

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 57674 / April 17, 2008**

**INVESTMENT ADVISERS ACT of 1940**  
**Release No. 2725 / April 17, 2008**

**Administrative Proceeding**  
**File No. 3-13009**

**In the Matter of Scott B. Gann**

The United States Securities and Exchange Commission announced the issuance of an Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940 (Order) against Scott B. Gann.

The Division of Enforcement alleges that the United States District Court for the Northern District of Texas entered a judgment on April 4, 2008 against Gann, permanently enjoining him from future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. Securities and Exchange Commission v. Scott B. Gann, et al., Civil Action Number 3:05-CV-0063-L (N.D. Tex.). The court also ordered Gann to pay disgorgement and prejudgment interest of \$70,209.35, plus a \$50,000 civil penalty for a total of \$120,209.35. The Complaint in the district court action alleged that Gann engaged in a scheme to defraud hundreds of mutual funds and their shareholders by engaging in deceptive market timing practices on behalf of a single hedge fund client.

A hearing before an administrative law judge will be scheduled to determine whether the allegations in the order are true, to provide the Respondent an opportunity to dispute these allegations, and to determine what remedial action, if any, is appropriate in the public interest. The Order directed the Administrative Law Judge to issue an initial decision within 210 days from the date of service of the Order.