HILL, THOMPSON, MAGID & CO., INC.

Since 1932
Member NASD/SIPC

Suite 800
15 Exchange Place
Jersey City, NJ 07302-3912

Executive Offices: 201-434-6900
Trading: 212-233-2200
Fax: 212-233-2206

August 30, 1999

S ...TIES ...
RECEIVED

AUG 31 1999

DIVISION OF MARKET REGULATION

Division of Market Regulations
U. S. Securities and Exchange Commission
450 Fifth Street N.W.
Washington, D.C. 20549-1002
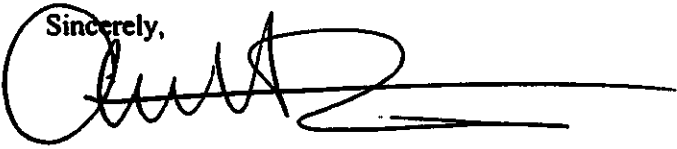
Attn.: Y2K Compliance

To Whom it May Concern:

As required by the recently adopted rule 15b7-3T, I am certifying that all mission-critical systems are or will be remediated no later than November 15, 1999.

As of this date, all mission-critical systems under our control, with the exception of our back office area are Y2K Compliant. As per the attached schedule, the projected date for full remediation in this area is September 13, 1999, well before the November 15, 1999 required date.

I will confirm our complete remediation prior to November 15, 1999 by letter as required.

Based on my inquiries, and to the best of my knowledge, I do not anticipate that the existence of the Y2K problems in our mission critical system will impair our ability to ensure the prompt and accurate operation of the business, and that under our current plan and time table we will remedy the Y2K problem prior to November 15, 1999.

Sincerely,

Anthony Broy
Chief Executive Officer

cc: Amy Mosho
    NASD Regulation
    581 Main Street, 7th Floor
    Woodbridge, N.J. 07095

encl.

MEMORANDUM

To: Sylvia Biggerstaff, Chairperson Y2K Compliance Committee

From: John R. McAuliffe

cc: Anthony Broy, Chief Executive Officer

Date: August 18, 1999 – Update August 30, 1999

Subject: Migration to LX5120 – Back Office Y2K Equipment Upgrade

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Migration Plan for A7-111 to LX5120

Migration step	Scheduled Completion	Status
Copy programs to new system	August 17, 1999	Completed
Compile until complete	August 19, 1999	Completed
Copy test files to new system	August 19, 1999	Completed
Test individual jobs	August 20, 1999	Completed
Start parallel testing	August 23, 1999	Completed
Order work stations	August 23, 1999	Completed
Complete parallel testing	August 31, 1999	On schedule
Install new work stations	August 31, 1999	On schedule
Switch to new system	September 1, 1999	On schedule
Copy application software to development system	September 1, 1999	On schedule
Develop test data for Y2K testing	September 3, 1999	On schedule
Y2K testing	September 10, 1999	On schedule
Copy modifications needed as result of Y2K test	September 10, 1999	On schedule
Complete remediation and verification to Y2K compliance	September 13, 1999	On schedule