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December 17, 2001

Office of Thomas K. McGowan
Attn: David Hwa
Special Counsel
Securities Exchange Commission
Division of Market Regulation
450 5th Street NW
Washington, D.C. 20549-1001

Public Avail. Date: 1/4/02 0107200205
Act Section Rule
1934 15(c)(3) 15c3-1

Re: Request to change the Net Capital Computation of The Geneva Companies Inc.(CRD # 104454)

Dear Mr. Hwa:

On behalf of The Geneva Companies Inc. ("Geneva"), we hereby request that Geneva be permitted to change the calculation of its net capital from the method set forth in accordance with SEC Rule 15c3-1(a)(1)(ii)(the "Alternative Standard") to the aggregate indebtedness standard set forth in SEC Rule 15c3-1(a)(1)(i).

Geneva is a registered broker dealer and a wholly-owned subsidiary of Salomon Brothers Holding Company Inc. ("SBHC"). Geneva provides merger and acquisition, financial, business evaluation and consulting services to small and middle-sized, privately-held companies, primarily with annual revenues of up to \$250 million. Geneva does not hold or receive any client securities and clients do not receive account statements.

As part of its compensation for services to be provided, Geneva receives retainers from its investment banking clients ("Retainers"). Typically, the

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Retainers are paid in advance of the services being performed and there are no contractual arrangements regarding refunds of Retainers. Furthermore, the Retainers are not reflected as liabilities under GAAP.

In determining its net capital, Geneva was concerned that its receipt of Retainers constituted "funds of customers" within the meaning of SEC Rule 15c3-1(a)(2)(iv) thus subjecting Geneva to higher minimum net capital requirements than would otherwise be the case. In order to minimize the impact of a higher net capital requirement, Geneva elected to operate pursuant to the Alternative Standard of net capital computation and was granted permission to do so by the National Association of Securities Dealers, Inc. ("NASD") in April 2001.

Following a routine examination in July 2001, at which the NASD examiner advised Geneva that its receipt of Retainers did not constitute receipt of customer funds, and confirmation of this position with Susan L. Leong, the NASD District 2 Examiner, it was determined that Geneva was subject to the minimum net capital requirements set forth in SEC Rule 15c3-1(a)(2)(vi).

Pursuant to SEC Rule 15c3-1(a)(1)(ii), we respectfully request permission for Geneva to change from calculation of its net capital in accordance with the Alternative Standard to the aggregate indebtedness standard set forth in SEC Rule 15c3-1(a)(1)(i).

If you have any further questions or if you require anything further in connection with this request, please do not hesitate to call me at 212-735-3654. Please acknowledge receipt of this letter by stamping the enclosed copy of this letter and returning it to the awaiting messenger.

Sincerely yours,



Deborah Tuchman

cc: Susan L. Leong - NASD
Elliot Reiff

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Bridget Johnson - SSB
Richard Speziale - SSB



DIVISION OF
MARKET REGULATION

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

00054

Act	34
Section	15c3
Rule	15c3-1
Public Availability	1-4-02

December 21, 2001

Ms. Deborah Tuchman
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036-6522

Re: Permission to Compute Net Capital Pursuant
to the Aggregate Indebtedness Standard

Dear Ms. Tuchman:

This is in response to your letter dated November 26, 2001, in which you request on behalf of Geneva Companies Inc. ("Firm"), permission from the Division of Market Regulation ("Division") to compute the Firm's net capital under the aggregate indebtedness standard of paragraph (a)(1)(i), instead of under the alternative net capital method pursuant to paragraph (a)(1)(ii) of Rule 15c3-1 under the Securities Exchange Act of 1934 (17 CFR 24015c3-1).

I understand the following facts to be pertinent to your request. The Firm is a broker-dealer registered with the Securities and Exchange Commission ("Commission"). Rule 15c3-1 contains two standards under which a broker-dealer may compute its net capital, the aggregate indebtedness standard under paragraph (a)(1)(i), and the alternative standard under paragraph (a)(1)(ii). Paragraph (a)(1)(ii) of Rule 15c3-1 requires a broker-dealer to apply to the Commission to change from the alternative standard to the aggregate indebtedness standard. The Firm previously chose to compute its net capital under the alternative standard. You have requested that the Division approve the Firm's change from the alternative standard to the aggregate indebtedness standard because of your recent request to the National Association of Securities Dealers to reduce your minimum net capital requirement from \$250,000 to \$5,000, which resulted from a reevaluation of the firm's fee structure.

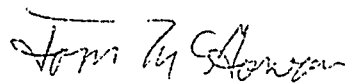
Public Reference Copy

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Based on the forgoing facts and representations, and pursuant to paragraph (a)(1)(ii) of Rule 15c3-1, the Division hereby approves the Firm's election to compute its net capital under the aggregate indebtedness standard.

Pursuant to Delegated Authority,



Thomas K. McGowan
Assistant Director

cc: Susan L. Leong: NASD

TKM/edh