

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 54342 / August 21, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11769**

**In the Matter of**

**Franklin Advisers, Inc. and Franklin/  
Templeton Distributors, Inc.**

**Respondents.**

**ORDER DIRECTING  
DISTRIBUTION OF FAIR FUND**

On May 19, 2006, the Commission published a notice of the Plan of Distribution proposed by the Division of Enforcement in connection with this proceeding (Securities Exchange Act Release No. 53844). The Plan of Distribution proposes that a Fair Fund consisting of \$20,000,001 in disgorgement, civil penalties, and any accrued interest, be distributed *pro rata* to each Franklin Templeton mutual fund ("FT Fund") based on the amount of brokerage commissions attributed to that FT Fund during the calendar years 2001, 2002, and 2003. The Plan of Distribution also provides that the Commission will arrange for direct payment, by electronic transfer in immediately available funds, to each FT Fund its share of the Fair Fund.

On June 23, 2006, the Commission approved the Plan of Distribution and the appointment of Marc J. Fagel, Esq. as Plan Administrator (Securities Exchange Act Release No. 54037). The Plan Administrator has sought an order of the Commission authorizing distribution to the FT Funds in accordance with the terms of the Plan of Distribution. The amount to be distributed is \$20,701,897.65.

Accordingly, it is ORDERED that the Plan Administrator shall distribute the Fair Fund to the FT Funds as described in the Plan of Distribution.

By the Commission.

Nancy M. Morris  
Secretary