

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933

Release No. 9172 / January 11, 2011

SECURITIES EXCHANGE ACT OF 1934

Release No. 63696 / January 11, 2011

ADMINISTRATIVE PROCEEDING

File No. 3-14184

In the Matter of

**Charles Schwab Investment
Management,
Charles Schwab & Co., Inc. and
Charles Schwab Corporation**

Respondents.

**ORDER UNDER SECTION 27A(b) OF THE
SECURITIES ACT OF 1933, AND
SECTION 21E(b) OF THE SECURITIES
EXCHANGE ACT OF 1934, GRANTING
WAIVERS OF THE DISQUALIFICATION
PROVISIONS**

Charles Schwab Investment Management (“CSIM”), Charles Schwab & Co., Inc. (“CS&Co.”) and their parent, Charles Schwab Corporation, (together, “Respondents”) have submitted a letter on behalf of themselves and their affiliates, dated December 22, 2010, requesting a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from the settlement of administrative and cease-and-desist proceedings with the Commission. On Tuesday, January 11, 2011, the Commission instituted such proceedings and issued finding that:

- 1) Respondent CSIM willfully violated Sections 17(a)(2) and (3) of the Securities Act; Sections 204A and 206(4) of the Advisers Act and Rule 206(4)-8 promulgated thereunder; and willfully aided and abetted and caused violations of Sections 13(a) and 34(b) of the Investment Company Act; and
- 2) Respondent CS&Co. willfully violated Section 17(a)(2) and (3) of the Securities Act and Section 15(g) of the Exchange Act, and aided and abetted and caused violations of Section 34(b) of the Investment Company Act.

The Commission censured Respondents, and ordered Respondents to cease and desist from committing or causing violations of the above-referenced provisions, and to comply with certain undertakings.

Respondents submitted Offers of Settlement in which they agreed, without admitting or denying the findings except as to jurisdiction, to consent to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, and Section 9(f) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”) against them. The Order was issued by the Commission on January 11, 2011.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward-looking statement that is “made with respect to the business or operations of the issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of a judicial or administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]” Section 27A(b)(1)(A)(ii) of the Securities Act; Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived “to the extent otherwise specifically provided by rule, regulation, or order of the Commission.” Section 27A(b) of the Securities Act; Section 21E(b) of the Exchange Act.

Based on the representations set forth in Respondents’ December 22, 2010 request letter, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the issuance of the Order is appropriate and should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to Respondents and their affiliates resulting from the issuance of the Order, effective as of January 11, 2011, the date of the issuance of the Order, is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary