

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 65390 / September 23, 2011

ADMINISTRATIVE PROCEEDING
File No. 3-11572

In the Matter of Franklin Advisers, Inc.,

Respondent.

**ORDER DISCHARGING PLAN
ADMINISTRATOR AND
TERMINATING FAIR FUND**

On August 2, 2004, the Commission issued an Order instituting and simultaneously settling public administrative and cease-and-desist proceedings (“the Order”) against Franklin Advisers, Inc. (“Franklin”) in this matter (Investment Advisers Act Release No. 2271). In the Order, the Commission found that Franklin allowed improper market timing in mutual funds for which Franklin served as the investment adviser. The Order established a Fair Fund, comprised of \$50 million in disgorgement and penalties paid by Franklin, and provided that the Fair Fund was to be distributed pursuant to a plan developed by an Independent Distribution Consultant. On May 9, 2008, the Commission approved a distribution plan (Securities Exchange Act Release No. 57808).

The distribution plan (“Plan”) provides that the Fair Fund, plus any accrued interest, be distributed by a Fund Administrator to investors in mutual funds affected by market timing activity, according to the methodology set forth in the Plan. Beginning in September 2008, a total of \$43,576,905.64 was distributed to investors. In May 2010, a total of \$11,402,009.02 then remaining in the Fair Fund was distributed to the mutual funds affected by the market timing, as provided in the Plan. This completed the distribution process.

The Plan provides that amounts which cannot be distributed to investors or the affected mutual funds be transferred to the U.S. Treasury. Consistent with this provision, the staff

requested authorization to transfer the \$54,615.08 remaining in the Fair Fund to the U.S. Treasury, as well as any funds returned to the Fair Fund in the future. The staff also requested authorization to transfer to the U.S. Treasury all tax refunds paid to the Fair Fund after the completion of the distribution process.

The staff also requested that the Commission approve the Final Accounting of the Fair Fund, which was submitted and approved pursuant to Rule 1105(f) of the Commission's Rules on Fair Fund and Disgorgement Plans.

Accordingly, IT IS ORDERED that:

- A. the Fair Fund is terminated:
- B. the Fund Administrator, Boston Financial Data Services, is discharged;
- C. the \$54,615.08 remaining in the Fair Fund, including a tax return that was returned to the fund, shall be transferred to the U.S. Treasury; and
- D. any funds returned in the future to the Fair Fund shall be transferred to the U.S. Treasury.

By the Commission.

Elizabeth M. Murphy
Secretary