

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 56320 / August 24, 2007

Administrative Proceeding
File No. 3-11524

In the Matter of	:	Order Directing
	:	Disbursement of Fair Fund
PILGRIM BAXTER &	:	
ASSOCIATES, LTD.,	:	
	:	
Respondent.	:	

On June 30, 2006, the Securities and Exchange Commission (the “Commission”) published a proposed Plan of Distribution and issued a Notice of Proposed Distribution Plan and Opportunity for Comment (Exchange Act Release No. 54073) pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103. The Commission received comments and, on November 22, 2006, the Commission approved the proposed Plan of Distribution as modified (Exchange Act Release No. 54812).

The Plan provides that a Fair Fund consisting of \$250,000,000 in disgorgement and civil penalties, plus any accrued interest, less any amounts necessary to pay taxes due on Fair Fund earnings be transferred in increments to Deutsche Bank Trust Company Americas (the “Bank”) to be distributed to injured investors according to the methodology set forth in the Plan. The Plan provides that the Commission will arrange for distribution of the Fair Fund in tranches when a Payment File listing the payees with the identification information required to make the distribution has been received and accepted for each tranche. The Payment File for the third and final tranche has been received and accepted.¹

¹ By Order Directing Disbursement of Fair Fund dated April 12, 2007, the Commission ordered the disbursement of the first tranche, comprised of \$124,999,781.40. *See* Exchange Act Rel. No. 55627 (4/12/2007). By Order Directing Disbursement of Fair Fund dated May 30, 2007, the Commission ordered the disbursement of the second tranche, comprised of \$73,276,568.19. *See* Exchange Act Rel. No. 55831 (5/30/2007).

Accordingly, it is ORDERED that the Commission shall transfer, for the third and final tranche, the entire remainder of the Fair Fund² to the Bank, and the Plan Administrator shall distribute the funds as provided for in the Plan of Distribution.

For the Commission, by its Secretary, pursuant to delegated authority.

Nancy M. Morris
Secretary

² As of August 22, 2007, the amount on deposit at the Bureau of Public Debt is \$69,469,684.31; the funds will continue to earn interest until the date of transfer when all funds will be transferred.