

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 59445 / February 25, 2009

Administrative Proceeding  
File No. 3-11524

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

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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. A total amount of \$267,001,327.14 was distributed directly to investors in a series of three disbursements: \$124,999,781.40 on April 12, 2007, \$73,276,568.19 on May 30, 2007, and \$68,724,977.55 on August 24, 2007.<sup>1</sup>

The Plan further provides that any monies not distributed directly to investors (the “Residual”) shall be distributed to the PBHG Funds based on the proportion of aggregate excess profits by market timers accounted for by each PBHG Fund.<sup>2</sup>

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<sup>1</sup> See Exchange Act Rel. Nos. 55627 (Apr. 12, 2007); 55831 (May 30, 2007), and 56320 (Aug. 24, 2007), respectively.

<sup>2</sup> This amount is net of any tax reserve, which will remain in the account pending satisfaction of tax liabilities.

Accordingly, it is ORDERED that the Plan Administer shall disburse the Residual, in the amount stated in the validated payment file, of \$35,380,631.02 as provided for in the Plan of Distribution.

By the Commission.

Elizabeth M. Murphy  
Secretary