

STERN & KENNEDY
14 WALL STREET
NEW YORK, NY 10005

July 23, 2001

Public Avail. Date: 8/9/01 0211200231
Act Section Rule
1934 17(a) 17a-5

Mr. Matthew Comstock
Securities & Exchange Commission
450 5th Street N.W.
Mail Stop 1001
Washington, D.C. 20549

Re: Extension for Filing Final FOCUS Report

Please be advised that Stern & Kennedy is being acquired by another broker-dealer and will cease operations as a broker-dealer on July 31, 2001.

Rule 17a-5 ("the Rule") requires that a final FOCUS report be filed within two business days after a firm ceases to be a member of a national securities exchange. Pursuant to Paragraph (b)(6) of the Rule, we hereby request an exemption from the two days filing requirement.

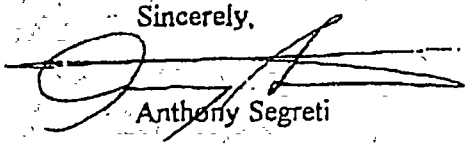
Please be advised that we are in compliance with requirement of Rule 15c3-1 and are exempt from the requirement of Rule 15c3-3. We are not experiencing any financial, operational or record-keeping problems.

We are in compliance with all applicable rules of the Securities & Exchange Commission and our self-regulatory organization.

We are requesting an exemption because with the work required to effect the merger, we will be unable to prepare the FOCUS report within the required time frame.

We will be able to submit the report by August 10, 2001.

Sincerely,



Anthony Segreti



DIVISION OF
MARKET REGULATION

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549



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NO ACT
P.E 7.23-01
8-18985

July 26, 2001

Mr. Anthony Segreti
Stern & Kennedy
14 Wall Street
New York, NY 10005

Act	Securities Exchange Act of 1934
Section	17
Rule	17a-5
Public	
Availability	August 9, 2001

Re: Request for Form X-17A-5 Filing Extension

Dear Mr. Segreti:

We have received your letter, dated July 23, 2001, in which you request on behalf of Stern & Kennedy ("Firm") an extension for filing Part II of Form X-17A-5 ("Final FOCUS") as required pursuant to Rule 17a-5(b) ("Rule") under the Securities Exchange Act of 1934 ("Exchange Act"). Subparagraph (b)(1) of the Rule requires a broker-dealer that ceases to be a member in good standing with a national securities exchange or registered national securities association to file with the Securities and Exchange Commission ("Commission"), within two business days after the membership terminates, a Final FOCUS dated as of the date such membership terminates.

From your letter, dated July 23, 2001, and our conversation on July 25, 2001, I understand the following facts to be pertinent to the Firm's request. The Firm's membership with the New York Stock Exchange, Inc. ("Exchange") will terminate as of August 1, 2001. Therefore, pursuant to subparagraph (b)(1) of the Rule, the Firm must file a Final FOCUS by August 3, 2001. You have represented that the Firm (i) is not in violation of the applicable requirements specified in Rules 15c3-1 and 15c3-3 under the Exchange Act, (ii) is not experiencing any significant financial, operational or recordkeeping problems, and (iii) is in compliance with the other applicable rules of the Commission and each self-regulatory organization of which it is a member.

Based on the foregoing facts and representations, the Division of Market Regulation ("Division") will not recommend enforcement action to the Commission if the Firm files its Final FOCUS, as required pursuant to subparagraph (b)(1) of the Rule, by August 10, 2001.

PROCESSED

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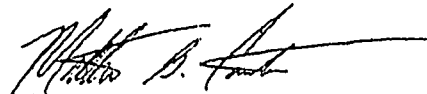
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Mr. Anthony Segreti
July 26, 2001
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Please note, however, that a broker-dealer also must file Form BDW with the Commission when withdrawing fully or partially from the securities business. Form BDW requires, in certain circumstances, that the broker-dealer attach a Form X-17A-5, which reflects an as of date no earlier than 10 days prior to the filing of the BDW. The no action position taken by the Division in this letter does not affect the requirement, when applicable, to file a Form X-17A-5 when filing Form BDW.

The Division's position is confined to the facts as described in this letter. Any material change in circumstances may warrant a different conclusion and should be brought immediately to the Division's attention.

Sincerely,



Matthew B. Comstock
Staff Attorney

cc: Warren Levine, NYSE