

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 63518 / December 10, 2010**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11645**

**In the Matter of**

**PA FUND MANAGEMENT, LLC,  
PEA CAPITAL LLC, and  
PA DISTRIBUTORS LLC,**

**Respondents.**

**ORDER APPROVING PLAN OF  
DISTRIBUTION, APPOINTING A  
FUND ADMINISTRATOR, AND  
WAIVING BOND**

On September 13, 2004, the Commission entered an Order instituting settled administrative and cease-and-desist proceedings against PA Fund Management LLC, PEA Capital LLC, and PA Distributors LLC (“Respondents”) in this matter (the “Order”). *In the Matter of PA Fund Management LLC (f/k/a PIMCO Advisors Fund Management LLC), PEA Capital LLC (f/k/a PIMCO Equity Advisors LLC), and PA Distributors LLC (f/k/a PIMCO Advisors Distributors LLC)*, Admin. Proc. File No. 3-11645 (Exchange Act Release No. 50354, September 13, 2004). In the Order, the Commission authorized the establishment of a Fair Fund comprised of disgorgement and penalties paid by the Respondents for distribution to investors harmed by market timing in certain mutual funds formerly offered by the PIMCO Equity Funds: Multi-Manager Series (the “Equity Funds” or “Funds”). Respondents were ordered to pay \$50 million into the Fair Fund (less \$1,616,738 previously returned to the Equity Funds). The Order provided that the Fair Fund was to be distributed pursuant to a distribution plan developed by an Independent Distribution Consultant. The Respondent retained Dr. Michael F. Koehn as the IDC, who has developed a proposed distribution plan (the “Plan”) in consultation with the Division of Enforcement and Respondents.

On October 7, 2010, the Commission published a “Notice of Proposed Plan of Distribution and Opportunity for Comment” (“Notice”) pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103. *See* Exchange Act Release No. 63059. The Notice advised all interested parties that they may obtain a copy of the Plan from the Commission’s public website, or by requesting one from Lorraine B. Echavarria, Assistant Regional Director, Los Angeles Regional Office.

The Notice also advised all persons desiring to comment on the Plan that they may submit their written comments no later than 30 days from the date of the Notice by sending them to the Office of the Secretary, by using the Commission's Internet comment form, or by e-mailing rule-comments@sec.gov. The Commission received no comments on the Plan, and no material modification has been made to the Plan since publication of the Notice.

The Distribution Plan provides for the distribution of the Fair Fund based on shareholders' losses, defined as shareholder dilution and transactions costs, caused by market timing in the Equity Funds from February 2002 to April 2003. Harmed shareholders will receive their losses suffered and their proportionate share of advisory fees paid by the funds that suffered losses and their proportionate share of interest earned on the Fair Fund. Upon termination of the Fair Fund, the monies that remain in the Fair Fund will be transferred to the Commission for remittance to the U.S. Treasury.

The Plan also proposes Rust Consulting, Inc. as the Fund Administrator and sets forth, among other things, procedures for the administration of the Fair Fund, including a proposed timeframe for the termination of the Plan.

Rust Consulting, Inc. has not posted the bond generally required of third parties under Fair Fund Rule 1105(c). Good cause for waiver exists for the reasons that follow: (1) the Fund Administrator will have no custody, and only limited control, of the Fair Fund; (2) the Fair Fund will be held by U.S. Treasury Bureau of Public Debt until immediately before transmittal of checks or electronic transfers to eligible investors; (3) funds will be transferred from U.S. Treasury Bureau of Public Debt to a commercial bank ("Bank") and those funds will be held in an escrow account, separate from Bank assets, until presentation of a check or electronic transfer, at which time funds will be transferred to a controlled distribution account; (4) presented checks or electronic transfers will be subject to "positive pay" controls before being honored by the Bank; and (5) both the Bank and the Fund Administrator will maintain, throughout this process, insurance and/or a financial institution bond that covers errors and omissions, misfeasance, and fraud.

The staff requests that the Commission approve the Plan, appoint Rust Consulting, Inc. as the Fund Administrator, and waive the bond requirement of the Fund Administrator for the good cause shown herein and set forth in the Plan.

Accordingly, it is ORDERED that:

A. Pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1104, the Distribution Plan is approved;

B. Pursuant to Rule 1105(a) of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105(a), Rust Consulting, Inc. is appointed as the Fund Administrator; and

C. The bond requirement of Rule 1105(c) of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105(c), is waived for good cause shown.

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

Elizabeth M. Murphy  
Secretary