

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2523 / June 16, 2006

ADMINISTRATIVE PROCEEDING
File No. 3-12337

In the Matter of	:	ORDER INSTITUTING
	:	ADMINISTRATIVE
	:	PROCEEDINGS PURSUANT
Kenneth W. Corba,	:	TO SECTION 203(f) OF THE
	:	INVESTMENT ADVISERS ACT OF
Respondent.	:	1940, MAKING FINDINGS, AND
	:	IMPOSING REMEDIAL SANCTIONS
	:	

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Kenneth W. Corba (“Corba” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose 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 him and the subject matter of these proceedings, and the findings contained in Section III.2. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Corba, age 53, a resident of Greenwich, Connecticut, was the Chief Executive Officer, Chief Investment Officer, and Managing Director of PEA Capital LLC (the sub-adviser for the PIMCO Growth, PIMCO Growth & Income, PIMCO

Opportunity, PIMCO Target, and PIMCO Value Funds), and was the portfolio manager for the PIMCO Growth Fund and the PIMCO Select Growth Fund. Corba joined PEA Capital in 1999 and resigned on April 13, 2004. Corba became a Certified Financial Analyst in 1987 and received an MBA from the University of Michigan in 1984. He has NASD Series 2, 7, 63, and 65 licenses. On August 24, 1995, the Texas Securities Commission entered a consent order against Corba for providing investment advice without proper registration. Corba was reprimanded and granted registration. He has no other disciplinary history.

2. On June 13, 2006, a final judgment was entered by consent against Corba, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, Section 34(b) of the Investment Company Act of 1940, and Sections 206(1) and 206(2) of the Advisers Act in the civil action entitled Securities and Exchange Commission v. Stephen J. Treadway and Kenneth W. Corba, Case Number 04 Civ. 3464 (VM), in the United States District Court for the Southern District of New York. Corba was also ordered to pay a civil penalty in the amount of \$200,000.

3. The Commission's complaint alleged that Corba, along with his co-defendant, engaged in a scheme to defraud investors of various PIMCO equity funds by entering into an undisclosed market timing arrangement with Canary Capital Partners LLC ("Canary") in exchange for Canary's \$25 million investment of "sticky assets" into a PIMCO equity fund. The Complaint further alleges that Corba negotiated this arrangement despite disclosures in the PIMCO Funds' prospectus that the PIMCO Funds discouraged and restricted market timing. Moreover, the Complaint alleges that Corba managed the PIMCO Growth Fund, which provided \$30 million in market timing capacity to Canary, and the PIMCO Select Growth Fund, which received the \$25 million "sticky asset" investment from which PEA Capital LLC collected management fees.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Corba's Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, Respondent Corba be, and hereby is, barred from association with any investment adviser, with the right to reapply for association after one year to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for

the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Nancy M. Morris
Secretary