRae, III, Esq.)</td>
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<td>9,000</td>
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<td>1,194</td>
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<td>2,500</td>
<td>1,939</td>
<td>1,189</td>
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<td>936</td>
<td>824</td>
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<td>Joseph Sebag, Incorporated Los Angeles, California (Eugene W. Bell, Esq.)</td>
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<td>3,640</td>
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<td>John Muir &amp; Co. New York, New York (Harvey R. Miller, Esq.)</td>
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<td>G. V. Lewellyn &amp; Co., Inc. Des Moines, Iowa (Paul R. Tyler, Esq.)</td>
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<td>Bell &amp; Beckwith Toledo, Ohio (Patrick A. McGraw, Esq.)</td>
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<td>6,523</td>
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<td>California Municipal Investors, Inc. Los Angeles, California (Theodore B. Stolman, Esq.)</td>
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*Successor Trustee
### Distributions From Debtor's Estate

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<tr>
<th>Total Distributions</th>
<th>From Debtor's Estate</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
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<td><strong>$ 769,984</strong></td>
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<tr>
<td><strong>$ 6,556,331</strong></td>
<td><strong>6,458,025</strong></td>
<td><strong>98,306</strong></td>
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<td><strong>27,218,033</strong></td>
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<td><strong>4,647,952</strong></td>
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<tr>
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<td><strong>190,380,000</strong></td>
<td><strong>8,491,157</strong></td>
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<tr>
<td><strong>$ 16,227</strong></td>
<td><strong>16,227</strong></td>
<td><strong>1,400,936</strong></td>
<td><strong>803,294</strong></td>
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<tr>
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<td><strong>80,755,000</strong></td>
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### SIPC Advances

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<th>Administration Expenses</th>
<th>Contractual Commitments</th>
<th>Securities</th>
<th>Cash</th>
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<td><strong>30,535</strong></td>
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(1) December 31, 1991
### APPENDIX II  Customer Protection Proceedings

PART B: Customer Claims Satisfied, Litigation Matters Pending

<table>
<thead>
<tr>
<th>Member and Trustee</th>
<th>Date Registered as Broker-Dealer</th>
<th>Filing Date</th>
<th>Trustee Appointed</th>
<th>Customers(s) To Whom Notices and Claim Forms Were Mailed</th>
<th>Responses(s) Received</th>
<th>Total Customer Claims Satisfied</th>
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</thead>
<tbody>
<tr>
<td>Gattini &amp; Co.</td>
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<td>2/01/84</td>
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<td></td>
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<td>(William J. Rochelle, III, Esq.)</td>
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<tr>
<td>MV Securities, Inc., a/k/a Multi-Vest Securities, Inc.</td>
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<td></td>
<td></td>
<td>(Lee S. Richards, III, Esq.)</td>
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<tr>
<td>Brentwood Securities, Inc.</td>
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<td></td>
<td></td>
<td>(SIPC)</td>
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<td>Bevill, Bresler &amp; Schulman, Inc.</td>
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<td>5/08/85</td>
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<td>Livingston, New Jersey</td>
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<td></td>
<td></td>
<td>(Richard W. Hill, Esq.)</td>
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<td>Parr Securities Corp.</td>
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<td>5/17/85</td>
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<td></td>
<td></td>
<td>(Edwin B. Mishkin, Esq.)</td>
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<td>Donald Sheldon &amp; Co., Inc.</td>
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<td>8/13/85</td>
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<td>(Don L. Horwitz, Esq.)</td>
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<td>(Jack Birnberg)</td>
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<td>6/25/86</td>
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<td>(Frederick B. Lacey, Esq.)</td>
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<td>(SIPC)</td>
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*Successor Trustee
<table>
<thead>
<tr>
<th>Distributions From Debtor's Estate</th>
<th>SIPC Advances</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>Total Advanced</strong></td>
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</tr>
<tr>
<td>$2,440,612</td>
<td>$1,071,602</td>
</tr>
<tr>
<td>$309,542</td>
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</tr>
<tr>
<td><strong>For Accounts of Customers</strong></td>
<td><strong>Administration Expenses</strong></td>
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<td><strong>Contractual Commitments</strong></td>
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<td><strong>Cash</strong></td>
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</table>
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<table>
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<th>Responses(a) Received</th>
<th>Total Customer Claims Satisfied</th>
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<tbody>
<tr>
<td>EBS Brokerage Services, Inc. Tinley Park, Illinois (Robert Dunn Glick, Esq.)</td>
<td>8/19/85</td>
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<td>5/12/87</td>
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<td>10/20/87</td>
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### Distributions From Debtor's Estate

<table>
<thead>
<tr>
<th>Total</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
<th>Total Advanced</th>
<th>Administration Expenses</th>
<th>Contractual Commitments</th>
<th>Securities</th>
<th>Cash</th>
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<tbody>
<tr>
<td>$35,461,457</td>
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<td>$6,178,104</td>
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<td>$62,822</td>
<td>$4,412</td>
<td>$125,745</td>
<td>$93,052</td>
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<td>$16,741</td>
<td>$15,952</td>
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<tr>
<td>$1,193,780</td>
<td>$675,833</td>
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<tr>
<td>$59,169</td>
<td>$59,169</td>
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<td>$17,125</td>
<td>$262,148</td>
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<tr>
<td>$10,000</td>
<td>$10,000</td>
<td>$101,394</td>
<td>$72,303</td>
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<td></td>
<td>$29,091</td>
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</tr>
</tbody>
</table>
## APPENDIX II  Customer Protection Proceedings

### PART B: Customer Claims Satisfied, Litigation Matters Pending

<table>
<thead>
<tr>
<th>Member and Trustee By Date of Appointment</th>
<th>Date Registered as Broker-Dealer</th>
<th>Filing Date</th>
<th>Trustee Appointed</th>
<th>Customers(a) To Whom Notices and Claim Forms Were Mailed</th>
<th>Responses(a) Received</th>
<th>Total Customer Claims Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Williams Financial Group, Inc.</td>
<td>6/01/87</td>
<td>12/07/89</td>
<td>12/07/89</td>
<td>30</td>
<td>24</td>
<td>3</td>
</tr>
<tr>
<td>Spokane, Washington</td>
<td>(Joseph A. Esposito, Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oberweis Securities Inc.</td>
<td>12/27/78</td>
<td>7/10/89</td>
<td>6/18/90</td>
<td>48,000</td>
<td>334</td>
<td>92</td>
</tr>
<tr>
<td>Chicago, Illinois</td>
<td>(J. William Holland, Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Ohio Securities Company</td>
<td>1/09/85</td>
<td>6/22/90</td>
<td>6/22/90</td>
<td>900</td>
<td>200</td>
<td>117</td>
</tr>
<tr>
<td>Cleveland, Ohio</td>
<td>(William Appleton, Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blinder, Robinson &amp; Co., Inc.</td>
<td>4/23/70</td>
<td>7/30/90</td>
<td>8/01/90</td>
<td>215,000</td>
<td>64,770</td>
<td>61,334</td>
</tr>
<tr>
<td>Englewood, Colorado</td>
<td>(Glen E. Keller, Jr., Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D F W Clearing, Inc.</td>
<td>1/15/89</td>
<td>9/17/90</td>
<td>9/17/90</td>
<td>77,051</td>
<td>5,554</td>
<td>5,447</td>
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<tr>
<td>Fort Worth, Texas</td>
<td>(Robert G. Richardson, Esq.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>John M. Sorenson &amp; Co., Inc.</td>
<td>6/25/84</td>
<td>1/22/91</td>
<td>1/22/91</td>
<td>248</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td>Houston, Texas</td>
<td>(SIPC)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faitos &amp; Co., Inc.</td>
<td>9/03/87</td>
<td>2/27/91</td>
<td>2/27/91</td>
<td>700</td>
<td>90</td>
<td>49</td>
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<tr>
<td>Huntington, New York</td>
<td>(Irving H. Picard, Esq.)</td>
<td></td>
<td></td>
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</table>

**TOTAL 37 MEMBERS: PART B**

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>701,908</td>
<td>161,140</td>
<td>159,431</td>
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<td></td>
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</tbody>
</table>

*Successor Trustee*
### Distributions From Debtor's Estate

<table>
<thead>
<tr>
<th>Total</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>$127,814</td>
<td>$127,814</td>
<td></td>
</tr>
<tr>
<td>$231,223</td>
<td>$231,223</td>
<td></td>
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<tr>
<td>$31,757,003</td>
<td>$24,500,000</td>
<td>$7,257,003</td>
</tr>
<tr>
<td>$785,180</td>
<td>$138,768</td>
<td>$646,412</td>
</tr>
<tr>
<td>$344</td>
<td>$344</td>
<td>$302,480</td>
</tr>
<tr>
<td>$19,249</td>
<td>$15,349</td>
<td>$3,900</td>
</tr>
<tr>
<td><strong>$1,156,941,152</strong></td>
<td><strong>$1,083,567,895</strong></td>
<td><strong>$73,373,257</strong></td>
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</tbody>
</table>

### SIPC Advances

<table>
<thead>
<tr>
<th>Total Advanced</th>
<th>Administration Expenses</th>
<th>Contractual Commitments</th>
<th>Securities</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>$378,919</td>
<td>$45,364</td>
<td></td>
<td>$281,055</td>
<td>$52,500</td>
</tr>
<tr>
<td>$1,531,288</td>
<td>$1,178,699</td>
<td></td>
<td>70,938</td>
<td>281,651</td>
</tr>
<tr>
<td>$3,435,430</td>
<td>$549,646</td>
<td></td>
<td>$2,823,482</td>
<td>$62,302</td>
</tr>
<tr>
<td>$6,168,244</td>
<td>$4,868,244</td>
<td></td>
<td>$350,000</td>
<td>$950,000</td>
</tr>
<tr>
<td>$2,152,772</td>
<td>$1,482,075</td>
<td></td>
<td>$46,104</td>
<td>$624,593</td>
</tr>
<tr>
<td>$302,480</td>
<td></td>
<td></td>
<td>$287,480</td>
<td></td>
</tr>
<tr>
<td>$1,553,084</td>
<td>$209,791</td>
<td></td>
<td>$1,226,129</td>
<td>$117,164</td>
</tr>
</tbody>
</table>

December 31, 1991
**APPENDIX II  Customer Protection Proceedings**

**PART C: Proceedings Completed in 1991**

<table>
<thead>
<tr>
<th>Member and Trustee By Date of Appointment</th>
<th>Date Registered as Broker-Dealer</th>
<th>Filing Date</th>
<th>Trustee Appointed</th>
<th>Customers&lt;sup&gt;a&lt;/sup&gt; To Whom Notices and Claim Forms Were Mailed</th>
<th>Responses&lt;sup&gt;b&lt;/sup&gt; Received</th>
<th>Total Customer Claims Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equitable Equities, Inc. New York, New York (Robert E. Smith, Esq.)</td>
<td>2/04/70</td>
<td>10/13/72</td>
<td>10/13/72</td>
<td>134</td>
<td>69</td>
<td>54</td>
</tr>
<tr>
<td>Havener Securities Corp. New York, New York (Ezra G. Levin, Esq.)</td>
<td>11/13/59</td>
<td>10/13/72</td>
<td>10/24/72</td>
<td>906</td>
<td>551</td>
<td>368</td>
</tr>
<tr>
<td>Llorens Associates Inc. New York, New York (Lloyd Frank, Esq.)</td>
<td>4/01/70</td>
<td>6/18/74</td>
<td>7/01/74</td>
<td>548</td>
<td>93</td>
<td>54</td>
</tr>
<tr>
<td>OTC Net, Incorporated Denver, Colorado (Glen E. Keller, Jr., Esq.)</td>
<td>8/10/78</td>
<td>6/03/82</td>
<td>6/09/82</td>
<td>38,500</td>
<td>15,796</td>
<td>14,107</td>
</tr>
<tr>
<td>Southeast Securities of Florida, Inc. Hoboken, New Jersey (David J. Sheehan, Esq.)</td>
<td>11/16/81</td>
<td>1/31/84</td>
<td>2/13/84</td>
<td>20,000</td>
<td>11,658</td>
<td>11,658</td>
</tr>
<tr>
<td>First Interwest Securities Corp. Denver, Colorado (Glen E. Keller, Jr., Esq.)</td>
<td>4/25/83</td>
<td>6/07/84</td>
<td>6/07/84</td>
<td>6,785</td>
<td>2,621</td>
<td>6,140</td>
</tr>
<tr>
<td>Coastal Securities Corporation Los Angeles, California (Gavin Miller, Esq.)</td>
<td>1/30/81</td>
<td>5/03/85</td>
<td>5/03/85</td>
<td>1,650</td>
<td>365</td>
<td>331</td>
</tr>
<tr>
<td>Brittenum &amp; Associates, Inc. Little Rock, Arkansas (James Dowden, Esq.)</td>
<td>12/04/75</td>
<td>1/28/86</td>
<td>1/30/86</td>
<td>2,100</td>
<td>212</td>
<td>86</td>
</tr>
<tr>
<td>Beacon Securities, Inc. Hilton Head, South Carolina (William G. Hays)</td>
<td>4/15/83</td>
<td>10/29/85</td>
<td>5/02/86</td>
<td>74</td>
<td>70</td>
<td>17</td>
</tr>
<tr>
<td>Richard Wallace Humphries d/b/a/ Humphries &amp; Company, Inc. San Francisco, California (Direct Payment)</td>
<td>3/23/87</td>
<td>9/26/89&lt;sup&gt;c&lt;/sup&gt;</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

*<sup>a</sup>Successor Trustee  
<sup>b</sup>Date notice published
### Distributions From Debtor’s Estate

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>For Accounts of Customers</th>
<th>Administration Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 281,802</td>
<td>$ 126,647</td>
<td>$ 155,155</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Total Advanced</th>
<th>Administration Expenses</th>
<th>Contractual Commitments</th>
<th>Securities</th>
<th>Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 66,848</td>
<td>$ 13,987</td>
<td>$ 66,848</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|                      | 1,334,651       | 816,929                 | 517,722                 |

|                      | 115,211         | 36,827                  | 78,384                  |

|                      | 20,826,866      | 17,426,419              | 3,400,447               |

|                      | (395,824)       | (395,824)               |                         |

|                      | 30,877,729      | 28,883,867              | 1,993,862               |

|                      | 2,146,386       | 767,905                 |                         |

|                      | 420,523         | 957,958                 |                         |

|                      | 3,249,898       | 2,810,046               | 439,852                 |

|                      | 736,624         | 287,391                 |                         |

|                      | 190,240         | 258,993                 |                         |

|                      | 4,872,780       | 4,130,400               | 742,380                 |

|                      | 765,749         |                         |                         |

|                      | 765,749         |                         |                         |

|                      | 25,497,906      | 23,275,481              | 2,222,425               |

|                      | 2,474,877       | 712,528                 |                         |

|                      | 1,762,349       |                         |                         |

|                      | 99,020          | 812                     | 98,208                  |
APPENDIX II  Customer Protection Proceedings

PART C: Proceedings Completed in 1991

<table>
<thead>
<tr>
<th>Member and Trustee By Date of Appointment</th>
<th>Date Registered as Broker-Dealer</th>
<th>Filing Date</th>
<th>Trustee Appointed</th>
<th>Customers(a) To Whom Notices and Claim Forms Were Mailed</th>
<th>Responses(a) Received</th>
<th>Total Customer Claims Satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. L. Henry &amp; Co. Coral Gables, Florida (Direct Payment)</td>
<td>2/14/86</td>
<td>9/26/89†</td>
<td>95</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Underhill Associates, Inc. Red Bank, New Jersey (Direct Payment)</td>
<td>10/31/74</td>
<td>4/03/90†</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>K. A. Knapp &amp; Co., Inc. Grand Rapids, Michigan (Direct Payment)</td>
<td>3/22/83</td>
<td>9/06/90†</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL 13 MEMBERS 1991

| | 70,799 | 31,443 | 32,823 |
| TOTAL 170 MEMBERS 1973–1990(b) | 479,705 | 142,834 | 137,108 |
| TOTAL 183 MEMBERS 1973–1991 | 550,504 | 174,277 | 169,931 |

†Date notice published

PART D: Summary

<table>
<thead>
<tr>
<th></th>
<th>Customers(a) To Whom Notices and Claim Forms Were Mailed</th>
<th>Responses(a) Received</th>
<th>Customers Receiving Distributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A: 8 Members—Customer Claims and Distributions Being Processed</td>
<td>15,028</td>
<td>853</td>
<td>53</td>
</tr>
<tr>
<td>Part B: 37 Members—Customer Claims Satisfied, Litigation Matters Pending</td>
<td>701,908</td>
<td>161,140</td>
<td>159,431</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>716,936</td>
<td>161,993</td>
<td>159,484</td>
</tr>
<tr>
<td>Part C: 183 Members—Proceedings Completed</td>
<td>550,504</td>
<td>174,277</td>
<td>169,931</td>
</tr>
<tr>
<td>Total</td>
<td>1,267,440</td>
<td>336,270</td>
<td>329,415</td>
</tr>
</tbody>
</table>

Notes:
(a) Notices and claim forms are commonly sent to all persons who, from the debtor’s records, may have been customers. This is done so that potential claimants may be advised of the proceeding.
(b) Revised from previous reports to reflect subsequent recoveries, disbursements and adjustments.
<table>
<thead>
<tr>
<th>Distributions From Debtor’s Estate</th>
<th>SIPC Advances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Total Advanced</td>
</tr>
<tr>
<td>For Accounts of Customers</td>
<td>$ 65,210</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>$ 218,103</td>
</tr>
<tr>
<td></td>
<td>5,506</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 87,367,055</td>
</tr>
<tr>
<td>From Debtor’s Estate</td>
<td>515,473,776</td>
</tr>
<tr>
<td>SIPC Advances</td>
<td>602,840,831</td>
</tr>
<tr>
<td><strong>Total Advanced</strong></td>
<td>6,623,090</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>84,112,138</td>
</tr>
<tr>
<td>Contractual Commitments</td>
<td>$ 90,735,228</td>
</tr>
<tr>
<td>Securities</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distributions From Debtor’s Estate</th>
<th>SIPC Advances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Total Advanced</td>
</tr>
<tr>
<td>For Accounts of Customers</td>
<td>$ 1,248,051</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>$ 143,883,480</td>
</tr>
<tr>
<td></td>
<td>145,131,531</td>
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<tr>
<td>SIPC Advances</td>
<td>602,840,831</td>
</tr>
<tr>
<td><strong>Total Advanced</strong></td>
<td>$ 235,866,759</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>$ 90,735,228</td>
</tr>
<tr>
<td>Contractual Commitments</td>
<td>$ 1,181,276</td>
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<tr>
<td>Securities</td>
<td>37,194,894</td>
</tr>
<tr>
<td>Cash</td>
<td>36,490,693</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Distributions From Debtor’s Estate</th>
<th>SIPC Advances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Total Advanced</td>
</tr>
<tr>
<td>For Accounts of Customers</td>
<td>$ 1,759,997,794</td>
</tr>
<tr>
<td>Administration Expenses</td>
<td>$ 1,627,700,089</td>
</tr>
<tr>
<td></td>
<td>$ 61,032,655</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,507,797,794</td>
</tr>
<tr>
<td>From Debtor’s Estate</td>
<td>1,156,941,152</td>
</tr>
<tr>
<td>SIPC Advances</td>
<td>1,157,156,963</td>
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<tr>
<td><strong>Total Advanced</strong></td>
<td>1,434,883,480</td>
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<tr>
<td>Administration Expenses</td>
<td>145,131,531</td>
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<tr>
<td>Contractual Commitments</td>
<td>90,735,228</td>
</tr>
<tr>
<td>Securities</td>
<td>37,194,894</td>
</tr>
<tr>
<td>Cash</td>
<td>36,490,693</td>
</tr>
</tbody>
</table>
### APPENDIX III  Analysis of SIPC Revenues and Expenses for the Five Years Ended December 31, 1991

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member assessments and contributions</td>
<td>38,851,496</td>
<td>73,029,832</td>
<td>66,046,991</td>
<td>988,079</td>
<td>935,368</td>
</tr>
<tr>
<td>Interest on assessments</td>
<td>112,083</td>
<td>66,936</td>
<td>111,675</td>
<td>10,196</td>
<td>20,533</td>
</tr>
<tr>
<td><strong>Total Revenues:</strong></td>
<td>85,926,334</td>
<td>115,923,865</td>
<td>101,124,131</td>
<td>29,679,199</td>
<td>29,117,129</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>2,355,831</td>
<td>3,120,435</td>
<td>1,974,100</td>
<td>1,801,726</td>
<td>1,652,073</td>
</tr>
<tr>
<td>Legal fees</td>
<td>466,021</td>
<td>208,874</td>
<td>417,695</td>
<td>2,484,989</td>
<td>1,959,731</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>18,150</td>
<td>31,400</td>
<td>19,000</td>
<td>19,000</td>
<td>14,900</td>
</tr>
<tr>
<td>Credit agreement commitment fee</td>
<td>1,050,000</td>
<td>1,052,135</td>
<td>1,227,634</td>
<td>1,300,000</td>
<td>687,253</td>
</tr>
<tr>
<td>Rent—office space</td>
<td>499,831</td>
<td>459,323</td>
<td>436,817</td>
<td>418,644</td>
<td>377,291</td>
</tr>
<tr>
<td><strong>Other:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assessment collection direct cost</td>
<td>19,773</td>
<td>23,439</td>
<td>22,992</td>
<td>19,741</td>
<td>2,230</td>
</tr>
<tr>
<td>Custodian fees</td>
<td>39,867</td>
<td>35,330</td>
<td>28,827</td>
<td>27,735</td>
<td>33,215</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>98,290</td>
<td>108,174</td>
<td>126,931</td>
<td>119,459</td>
<td>103,299</td>
</tr>
<tr>
<td>Directors fees and expenses</td>
<td>23,194</td>
<td>14,272</td>
<td>11,337</td>
<td>10,830</td>
<td>7,698</td>
</tr>
<tr>
<td>Insurance</td>
<td>21,908</td>
<td>18,885</td>
<td>19,228</td>
<td>2,484,989</td>
<td>1,959,731</td>
</tr>
<tr>
<td>Office supplies and expenses</td>
<td>21,339</td>
<td>17,982</td>
<td>13,058</td>
<td>15,777</td>
<td>15,534</td>
</tr>
<tr>
<td>Printing &amp; mailing annual report</td>
<td>61,270</td>
<td>60,485</td>
<td>54,928</td>
<td>58,587</td>
<td>26,231</td>
</tr>
<tr>
<td>Professional fees—other</td>
<td>101,730</td>
<td>233,044</td>
<td>43,689</td>
<td>66,236</td>
<td>52,845</td>
</tr>
<tr>
<td>Administrations expenses</td>
<td>59,545</td>
<td>58,817</td>
<td>53,555</td>
<td>45,643</td>
<td>47,617</td>
</tr>
<tr>
<td>Telephone</td>
<td>15,214</td>
<td>13,818</td>
<td>12,469</td>
<td>14,308</td>
<td>14,063</td>
</tr>
<tr>
<td>Travel and subsistence</td>
<td>149,072</td>
<td>153,089</td>
<td>92,503</td>
<td>141,625</td>
<td>190,169</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>18,987</td>
<td>4,510</td>
<td>11,128</td>
<td>15,441</td>
<td>8,114,967</td>
</tr>
<tr>
<td><strong>Total Expenses:</strong></td>
<td>768,453</td>
<td>861,185</td>
<td>664,542</td>
<td>716,122</td>
<td>687,253</td>
</tr>
<tr>
<td><strong>Customer protection proceedings:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net advances to (recoveries from):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trustees other than SIPC:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractual commitments</td>
<td>(170,044)</td>
<td>(19,733)</td>
<td>(76,793)</td>
<td>(3,558)</td>
<td>1,106</td>
</tr>
<tr>
<td>Securities</td>
<td>2,440,407</td>
<td>(7,174,535)</td>
<td>(967,860)</td>
<td>352,513</td>
<td>96,501,120</td>
</tr>
<tr>
<td>Cash</td>
<td>384,308</td>
<td>6,325,814</td>
<td>(14,742,160)</td>
<td>(2,791,862)</td>
<td>8,114,967</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>2,654,671</td>
<td>(868,454)</td>
<td>(15,786,813)</td>
<td>(2,442,907)</td>
<td>17,766,193</td>
</tr>
<tr>
<td>Net change in estimated future recoveries</td>
<td>2,300,000</td>
<td>5,257,240</td>
<td>(6,431,645)</td>
<td>2,558,618</td>
<td>27,169,101</td>
</tr>
<tr>
<td><strong>SIPC as Trustee:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities</td>
<td>17,125</td>
<td>29,092</td>
<td>18,161</td>
<td>412,318</td>
<td>62,060</td>
</tr>
<tr>
<td>Cash</td>
<td>873,011</td>
<td>50,000</td>
<td>25,953</td>
<td>117,147</td>
<td>241,012</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>890,136</td>
<td>79,092</td>
<td>44,114</td>
<td>529,465</td>
<td>241,012</td>
</tr>
<tr>
<td>Net change in estimated future recoveries</td>
<td>1,148,683</td>
<td>199,672</td>
<td>115,497</td>
<td>726,421</td>
<td>303,072</td>
</tr>
<tr>
<td><strong>Direct payments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities</td>
<td>80,000</td>
<td>131,290</td>
<td>18,000</td>
<td>35,500</td>
<td>6,000</td>
</tr>
<tr>
<td>Cash</td>
<td>80,000</td>
<td>305,454</td>
<td>18,000</td>
<td>35,500</td>
<td>6,000</td>
</tr>
<tr>
<td>Administration expenses</td>
<td>1,230</td>
<td>3,546</td>
<td>2,087</td>
<td>10,154</td>
<td>6,000</td>
</tr>
<tr>
<td>Net change in estimated cost to complete proceedings</td>
<td>(3,900,000)</td>
<td>(13,500,000)</td>
<td>(1,700,000)</td>
<td>4,800,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td><strong>Excess revenues (expenses)</strong></td>
<td>$70,906,133</td>
<td>$17,924,601</td>
<td>$102,880,404</td>
<td>$12,708,016</td>
<td>$(2,352,292)</td>
</tr>
</tbody>
</table>