



DIVISION OF
CORPORATION FINANCE

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

December 21, 2006

Christian J. Mixer, Esq.
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Ave., N.W.
Washington, D.C. 20004

Re: In the Matter of Deutsche Asset Management, Inc. and Deutsche Investment Management Americas, Inc., Administrative Proceeding File No. 3-12513—Waiver Request under Regulation A and Rule 505 of Regulation D

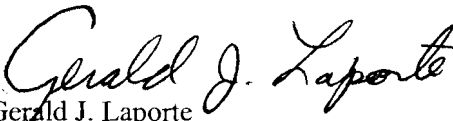
Dear Mr. Mixer:

This is in response to your letter dated today, written on behalf of Deutsche Asset Management, Inc. and Deutsche Investment Management Americas, Inc. (the "Respondents") and constituting an application for relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D under the Securities Act of 1933 ("Securities Act"). You requested relief from disqualifications from exemptions available under Regulation A and Rule 505 that may have arisen by virtue of the order entered on this date by the Securities and Exchange Commission under Section 203(e) of the Investment Advisers Act of 1940 ("Advisers Act") in In the Matter of Deutsche Asset Management, Inc. and Deutsche Investment Management Americas, Inc., Advisers Act Release No. 2575 (the "Order"). The disqualifications may have arisen because the Order was issued under Section 203(e) of the Advisers Act, and contained paragraph IV.D, ordering the Respondents to comply with certain undertakings described in Section III of the Order. The Order also was issued under Section 203(k) of the Advisers Act and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Investment Company Act"). It also censured the Respondents, ordered the Respondents to cease and desist from committing or causing any violations and any future violations of Sections 206(1) and 206(2) of the Advisers Act and Section 34(b) of the Investment Company Act, and ordered the Respondents to pay \$17,200,000 in disgorgement.

For purposes of this letter, we have assumed as facts the representations set forth in your letter and the findings supporting entry of the Order against the Respondents. We also have assumed that the Respondents have complied and will continue to comply with the Order.

On the basis of your letter, I have determined that you have made showings of good cause under Rule 262 and Rule 505(b)(2)(iii)(C) that it is not necessary under the circumstances to deny the exemptions available under Regulation A and Rule 505 of Regulation D by reason of entry of the Order. Accordingly, pursuant to delegated authority, and without determining whether or not any such disqualification arose by virtue of entry of the Order, the Respondents are granted relief from any disqualification from exemptions otherwise available under Regulation A and Rule 505 of Regulation D that may have arisen as a result of entry of the Order.

Very truly yours,


Gerald J. Laporte
Chief, Office of Small Business Policy

Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, NW
Washington, DC 20004
Tel: 202.739.3000
Fax: 202.739.3001
www.morganlewis.com

Morgan Lewis
C O U N S E L O R S A T L A W

Christian J. Mixer
202.739.5575
cmixer@morganlewis.com

December 21, 2006

VIA HAND DELIVERY

Gerald J. Laporte, Esquire
Chief, Office of Small Business Policy
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-0310

Re: *In the Matter of Deutsche Asset Management, Inc. and Deutsche
Investment Americas, Inc.,
Administrative Proceeding File No. 3-12513*

Dear Mr. Laporte:

We submit this letter on behalf of our clients Deutsche Investment Management Americas, Inc. (DIMA) and Deutsche Asset Management, Inc. (DAMI) (collectively “Deutsche”), which have settled the above-referenced proceeding by the Securities and Exchange Commission (“Commission”) related to market timing in the legacy DWS Scudder funds that allegedly violated Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”) and Section 34(b) of the Investment Company Act of 1940 (“Investment Company Act”).

Deutsche requests, pursuant to Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D, promulgated under the Securities Act of 1933 (“Securities Act”), waivers of any disqualifications from exemptions under Regulation A and Rule 505 of Regulation D that may be applicable to Deutsche or any of its affiliates as a result of the entry of the Order described below.¹ Deutsche requests that these waivers be granted by the Commission effective upon the

¹ The Staff has expressed some doubt about whether the disqualification provisions in question would be applicable, given the nature of the sanctions proposed by the Commission in this matter. Since we believe that there is good cause for waiving any disqualification, we are not raising this question in this letter, while reserving all of Deutsche’s rights.

Gerald J. Laporte, Esquire
December 21, 2006
Page 2

entry of the Order. It is our understanding that the Staff of the Division of Enforcement in the Northeast Regional Office does not object to the grant of the requested waivers.

BACKGROUND

The Staff of the Division of Enforcement has engaged in settlement discussions with Deutsche in connection with the investigation described above. Deutsche submitted an executed Offer of Settlement, solely for the purpose of proceedings by or on behalf of the Commission, which consented to the entry of a Commission Order (the "Order").

Under the Order, brought, in part, pursuant to Section 203(e) of the Advisers Act, the Commission alleged that Deutsche violated Sections 206(1) and 206(2) of the Advisers Act and Section 34(b) of the Investment Company Act, by engaging in the practices described in the Order. The Commission made findings, without admission or denial by Deutsche, that at certain times from approximately late 1997 through March 2003 Deutsche and one of its predecessor entities² allowed certain entities and individuals to market time certain mutual funds despite restrictions set forth in the mutual funds' prospectuses and the advisers' own anti-market timing policies. The Commission also found that Deutsche and one of its predecessor entities failed to disclose to the mutual funds' shareholders the existence of those arrangements or the conflict of interest created when the advisers placed their own interest in accepting market timing money to generate fees above the interests of long-term shareholders who were harmed by market timing. The Order requires that Deutsche cease and desist from committing or causing any violations or future violations of the referenced provisions, pay disgorgement in the amount of \$17,200,000.00 to the mutual funds that were the subject of the market timing arrangements, and comply with the undertakings specified in the Order.

DISCUSSION

Deutsche understands the entry of the Order may disqualify it and its affiliated entities from participating in certain offerings otherwise exempt under Regulation A and Rule 505 of Regulation D, promulgated under the Securities Act, insofar as the Order may be deemed to cause Deutsche to be subject to an order of the Commission pursuant to Section 203(e) of the Advisers Act. The Commission has the authority to waive the Regulation A and Rule 505 of Regulation D exemption disqualifications upon a showing of good cause that such disqualifications are not necessary under the circumstances. *See* 17 C.F.R. §§ 230.262 and 230.505(b)(2)(iii)(C).

² DIMA is the successor entity to the legacy advisers of the Kemper and Scudder funds. The legacy advisers were acquired by Deutsche Bank in April 2002. DAMI is the successor entity to legacy advisers of the Bankers Trust, Flag and Morgan Grenfell funds.

Gerald J. Laporte, Esquire
December 21, 2006
Page 3

For the following reasons, Deutsche requests that the Commission waive any disqualifying effects that the Order may have on Deutsche, or any of its affiliates, under Regulation A and Rule 505 of Regulation D.

1. Deutsche's conduct to be addressed in the Order does not relate to offerings under Regulations A or D.
2. The disqualification of Deutsche from the exemptions available under Regulations A and D, we believe, could have an adverse impact on third parties that may retain Deutsche and its affiliates in connection with transactions that rely on these exemptions.
3. The disqualifications would be unduly and disproportionately severe given: (i) the lack of any relationship between the violations addressed in the Order and any Regulation A or D related activity conducted by Deutsche and its affiliates; and (ii) the fact that the Commission staff has negotiated a settlement with Deutsche and reached a satisfactory conclusion to this referenced matter, including a cease-and-desist order, together with the payment of disgorgement and the imposition of undertakings.³

The undertakings require, among other things, that Deutsche maintain an appropriate compliance and ethics oversight structure and hire an independent compliance consultant to undertake a comprehensive review of, among other things, Deutsche's supervisory, compliance and other policies and procedures including its market timing controls.

4. Deutsche has a strong record of compliance with the securities laws. In addition, Deutsche voluntarily cooperated with the Division of Enforcement's investigation and the Order makes express reference to Deutsche's cooperation during the investigation.


In light of the foregoing, we believe that disqualification is not necessary, in the public interest, or protective of investors, and that Deutsche has shown good cause that relief should be granted. Accordingly, we respectfully urge that the Commission, or an individual Commission employee pursuant to appropriate delegated authority, waive the disqualification provisions in Regulation A and Rule 505 of Regulation D to the extent that they may be applicable to Deutsche and any of its affiliates as a result of the entry of the Order.

³ We note that the Commission has granted relief under Rule 262 of Regulation A and Rule 505(b)(2)(iii)(C) of Regulation D in similar circumstances. *See, e.g.*, Legg Mason Wood Walker, Inc., S.E.C. No-Action Letter (pub. avail. Sept. 21, 2005); Smith Barney Fund Management LLC, S.E.C. No-Action Letter (pub. avail. May 31, 2005); Citigroup Global Markets, Inc., S.E.C. No-Action Letter (pub. avail. Mar. 23, 2005).

Gerald J. Laporte, Esquire
December 21, 2006
Page 4

Please do not hesitate to contact the undersigned at (202) 739-5575, if you have any questions regarding this request.

Very truly yours,

A handwritten signature in black ink, appearing to read 'CJM', written in a cursive style.

Christian J. Mixer

cc: A. Thomas Smith, Esquire, Deutsche Bank