

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 58106 / July 7, 2008

ADMINISTRATIVE PROCEEDING
File No. 3-11769

In the Matter of

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

Respondents.

**ORDER APPROVING FINAL
ACCOUNTING, DIRECTING
PAYMENT OF REMAINDER OF
FAIR FUND TO UNITED STATES
TREASURY, AND DISCHARGING
ADMINISTRATOR**

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 proposed 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 provided that the Commission 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., Associate District Administrator of the Commission's San Francisco Regional Office, as Plan Administrator (Securities Exchange Act Release No. 54037). On August 21, 2006, the Commission issued an order directing Franklin Templeton to distribute the funds pursuant to the Plan of Distribution. On September 28, 2006, \$20,701,898.26 was distributed to the FT Funds affected by the use of brokerage commissions to pay for shelf space.

Between December 9, 2004 and December 18, 2006, income tax payments totaling \$467,580 were made from the Fair Fund. Pursuant to the Plan Administrator's final accounting, submitted pursuant to Rule 1105(f) of the Commission's Rules on Fair Fund and Disgorgement Plans, \$166,093.65 remains in the Fair Fund.

Accordingly, IT IS ORDERED that the Commission approves the final accounting of the Fair Fund established in this matter.

IT IS FURTHER ORDERED THAT the residual amount of \$166,094.98* shall be transferred to the United States Treasury by the Commission's Office of Financial Management.

IT IS FURTHER ORDERED THAT the Plan Administrator is discharged.

By the Commission.

Florence E. Harmon
Acting Secretary

* This amount includes an additional \$1.33 refund from the IRS for an overpayment of taxes that was received after the action memorandum circulated.