UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 55530 / March 26, 2007

ADMINISTRATIVE PROCEEDING
File No. 3-11771

In the Matter of **Knight Securities L.P.,** **Respondent.**	**ORDER APPROVING DISTRIBUTION PLAN AND APPOINTMENT OF AN ADMINISTRATOR OF THE DISTRIBUTION FUND**

On December 16, 2004, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings and Imposing Remedial Sanctions Pursuant to Sections 15(b)(4) and 21C of the Securities Exchange Act of 1934 ("December 16 Order") against Knight Securities, L.P. ("Knight" or "Respondent").[1] Among other things, the December 16 Order directed Knight to pay disgorgement in the amount of $41,146,663.50, prejudgment interest in the amount of $13,195,068 and a civil penalty in the amount of $12,500,000 (collectively referred to as the "settlement amount"). In April 2005, Knight retained Heffler, Radetich & Saitta, L.L.P. as the Independent Distribution Consultant. Additionally, on June 14, 2005, the Commission appointed Heffler, Radetich & Saitta, L.L.P. as the Tax Administrator of the distribution fund.

Pursuant to the December 16 Order, Heffler, Radetich & Saitta, L.L.P. submitted a proposed distribution plan to the Commission (the "Distribution Plan"). The Distribution Plan concerns the distribution of disgorgement and civil penalties paid by Knight pursuant to the December 16 Order. The Distribution Plan describes the procedures by which Heffler, Radetich & Saitta, L.L.P. identified the Institutional Customers who were affected by violations committed by Knight, as determined in connection with the December 16 Order. The Distribution Plan further describes the procedures by which Heffler, Radetich & Saitta, L.L.P.will calculate the total amount of disgorgement and interest to be paid to the Institutional Customers, and distribute those funds to those Institutional Customers. On October 19, 2006, pursuant to Rule 1103 of the Securities and Exchange Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103, the Commission published a Notice of Proposed Plan and Opportunity for Comment ("Notice") for the

[1] Knight, now known as Knight Equity Markets, L.P., is a registered broker-dealer headquartered in Jersey City, New Jersey.

distribution of monies placed into a Fair Fund in the above-captioned matter. The Notice invited public comment on the proposed distribution plan through November 20, 2006. The Commission received one comment, which, in general, requested that Knight bear more of the administrative burden related to the distribution or, in the alternative, Institutional Customers should be reimbursed for reasonable fees and expenses associated with directing Distribution Amounts to recipients.

After careful consideration, the Commission has concluded that the Distribution Plan adequately allocates the responsibilities for the distribution between Knight and the Institutional Customers. Although the Distribution Plan notes that Institutional Customers have duties to their own customers to ensure an appropriate distribution of the disgorged funds, it also permits the Institutional Customers to balance this obligation with the costs of the distribution.

The comment letter also maintains that Knight retains certain detailed account information from its Institutional Customers that would facilitate the distribution process. In response to the comment, Knight has represented to the Commission staff that, to the extent that the firm still retains any relevant information, the firm will provide it upon request to the Institutional Customers that will be participating in the distribution.

Thus, the Commission finds that the Distribution Plan provides for an appropriate distribution of the settlement amount paid by the Respondent pursuant to the December 16 Order. Additionally, the Commission finds that it is appropriate to appoint Heffler, Radetich & Saitta, L.L.P. as the Administrator of the Distribution Fund and to waive the bond requirement of Rule 1105(c) of the Securities and Exchange Commission's Rules on Fair Fund and Disgorgement Plans since custody or control of the distribution funds will remain with the Commission.

Accordingly, IT IS ORDERED, pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17, C.F.R. § 201.1104, that the Distribution Plan is approved.

IT IS FURTHER ORDERED, pursuant to Rule 1105 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17, C.F.R. § 201.1105, that Heffer, Radetich & Saitta, L.L.P., is appointed as the Administrator of the Distribution Fund and that the bond requirement is waived for good cause shown.

By the Commission.

Nancy M. Morris
Secretary