

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 3065 / August 5, 2010

INVESTMENT COMPANY ACT OF 1940
Release No. 29377 / August 5, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-11590

In the Matter of

**JANUS CAPITAL
MANAGEMENT LLC**

Respondent.

**ORDER MODIFYING ORDER INSTITUTING
ADMINISTRATIVE AND CEASE-AND-DESIST
PROCEEDINGS PURSUANT TO SECTIONS 203(e)
AND 203(k) OF THE INVESTMENT ADVISERS ACT
OF 1940 AND SECTIONS 9(b) AND 9(f) OF THE
INVESTMENT COMPANY ACT OF 1940, MAKING
FINDINGS, AND IMPOSING REMEDIAL
SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

On August 18, 2004, the Securities and Exchange Commission (“Commission”) instituted administrative and cease-and-desist proceedings pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (“Investment Company Act”), making findings, and imposing remedial sanctions and a cease-and-desist order (the “2004 Order”) against Janus Capital Management LLC (“JCM”).¹

II.

In anticipation of the proceedings, JCM consented to the entry of the 2004 Order. Among other things, the 2004 Order required JCM to cease and desist from further violations of the federal securities laws, directed JCM to pay disgorgement and civil money penalties, and directed JCM to comply with various undertakings.

¹ See Advisers Act Rel. No. IA-2277, August 18, 2004, Admin. Proc. File No. 3-11590.

III.

JCM has submitted an Amended Offer of Settlement (the "Offer") proposing to relieve it of the obligations to continue to: (1) undertake a periodic compliance review in accordance with paragraph 32 of the 2004 Order; (2) establish and maintain an Internal Compliance Controls Committee in accordance with paragraph 30(b) of the 2004 Order; and (3) hold a shareholder's meeting at which the Board of Trustees for each registered investment company is elected not less than every fifth calendar year in accordance with paragraph 28(c) of the 2004 Order. Solely for purposes of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, JCM consents to the entry of this Order Modifying Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 and Sections 9(b) and 9(f) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

IV.

The Commission deems it appropriate and in the public interest to amend the 2004 Order as agreed to in JCM's Offer.

Accordingly, IT IS HEREBY ORDERED that:

A. Paragraph 32 of the 2004 Order is amended as follows to order:

32. *Periodic Compliance Review.* Commencing in 2006, and at least once every other year thereafter through at least 2009, JCM shall undergo a compliance review by a third party, who is not an interested person, as defined in the Investment Company Act, of JCM. At the conclusion of the review, the third party shall issue a report of its findings and recommendations concerning JCM's supervisory, compliance, and other policies and procedures designed to prevent and detect breaches of fiduciary duty, breaches of the Code of Ethics and federal securities law violations by JCM and its employees in connection with their duties and activities on behalf of and related to the Janus funds. Each such report shall be promptly delivered to JCM's Internal Compliance Controls Committee and to the Legal and Regulatory Committee of the Board of Trustees of each Janus fund.

B. Paragraph 30(b) of the 2004 Order is amended as follows to order:

b. Until at least June 1, 2010, JCM shall establish an Internal Compliance Controls Committee to be chaired by JCM's Chief Compliance Officer, which Committee shall have as its members senior managers of JCM's business units. Notice of all meetings of the Internal Compliance Controls Committee shall be given to the independent Trustees of the Janus funds, who shall be invited to

attend and participate in such meetings. The Internal Compliance Controls Committee shall review compliance issues throughout the business of JCM, endeavor to develop solutions to those issues as they may arise from time to time, and oversee implementation of those solutions. The Internal Compliance Controls Committee shall provide reports on internal compliance matters to the Legal and Regulatory Committee of the Trustees of the Janus funds with such frequency as the independent Trustees of such funds may instruct, and in any event at least quarterly. JCM shall also provide to the Audit Committee of JCG the same reports of the Code of Ethics Oversight Committee and the Internal Compliance Controls Committee that it provides to the Legal and Regulatory Committee of the Janus funds.

C. Paragraph 28(c) of the 2004 Order is amended as follows to order:

c. Commencing in 2005 and not less than every fifth calendar year thereafter through at least 2010, each Janus fund will hold a meeting of shareholders at which the Board of Trustees will be elected.

D. All other provisions of the 2004 Order remain in effect.

By the Commission.

Elizabeth M. Murphy
Secretary

Service List

Rule 141 of the Commission's Rules of Practice provides that the Secretary, or another duly authorized officer of the Commission, shall serve a copy of **ORDER MODIFYING ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTIONS 203(e) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940 AND SECTIONS 9(b) AND 9(f) OF THE INVESTMENT COMPANY ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER** ("Order"), on the Respondent.

The attached Order has been sent to the following parties and other persons entitled to notice:

Honorable Brenda P. Murray
Chief Administrative Law Judge
Securities and Exchange Commission
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