

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 2702 / February 11, 2008

In the Matter of an Application Filed Under
Rule 193 of the Commission's Rules of
Practice on behalf of

TIMOTHY J. MILLER

For Consent to Associate with Waddell &
Reed Investment Management Company
(WRIMCO), Ivy Investment Management
Company (IICO), and Registered Investment
Companies Managed by WRIMCO and IICO

ORDER GRANTING CONSENT
TO ASSOCIATE

Pursuant to a consent order entered on August 30, 2004, Timothy J. Miller ("Miller") is barred from association with any investment adviser, and is prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter, with a right to reapply for association after one year from the date of the order. In the Matter of Timothy J. Miller, Investment Advisers Act Release No. 2289 (Aug. 30, 2004) ("Bar Order"). Miller has submitted an application (the "Application") for consent to associate as a portfolio manager with Waddell & Reed Investment Management Company (WRIMCO), Ivy Investment Management Company (IICO), which are affiliated, registered investment advisers that provide advisory services to registered investment companies under their management.

In the proceedings against him, the Commission alleged that Miller, as the then chief investment officer of Invesco Funds Group ("IFG"), an investment adviser that managed a family of mutual funds, negotiated and approved arrangements that permitted illegal market timing of the funds, and failed to disclose the arrangements to investors. The Commission found that, as a result of this conduct, Miller aided and abetted violations of Sections 206(1) and (2) of the Investment Advisers Act, and caused violations of Section 34(b) of the Investment Company Act.

The Application represents that:

- Miller will be supervised by Michael L. Avery, the chief investment officer of the advisers and Waddell & Reed Financial, Inc.
- Miller’s proposed office will be located in the same WRIMCO Office as Avery.
- Avery will “closely supervise Miller, including
 - (i) day-to-day oversight of the fund management activities of Mr. Miller,
 - (ii) daily meetings with all portfolio managers (including Mr. Miller),
 - (iii) weekly meetings with all of the equity portfolio managers (including Miller), and
 - (iv) monthly meetings with Mr. Miller individually to review the management and trading activity in the funds he manages.
- Miller will also be supervised by Scott J. Schneider, the chief compliance officer for the managed funds. Schneider will also be located in the same WRIMCO Office as Miller, and his supervision of Miller will include
 - (i) monthly (or more frequent) meetings with Mr. Miller to review the trading activity in, and exception reports concerning, the mutual funds managed by Mr. Miller,
 - (ii) quarterly updates to the Board of Directors for the WRIMCO-Managed Funds and IICO-Managed Funds (the “Boards”), and
 - (iii) reports of any unusual or excessive trading activity in these funds to Mr. Avery and the Code of Ethics Oversight Committee.”
- Miller will also be subject to general oversight by the Boards, and will be required to report to each board at least annually on the management and trading activities in the funds under his management.
- Miller will be provided “comprehensive training,” regarding “systems, requisites, policies and procedures, and investment restrictions and limitations” related to the advisers, the management funds and their related transfer agent; the training will include:
 - (i) the policies and procedures employed by the Adviser Entities to deter frequent trading, market timing, and late trading, and
 - (ii) the Code of Ethics adopted by the Adviser Entities, as well as the policies and procedures designed to detect and prevent breaches of fiduciary duty and violations of the federal securities laws.
 Similar training will be conducted at least once a year.

The Division of Enforcement, pursuant to delegated authority, has reviewed the Application.¹ Relying upon the representations made concerning the proposed association by Mr. Miller with the registered investment advisers and with the investment companies under their management, the Division has concluded that it is appropriate for the Commission to approve the Application.

¹ All representations, terms, and conditions of employment not specifically listed are incorporated herein by reference.

Accordingly, IT IS ORDERED that the Application submitted on behalf of Mr. Miller be, and hereby, is, approved.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.²

Nancy M. Morris
Secretary

² 17 CFR 200.30-4(a)(5).