



7. In follow up to FMC's inquiry, the Office sent FMC a letter dated November 30, 2001, requesting information in connection with the firm's pending application. The Office also requested information relating to any securities business that the firm had conducted in Maine within the previous six years. FMC did not respond to the Office's November 30, 2001, letter.
8. On July 15, 2005, FMC contacted the Office to check on the firm's broker-dealer licensing status. The Office informed FMC that the firm was not licensed as a broker-dealer in Maine. FMC further disclosed that the firm had some Maine accounts. The Office informed FMC that no additional securities business requiring broker-dealer licensing should be conducted until the firm was properly licensed as a broker-dealer in Maine.
9. By letter dated August 8, 2005, the Office sent FMC a third letter requesting information in connection with the firm's pending application. The Office also requested a detailed accounting of the securities business that FMC had conducted in Maine during the previous six years.
10. By letter dated September 9, 2005, and an e-mail dated October 7, 2005, FMC informed the Office that since January 1999, FMC had effected at least six hundred ninety-nine (699) brokerage transactions for the accounts of eight (8) Maine customers while unlicensed as a broker-dealer in Maine.
11. It is the Office's position that FMC has acted as a broker-dealer in Maine without being licensed as a broker-dealer in Maine or exempt from such licensing.
12. FMC has represented to the Office that it was not its intention to violate the Maine Revised Securities Act.
13. Both parties desire an expeditious resolution of this matter.

**NOW, THEREFORE**, without trial or adjudication of any issue of fact or law, and without FMC admitting or denying that its conduct violated the Revised Maine Securities Act, it is agreed that:

1. FMC will comply with all licensing and other legal requirements governing persons acting as securities broker-dealers in the State of Maine at all times from the date hereof;
2. In lieu of the Office seeking the imposition of a penalty for the allegations contained herein, FMC will pay the sum of \$10,000 to the Office upon FMC's execution of this Agreement; and

3. The Office will not take further action against FMC based solely upon its unlicensed status during the period preceding and including the date of execution of this Agreement, **PROVIDED**, however, that this paragraph applies only to those transactions previously disclosed to the Office by FMC.

October 28, 2005  
Date

s/Neal K. Stearns, Chief Compliance Officer  
Neal K. Stearns, Chief Compliance Officer  
First Manhattan Co.

October 31, 2005  
Date

s/Michael J. Colleran  
Michael J. Colleran  
Securities Administrator

Reviewed by:

October 31, 2005  
Date

s/Bonnie E. Russell  
Bonnie E. Russell  
Assistant Securities Administrator

Presented by:

October 31, 2005  
Date

s/Cathy J. Williams  
Cathy J. Williams  
Licensing Coordinator