

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING  
File No. 3-11793

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In the Matter of )  
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Southwest Securities, Inc., )  
Daniel R. Leland, Kerry M. Rigdon, )  
and Kevin J. Marsh, )  
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Respondents. )  

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**PROPOSED PLAN OF DISTRIBUTION**

**Overview**

1. This Plan of Distribution (“Plan”) proposes a methodology for distributing disgorgement, civil penalties, and prejudgment interest paid by Southwest Securities, Inc., Daniel R. Leland, Kerry M. Rigdon, and Kevin J. Marsh (collectively, “Respondents”) in settlement with the Securities and Exchange Commission (“SEC” or “Commission”) of administrative proceedings involving findings of deceptive market timing of certain mutual funds and annuities (“Affected Funds”). On January 10, 2005, Respondents consented to the entry of an Order Instituting Public Administrative Proceedings, Making Findings, and Imposing Remedial Sanctions Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, and Instituting Cease-and-Desist Proceedings and Imposing a Cease-and-Desist Order Pursuant to Section 21C of the Securities Exchange Act of 1934

and Section 9(f) of the Investment Company Act of 1940 (“Order”).<sup>1</sup> (Exchange Act Rel. No. 51002). The Order found, among other things, that between October 2002 and September 2003, the Respondents failed reasonably to supervise three registered representatives who engaged in an illegal market timing scheme.

2. The Order required that Respondents pay \$10,275,003 in disgorgement, civil penalties, and prejudgment interest. The Order also established a Fair Fund under Section 308(a) of the Sarbanes-Oxley Act of 2002, 15 U.S.C. § 7246, and 17 C.F.R. § 201.1100, *et seq.* promulgated thereunder (Order, Paragraph IV.B.3.). The Fair Fund is the \$10,275,003 paid by the Respondents plus \$999 post-judgment interest paid by Respondent Marsh and accrued interest. The Order further required that Respondent Southwest Securities bear the reasonable cost of compensation and expenses of an Independent Distribution Consultant “who will be named by order of the Commission, and who will be responsible for any distribution of any Fair Fund established pursuant” to the Order (Order, Paragraph III.H.3).

3. The Commission appointed Gilardi & Co., L.L.C. (“Gilardi”) to administer the Fair Fund and has decided that an Independent Distribution Consultant need not be named in connection with this distribution. (Order Appointing Fund Administrator and Waiving the Bond Requirement). Because the Independent Distribution Consultant’s tasks have been largely completed in this case, and because the funds will be disbursed by the U.S. Department of Treasury’s Financial Management Service (“FMS”), the Commission saw the need for a fund administrator only and elected to appoint Gilardi as such. Gilardi’s compensation or expenses shall be paid first from the interest earned on the funds, and if the interest is not sufficient, then from the corpus. This submission

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<sup>1</sup> See Order Instituting Proceedings at [www.sec.gov/litigation/admin/34-51002.htm](http://www.sec.gov/litigation/admin/34-51002.htm).

constitutes the Plan required by the Order. The Plan is subject to approval by the Commission, and the Commission retains jurisdiction over the implementation of the Plan.

### **Administration of the Distribution Plan**

4. Purpose and Background. The Plan was developed pursuant to the Order and the SEC Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1100, *et seq.* (“Rules”). The Fair Fund constitutes a Qualified Settlement Fund under Section 468B(g) of the Internal Revenue Code, 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission, and the Commission shall retain control of the assets of the Fair Fund, which is currently deposited at the U.S. Treasury Bureau of Public Debt (“BPD”) for investment in government obligations.

5. Fund Administrator. Rule 1105(a) provides that the Commission “shall have the authority to appoint any person . . . as administrator of a plan of disgorgement of a Fair Fund and to delegate to that person responsibility for administering the plan.” Rule 1105(a) also provides that an administrator may be removed at any time by order of the Commission. The Commission has appointed Gilardi to act as the administrator for the Plan. Gilardi has extensive experience in distributing SEC Fair Funds.

6. Bond. Rule 1105(c) requires that Gilardi “obtain a bond in the manner prescribed in 11 U.S.C. 322, in an amount to be approved by the Commission,” but allows the Commission to “waive posting of a bond for good cause shown.” The disbursements in this matter will be made by FMS directly to the Affected Funds, with no handling of money by Gilardi. The payees, and the relative amounts to be paid by FMS to each, will

have been reviewed and approved by the Commission prior to the disbursements. In summary, Gilardi will not have discretion regarding payment amounts made from the Fair Fund. Accordingly, waiver of the bond for Gilardi is proposed for this Plan.

### **Distribution Plan and Procedures**

7. Specification of Eligible Fair Fund Recipients. Rule 1101(b)(2) provides that a plan shall include specification “of categories of persons potentially eligible to receive proceeds of the fund.” This first requires a decision of whether the distribution should occur at the fund level, meaning that the Fair Funds would be contributed to the Affected Funds in which the Respondents’ conduct caused dilution in share value, with the distribution resulting in an increase in the net asset value of those collective asset vehicles; or at the individual investor level, meaning that the distribution process would attempt to “look through” the ownership structure at the mutual fund level to identify the individual fund shareholders whose shares were diluted in value as a consequence of the Respondents’ transactions.

7(a). Distribution Amount. The Affected Funds suffered dilution in the amount of approximately \$5.2 million. The Affected Funds shall receive interest on the dilution amount at the Federal Short-Term rate. The \$5.2 million plus interest of approximately \$1.1 million comprise the “Distribution Amount” of approximately \$6.3 million.

7(b). Undistributed Funds. A residual within the Fair Fund is established for any amounts remaining after all assets have been distributed. The residual account may include distributions from checks that have not been cashed, or from funds returned to Gilardi. The remainder of the Fair Fund (“Residual Funds”), *i.e.*, the Fair Fund

(approximately \$10,276,002) minus the Distribution Amount (\$6,344,632), shall be paid to the U.S. Treasury.

8. Fund Level. A fund level distribution is the appropriate mechanism for this distribution. This conclusion is based on the observations that, among other factors:

- a. The amounts likely to be paid to the large majority of individual fund shareholders would be so small as to be *de minimis*; and
- b. Implementing an individual level distribution under the circumstances here would result in significant expense and delay. Because any costs to prepare and fully implement the Plan are to be paid out of the Fair Fund, it is highly probable that an individual level distribution would significantly reduce the size of the Fair Fund. A fund level distribution would, however, avoid the costs of collecting large amounts of data from various sources and in different formats regarding daily purchases and redemptions of funds by individuals. In addition, complex and time-consuming implementation issues would be present in an individual level distribution such as this where the trading took place at hundreds of funds in numerous different fund complexes. The Respondents and Gilardi in the instant proceedings lack the ability to compel disclosure by the various funds (not to mention the various brokers, advisors and other intermediaries) of the daily purchases and redemptions of funds by individuals that would be essential to any determination of which shareholders of the funds held fund shares, and how many shares they held, and how many shares were outstanding, on the various days on which the Respondents engaged in purchases and redemptions of shares of those same funds.

9. Methodology for Determining Distributions. The Fair Fund will be allocated in three steps. First, the dilution suffered by each Affected Fund is estimated using the next-day NAV method. This method calculates the dilution to a fund as the sum of the profits earned by market timers on purchases plus the losses avoided on sales. This method assumes that the timer inflows were fully invested at the end of the day after being received and that the investments were fully liquidated at the end of the day after being withdrawn.

9(a). The next-day NAV method has been shown to be a valid method of estimating dilution from market timing<sup>2</sup> and has been used previously for fund-level allocations in previous distributions.<sup>3</sup> Based upon the specific facts in this matter, the next-day NAV method is a fair and reasonable approach. The next-day NAV method was applied to a database of trades produced by the Respondents. The Respondents represented that these are the trades referred to in the Order.

9(b). The second and third steps use the estimates of positive dilution experienced by the Affected Funds from the first step to allocate the Distribution Amount of the Fair Fund. Therefore, in the second step, the Distribution Amount is allocated *pro rata* to all funds with positive dilution.

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<sup>2</sup> See Greene, J. and C.W. Hodges, 2002. "The Dilution Impact of Daily Fund Flows on Open-End Mutual Funds," *Journal of Financial Economics* 65, 131-158, and Greene, J. and C. S. Ciccotello, 2006. "Mutual Fund Dilution from Market Timing Trades," *Journal of Investment Management* 4, 42-66.

<sup>3</sup> See, for example, *In the Matter of Millennium Partners, et al.*, Proposed Plan of Distribution, Administrative Proceeding File No. 3-12116 and 3-11292, available at <http://www.sec.gov/litigation/admin/2007/34-55841-pdp.pdf> and Order Approving Distribution Plan, Appointing an Administrator, and Waiving Bond, available at <http://www.sec.gov/litigation/admin/2007/34-56196.pdf>, *In the Matter of Veras Capital Master Fund, et al.*, Proposed Plan of Distribution, Administrative Proceeding File No. 3-12133, available at <http://www.sec.gov/litigation/admin/2006/34-54299-pdp.pdf>, and Order Directing Disbursement of Fair Fund, available at <http://sec.gov/litigation/admin/2007/34-55363.pdf>.

9(c). The Residual Funds should be adequate to cover any anticipated tax liability of the Fair Fund and related costs of tax compliance.

9(d). Consistent with similar distribution plans, this Plan sets a *de minimis* amount of \$1,000. This avoids distributing money to funds in cases where the cost of the distribution exceeds the amount distributed. Accordingly, the third step re-allocates the Distribution Amount *pro rata* based on dilution to all Affected Funds that experienced positive dilution and which had an allocation of at least \$1,000 in step two. Of the mutual funds with positive dilution, the funds listed in the attached Table 1 (“Eligible Funds”) were found to have dilution of at least \$1,000.

9(e). This method is an acceptable method for allocating the Fair Fund on the specific facts of this case. Each Eligible Fund's share of the Fair Fund (“Share Amount”) is intended to result in a payment that restores the impaired value of the Eligible Fund. Some of this impaired value is susceptible to calculation, while some of this impaired value is not. The method of calculation is intended by the Commission to fairly estimate the impaired value that each Eligible Fund has suffered and make a payment in that amount.

10. Procedures for Locating and Notifying Responsible Persons for the Eligible Funds. Rule 1101(b)(3) provides that a plan shall include procedures “for providing notice to [potential claimants--in this case, the Eligible Funds] of the existence of the fund and their potential eligibility to receive proceeds of the fund.” Gilardi will identify the entity with fiduciary responsibility for each Eligible Fund or its successor entity. Within 30 days of the approval of the Plan, Gilardi will mail or send by other reasonable means each such fiduciary a notice regarding the Commission's approval of the Plan and

the procedure for distribution. Gilardi will request from each fiduciary information sufficient to accomplish the distribution, including the Tax Identification Number for the Eligible Fund, payment address, contact information, and/or wiring instructions. Furthermore, each Eligible Fund will: (1) be notified that the Share Amount is designated solely for the Eligible Fund and is not to be used for administrative or management fees, and (2) be required to certify in advance that the money will be deposited into the Eligible Fund as intended (“Certification”).

10(a). If an Eligible Fund does not respond, including providing the Certification, within twenty-one days from the mailing date of the notice, Gilardi shall send a second notice by mail. For those Eligible Funds entitled to a Share Amount of \$50,000 or greater that do not respond to the second notice within twenty-one days of the notice’s mailing date, Gilardi shall make three attempts to contact the Eligible Fund (or its successor) telephonically within the next seven days. Gilardi will keep records of each contact attempt for each Eligible Fund, and the response received, if any. These records will be provided to Commission staff at least 30 days before the scheduled distribution is to be made.

10(b). If Gilardi determines that an Eligible Fund is no longer in existence, Gilardi shall notify the Commission and dispose of the Eligible Fund’s Share Amount according to the Commission’s direction.

11. No Claims-Made Process. This Fair Fund is not being distributed according to a claims-made process, so the procedures for providing notice and for making and approving claims are not applicable.



12. Procedures for the Receipt of Additional Funds. Rule 110l(b)(1) provides, among other things, that a plan shall include procedures “for the receipt of additional funds.” The Fair Fund has been deposited at the BPD for investment in government obligations. Other than interest from these investments, it is not anticipated that the Fair Fund will receive additional funds.

13. Checks or Electronic Transfers. FMS may elect to make payment of the Share Amount to an Eligible Fund by check or electronic transfer. Distribution checks or electronic transfers, on their face, or in the accompanying mailing will clearly indicate that the money is being distributed from an SEC Fair Fund.

14. Validation and Approval of Disbursement of the Fair Fund. The Fair Fund disbursement to the Eligible Funds will be implemented through FMS, which will electronically transfer funds through the Automated Clearing House (“ACH”) or mail a check to each payee. The Fair Fund disbursements will be made as follows:

- a. Staff will provide Gilardi with appropriate proprietary software for compiling the information necessary to be submitted to FMS.
- b. Approximately 30 days prior to the distribution date, Gilardi will compile the information available into an electronic file in the Agency Input format and submit the file to the SEC Office of Financial Management to ensure the file passes all system edits. Any errors or omissions of data will be communicated back to Gilardi promptly. Gilardi will submit the final electronic file to the staff. However, the initial distribution shall be made no later than 150 days following approval of the Plan. Before submitting a validated payment file to the staff, Gilardi will coordinate with the Tax Administrator to determine

whether it is necessary to solicit an IRS Form W-9 (resident entities) or W-8 (non-resident entities) from each Eligible Fund.

- c. Gilardi will validate the list of Eligible Funds and respective Share Amounts in the electronic file to the staff. The validation will state that the list was completed in accordance with the Plan and provides all information necessary to make a disbursement to each Eligible Fund. Unless otherwise directed by the Commission, the staff will obtain authorization from the Commission to disburse pursuant to Rule 1101(b)(6).
- d. When the electronic file and validation are approved and the order to disburse is entered, the Commission, through its Office of Financial Management, will transmit the electronic file to FMS for the transfer of funds pursuant to the following FMS procedures. Within 48 hours of receipt by FMS, funds will be transferred by the ACH or checks will be mailed.
- e. Gilardi will repeat this process as many times as necessary to complete distribution of the Fair Fund.
- f. In the event that any distribution is in the form of a paper check in lieu of an electronic transfer, each check will state on its face that it is valid for one year. Gilardi shall notify the Commission, which, in turn, will notify FMS of all uncashed checks. FMS will credit the SEC account for the Distribution Fund for the amount of all uncashed checks.

15. Returned Checks Electronic Transfer Procedures. FMS will notify the Commission, which, in turn will notify Gilardi of any returned items due to non-delivery, insufficient addresses, or other deficiencies. Gilardi is responsible for researching and

reconciling all errors that result in non-delivery and shall submit a supplemental electronic file for payment of the returned items. If an Eligible Fund does not deposit its Share Amount, FMS will notify the staff with the name of the Eligible Fund and the dollar amount of funds not deposited. The funds not deposited will become part of the Residual Funds.

16. Termination of the Fair Fund. The Fair Fund shall be eligible for termination, and Gilardi shall be discharged, after all of the following have occurred: (1) a final accounting, in an SEC standard accounting format provided by the staff, has been approved by the Commission, (2) all taxes, fees, and expenses have been paid, and (3) any amount remaining in the Fair Fund has been received by the Commission. When the Commission has approved the final accounting, the staff shall seek an order from the Commission to approve the transfer of any amount remaining in the Fair Fund to the U.S. Treasury and to approve the termination of the Fair Fund and discharge of Gilardi.

17. Taxes. The Commission has appointed Damasco & Associates as the Tax Administrator (“Tax Administrator”) of the Fair Fund (Exchange Act Rel. No. 53460). Gilardi and Respondents will cooperate with the Tax Administrator in providing information necessary to accomplish income tax compliance, ruling and advice work assigned to the Tax Administrator by the Commission. The Tax Administrator shall be compensated from the Tax Allowance. Gilardi and BPD shall be authorized to provide account information to the Tax Administrator.

18. Amendment. FMS and Gilardi shall take reasonable and appropriate steps to distribute the Fair Fund according to the Plan. Gilardi will inform the staff of any changes needed in the Plan. Upon agreement with the staff, Gilardi may implement

immaterial changes to the Plan to effectuate its general purposes. If a change is deemed to be material by the staff, Commission approval is required prior to implementation by amending the Plan, which may be done upon the motion of Gilardi or any party or upon the Commission's own motion.

19. Procedural Deadlines. For good cause shown, the staff may extend any of the procedural deadlines set forth in this Plan.

20. Notice of Proposed Fair Fund Distribution Plan. In accordance with Rule 1103, notice of this Plan shall be published in the *SEC Docket*, on the Commission website, and on the Respondents' website. Any person or entity wishing to comment on the Plan must do so in writing by submitting their comments to the Commission within thirty days of the date of the Notice: (a) by sending a letter to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-1090; (b) by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or (c) by sending an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include "Administrative Proceeding File Number 3-11793" in the subject line. Comments received will be made publicly available. Commenters should submit only information that they wish to make publicly available.

Fund	CUSIP	Ticker
AIM ASIA PACIFIC GROWTH FD CL A	008882888	ASIAX
AIM BLUE CHIP FD CL A	001413871	ABCAX
AIM CHARTER FD CL A	001413103	CHTRX
AIM DEVELOPING MARKETS FD CL A	00141T577	GTDDX
AIM EUROPEAN GROWTH FD CL A	008882854	AEDAX
AIM GLOBAL AGGRESSIVE GROWTH FD CL A	008882201	AGAAX
AIM GLOBAL GROWTH FD CL A	008882300	.AGGAX
AIM HIGH YIELD FD II CL A	00142C409	AHAYXOLD
AIM INCOME FD CL A	00142C870	AMIFX
AIM INTL CORE EQUITY FD CL A	001405703	IAVAXOLD
AIM INTL EMERGING GROWTH FD CL A	008879561	IEGAX
AIM INTL GROWTH FD CL A	008882102	AIIEX
AIM LARGE CAP GROWTH FD CL A	001413749	LCGAX
AIM MID CAP CORE EQUITY FD CL A	00141M812	GTAGX
AIM MUNI BOND FD CL A	00142C763	AMBDX
AIM OPPORTUNITIES I FD CL A	008883100	ASCOX
AIM REAL ESTATE FD CL A	001405844	IARAXOLD1
ALGER CAP APPRECIATION FD CL A	015565849	ACAAX
ALGER GROWTH FD CL A	015565856	ALGAX
ALGER MIDCAP GROWTH FD CL I	015570203	ALMRX
ALLIANCEBERNSTEIN CA MUNI INCOME FD A	018642306	ALCAX
ALLIANCEBERNSTEIN MUNI INCOME NATL FD A	018642108	ALTHX
ALLIANCEBERNSTEIN NEW EUROPE FD CL A	018713107	ANEAX
ALLIANCEBERNSTEIN REAL ESTATE FD CL A	01877G102	AREAX
ALPINE INTL REAL EST EQ FD CL Y	020940409	EGLRX
AMERICAN CENTURY INTL GROWTH FD ADV CL	025086406	TWGAX
AMERICAN FDS EURO PACIFIC GWTH FD CL A	298706102	AEPGX
AMERICAN FDS TAX EXEMPT BOND FD CL A	876902107	AFTEX
AMERICAN FDS TAX EXMPT FD OF CA CL A	02630B109	TAFTX
AMERICAN LTD TERM TAX EX BD FD OF AMER F	532726403	LTXFX
ARIEL SMALL CAP FD	040337107	ARGFX
ARK SMALL CAP EQUITY FD CL A	040711749	ARPAXOLD
ARMADA INTL EQUITY FD CL I	042086629	AIEIX
ASAF AMER CENTURY INTL GROWTH FD A	029650504	AACIXOLD
ASAF DEAM INTL EQUITY FD CL A	029650108	DMIAXOLD
ASAF STRONG INTL EQUITY FD CL A (NW)	029650140	IESAX
BABSON ENTERPRISE FD	056160104	BABEX
BABSON GROWTH FD	056161102	BABSX
BABSON-STEWART IVORY INTL FD	056175102	BAINX
BARCLAY LIFEPATH 2030 FD CL I	066922857	STLDX
BARCLAY S&P 500 STOCK FD	066922204	WFSPX
BEAR STEARNS SMALL CAP VALUE FD CL A	073921306	BSVAX
BERGER LARGE CAP GROWTH FD (VQ)	084054105	BEOOXOLD3
BERGER MID CAP VALUE FD (VQ)	084045608	BEMVXOLD
BLACKROCK GOVT INCOME FD CL A	091928374	CCGAX
BLACKROCK US OPPORTUNITIES FD CL A	091929810	BMEAX

Fund	CUSIP	Ticker
BOSTON PARTNERS MID CAP VALUE FD CL I	749255436	BPMIX
BROWN CAPITAL SMALL CO FD CL I	66976M409	BCSIX
BROWN IA SMALL CAP GROWTH FD CL A	349903377	BIAAX
BUFFALO SMALL CAP FD	119804102	BUFSX
CALVERT SOCIAL INVEST EQUITY FD CL A	131618308	CSIEX
CDC NVEST INTL EQUITY FD CL A	12506R633	NEIFXOLD1
CITIZENS CORE GROWTH FD CL I	174688507	WINIX
COLUMBIA GROWTH FD CL Z	197666100	CLMBX
COLUMBIA INTL STOCK FD CL Z	197755101	CMISX
COLUMBIA MIDCAP GROWTH FD CL Z	198513103	CLSPX
COLUMBIA REAL ESTATE EQUITY FD CL Z	198297103	CREEX
COOKE & BIELER MIDCAP EQUITY FD	21624P304	CBMDX
CREDIT SUISSE EMERGING GROWTH FD	22543C101	.CUEGX
CREDIT SUISSE SMALL CAP GROWTH FD	22543N107	WSCGX
DELAWARE CORPORATE BOND FD CL A	245908785	DGCAX
DELAWARE INTL VALUE EQUITY FD CL A	245914106	DEGIX
DODGE & COX INTERNATIONAL STOCK FD	256206103	DODFX
DREYFUS FOUNDERS GROWTH FD CL F	262001464	FRGRX
DREYFUS GENERAL MUNI BD FD	370453102	GMBDX
DREYFUS GROWTH & INCOME FD	261942106	DGRIX
DREYFUS INSTL S&P 500 STOCK FD	261978811	DSPIX
DREYFUS PREMIER INTL VALUE FD CL A	26200C601	DIVLX
DREYFUS PREMIER MIDCAP STOCK FD CL A	261978795	DPMAX
DREYFUS PREMIER WORLDWIDE GROWTH A	261989107	PGROX
DREYFUS SHORT INTERM GOVT FD	261919104	DSIGX
EATON VANCE GROWTH FD CL A	277902102	EVGFX
EATON VANCE INCOME OF BOSTON FD CL A	277907101	EVIBX
ECLIPSE SMALL CAP VALUE FD	278846100	MOPIX
EMERALD GROWTH FD CL A	29089R103	.HSPGX
ENTERPRISE INTL GROWTH FD CL A	293720405	ENIGX
EVERGREEN INTL GROWTH FD CL A	299924100	EKZAX
EVERGREEN US GOVT FD CL A	300237690	EUSAX
EXCELSIOR BLENDED EQUITY FD	300722303	UMEQX
EXCELSIOR LARGE CAP GROWTH FD	300722683	.UMLGX
EXCELSIOR SMALL CAP FD	300722816	UMLCX
EXELCISOR EQUITY FD CL I	300727807	EXEQX
FEDERATED AMERICAN LEADERS FD CL A	313914103	FALDX
FEDERATED GLOBAL EQUITY CL A (NW)	31428U870	FGEIX
FEDERATED GOVT INCOME SECS FD CL A	313912206	FGOAX
FEDERATED HIGH INCOME BD FD CL A	314195108	FHIIX
FEDERATED INTL EQUITY FD CL A	31420G101	FTITX
FEDERATED INTL SMALL COMPANY FD CL A	31428U748	ISCAX
FEDERATED MID CAP FD INST	31420E205	FMDCX
FEDERATED MUNI OPPORTUNITIES FD CL A	313910200	FMOAX
FEDERATED MUNI SECS FD CL A	313913105	LMSFX
FIDELITY ADVISOR DIVERSIFIED INTL FD A	315920736	FDVAX
FIDELITY ADVISOR INTL CAP APPR FD CL A	315920843	FCPAX

Fund	CUSIP	Ticker
FIDELITY ADVISOR MID CAP STOCK FD CL I	315805606	FMCCX
FIDELITY ADVISOR OVERSEAS FD CL A	315918607	FAOAX
FIDELITY ADVISOR OVERSEAS FD CL I	315918508	FAOIX
FIFTH THIRD INTL EQUITY FD CL I	316786672	FIEIX
FIFTH THIRD INTL GDP FD CL I	31678R866	KNINXOLD
FIRST AMERICAN LARGE CAP GROW OP FD A	318941754	FRGWX
FIRST AMERICAN SMALL CAP GROWTH OP FD A	318941580	FRMPX
FIRSTHAND TECHNOLOGY VALUE FD	337941108	TVFQX
FMI FOCUS FD	302933106	FMIOX
FMI WOODLAND SMALL CAP VALUE FD	30250T308	FMIWX
FPA CAPITAL FD	302539101	FPPTX
FPA PARAMOUNT FD	302546106	FPRAX
FRANKLIN CA TAX FREE INCOME FD CL A	352518104	FKTFX
FRANKLIN CAPITAL GROWTH FD CL A (MF)	353516107	FKREX
FRANKLIN REAL ESTATE FD CL A	354602104	FREEX
GABELLI INTL GROWTH FD	36239U100	GIGRX
GAM EUROPE FD CL A	364590505	GEURX
GOLDMAN SACHS ASIA GROWTH FD CL A	38141W570	GSAGX
GOLDMAN SACHS CAPITAL GROWTH FD CL A	38141W638	GSCGX
GOLDMAN SACHS CORE INTL EQUITY FD CL A	38142V878	GCIAX
GOLDMAN SACHS CORE US EQUITY FD CL A	38141W620	GSSQX
GOLDMAN SACHS EMERGING MARKETS FD CL A	38142B450	.GEMAX
GOLDMAN SACHS EUROPEAN EQUITY FD CL A	38142V274	GSEAX
GOLDMAN SACHS HIGH YLD BD FD CL A	38141W653	GSHAX
GOLDMAN SACHS INTL EQUITY FD CL A	38141W596	GSIFX
GOLDMAN SACHS INTL SMALL CAP FD CL A	38142V316	GISAX
GOLDMAN SACHS MID CAP VALUE FD CL A	38142V720	GCMAX
GOLDMAN SACHS MUNI INCOME FD CL A	38141W828	.GSMIX
GOLDMAN SACHS STRATEGIC GROWTH FD A	38142Y609	GGRAX
GUARDIAN BAILLIE GIFFORD EMERG MKT FD A	700159833	GBEMX
GUARDIAN CASH MANAGEMENT FD	700159304	GCMXX
HARBOR INTL FD	411511306	.HAINX
HARBOR INTL GROWTH FD	411511801	HAIGX
HARTFORD GLOBAL LEADERS FD CL A	416645539	.HALAX
HARTFORD HIGH YIELD BOND FD CL A	416645489	HAHAX
HARTFORD INTL OPPORTUNITIES FD CL A	416645703	IHOAX
HARTFORD MIDCAP FD CL A	416645711	HFMCX
HARTFORD TOTAL RETURN BOND FD CL A	416645778	ITBAX
HEARTLAND VALUE FD	422359109	HRTVX
HIGHMARK BOND FD CL A	431114743	HMRBX
HOTCHKIS & WILEY MIDCAP VALUE FD CL A	44134R206	HWMAX
ICM/ISABELLE SMALL CAP FD	44928J105	IZZYX
IDEX JANUS GLOBAL FD CL A	45168C403	IGLBX
IDEX TEMPLETON GREAT CO GLOBAL FD A	45168H717	ICOAX
ING EMERGING COUNTRIES FD CL A	44980R870	NECAX
ING GOVT FD CL A	44981M797	ATGAX
ING INTL SMALL CAP GROWTH FD CL A	44980R730	NIGRX

Fund	CUSIP	Ticker
ING LARGE CAP GROWTH FD CL A	44978A194	NLCAX
ING SMALL COMPANY FD CL A	44981M284	.AESAX
ING WORLDWIDE GROWTH FD CL A	44980R466	NAWGX
INVESCO DYNAMICS FD	46127G204	FIDYXOLD2
INVESCO TAX-FREE LONG TERM BOND FD	46128R407	FTIFXOLD2
ISI MANAGED MUNI FD CL A	561661109	MUNIX
JANUS FEDERAL TAX EXEMPT FD	471023861	JATEX
JANUS GLOBAL OPPORTUNITIES FD	471023622	JGVAX
JANUS WORLDWIDE FD	471023309	JAWWX
JP MORGAN FLEMING EUROPEAN FD CL A	628263717	VEUAX
KELMOORE STRATEGY COVER OPTION FD CL A	488160201	KSAIX
KELMOORE STRATEGY EAGLE FD CL A	488160300	KSEAX
KOPP EMERGING GROWTH FD CL A	500927108	KOPPX
LAZARD EMERGING MARKETS FD	52106N764	LZOEX
LAZARD INSTL INTL EQUITY FD	52106N400	LZIEX
LINDNER LARGE CAP GROWTH FD (NW)	535516843	LDNRX
LOOMIS SAYLES BOND FD CL A	543487623	LBFAXOLD
LOOMIS SAYLES INTL EQUITY FD	543487409	LSIEXOLD
LORD ABBETT BD DEBENTURE FD CL A	544004104	LBNDX
LORD ABBETT NATIONAL TAX FREE FD A	543902100	LANSX
LORD ABBETT US GOVT FD CL A	543916308	LAGVX
MAINSTAY HIGH YLD CORP BD FD CL A	56062F772	MHCAX
MELLON INTL FD CL M	58551X504	MPITX
MERRILL LYNCH CORP BD HIGH INC FD CL A	590907804	MDHIX
MERRILL LYNCH GLOBAL GROWTH FD CL A	59020J407	MDGGX
MERRILL LYNCH INTL VALUE FD CL A	58940E738	MDIVX
MERRILL LYNCH US GOVT MORTGAGE FD A	59020T405	MDFSX
MFS BD FD CL A	55272P208	MFBFX
MFS GLOBAL GROWTH FD CL A	552989303	MWOFX
MFS GLOBAL TELECOMMUNICATIONS FD CL A	552983322	MGTAXOLD
MFS GLOBAL TOTAL RETURN FD CL A	552986101	MFWTX
MFS HIGH INCOME FD CL A	552984106	MHITX
MFS INTL NEW DISCOVERY FD CL A	552981888	MIDAX
MFS INTL VALUE FD CL A	55273E301	MGIAX
MFS NEW DISCOVERY FD CL A	552983553	MNDAX
MTB SMALL CAP GROWTH FD CL A	55376T171	ARPAX
MUHLENKAMP FD	962096103	MUHLX
NAITONS SMALL CO FD PRIMARY A	638581587	PSCPX
NATIONS CA MUNI BOND FD CL A	63859B345	PHCTX
NATIONS HIGH YIELD BOND FD INVESTOR A	63859N208	NAHAX
NATIONS SHORT-INTERMEDIATE GOVT CL A	638579722	NSIGX
NAVELLIER AGGR SMALL CAP EQUITY FD	638924886	NASCX
NAVELLIER INTL GROWTH FD CL A	638938407	NAIMX
NAVELLIER MID CAP GROWTH FD	638924209	NPMDX
NEUBERGER BERMAN FASCIANO FD CL INV	641224852	NBFSX
NEUBERGER BERMAN GUARDIAN FD	641224209	NGUAX
NEUBERGER BERMAN GUARDIAN TRUST FD	640917209	NBGTX



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NEUBERGER BERMAN PARTNERS TRUST FD	640917407	NBPTX
NICHOLAS LIMITED EDITION FD	653738104	NCLEX
NORTH TRACK GOVT FD CL A (NW)	663038206	PRPGX
NUVEEN INSURED MUNI BD FD CL A	67065Q509	NMBIX
ONE GROUP MID CAP VALUE FD CL A	681937751	OGDIX
ONE GROUP SMALL CAP VALUE FD CL I	68231N602	PSOPX
OPPENHEIMER CAPITAL APPREC FD CL A	68379A107	OPTFX
OPPENHEIMER DISCOVERY FD CL A	683921100	OPOCX
OPPENHEIMER EQUITY FD CL A	683808109	.OEQAX
OPPENHEIMER GLOBAL OPPORTUNITIES FD A	683943104	OPGIX
OPPENHEIMER HIGH YLD FD CL A	683796106	OPPHX
OPPENHEIMER INTL GROWTH FD CL A	68380L100	OIGAX
OPPENHEIMER US GOVT TRUST FD CL A	683810105	OUSGX
PBHG GROWTH FD	69316H106	PBHGX
PHOENIX-SENECA MIDCAP EDGE FD CL A	719135501	EDGEX
PIONEER AMERICA INCOME TRUST CL A	723540100	PUSGX
PIONEER EUROPE FD CL A	72367A103	.PEURX
PIONEER INTL GROWTH FD CL A	723709101	PIIFX
PIONEER TAX FREE INCOME FD CL A	723887105	MOMTX
PRINCIPAL GROWTH FD CL A	742975105	PRGWX
PRINCIPAL PARTNERS BLUE CHIP FD CL A	74252H102	PBLCX
PRUDENTIAL EQUITY FD CL A	744316100	PBQAXOLD
PRUDENTIAL EUROPE GROWTH FD CL A	74431N103	PRAEXOLD
PRUDENTIAL HIGH YIELD FD CL A	74435F106	PBHAXOLD
PRUDENTIAL SMALL CO VALUE FD CL A	743968109	PGOAXOLD
PUTNAM CAPITAL APPRECIATION FD CL A	74644W106	PCAPX
PUTNAM HI YIELD FD CL A	746782101	PHIGX
PUTNAM INTL NEW OPPORTUNITIES FD CL A	746802206	PINOX
PUTNAM MUNI INCOME FD CL A	746919109	PTFHX
PUTNAM OTC & EMERGING GROWTH FD CL M	746847300	POEMX
RICE HALL JAMES MICRO CAP FD	00758M212	RHJSX
SAFECO HIGH YIELD BOND FD	78643H101	SAFHX
SAFECO INCOME FD	786900100	SAFIX
SALOMON BROS HIGH YLD BD FD CL A	79549D707	SAHYX
SALOMON BROS INTL EQUITY FD CL A	79549D517	SAIEX
SALOMON BROS NATL TAX FREE FD CL A	79550C101	CFNIX
SALOMON BROS SMALL CAP GROWTH FD A	795479708	SASMX
SARATOGA SMALL CAP FD CL I	803431600	SSCPX
SCHRODER US SMALLER CO FD INV CL	808088405	SCUIX
SCUDDER INTL FD CL A	811165810	SUIAX
SCUDDER NEW EUROPE FD CL A	81118E108	KNEAX
SECURITY EQUITY FD CL A	814219101	SECEX
SECURITY GLOBAL FD CL A	814219309	.SEQAX
SEI CORE INTL EQUITY FD CL A	78411R109	SEITX
SEI INST MID CAP FD CL A	783925795	SEMCX
SEI INST SMALL CAP VALUE FD	783925688	SESVX
SEI INTL EMERGING MKTS FD CL A	78411R703	.SIEMX

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SEI MANAGED LARGE CAP VALUE FD INST	783925100	TRMVX
SEI TAX MGD LARGE CAP FD	783925571	TMLCX
SELIGMAN FRONTIER FD CL A	816334106	SLFRX
SELIGMAN HENDERSON INTL FD CL A	81633C108	SHIFX
SENTINEL BOND FD CL A	817270408	SNBDX
SENTINEL WORLD FD CL A	817270887	SWRLX
SIRACH SPECIAL EQUITY FD	00758M345	SSEPX
SIT MIDCAP GROWTH FD	829796101	NBNGX
SIT NEW BEGINNING INTL GROWTH FD	82980D103	SNGRX
SIT SMALL CAP GROWTH FD	82980D301	SSMGX
SOUND SHORE FD	836083105	SSHFX
SPECTRA FD	847561107	SPECX
SSGA MATRIX EQUITY FD	784924607	SSMTX
SSGA SMALL CAP FD (MF)	784924706	SVSCX
SSGA YIELD PLUS FD	784924805	SSYPX
STATE STREET RESEARCH INVEST TRUST A	857483200	SITAX
STATE STREET RESEARCH INVEST TRUST S	857483101	STSTX
STATE STREET RESEARCH MIDCAP GROWTH A	857475305	SCFAX
STATE STREET RESEARCH MIDCAP GROWTH S	857475107	SCFCX
STRONG BLUE CHIP 100 FD	862917408	.SBCHX
STRONG OPPORTUNITY FD	86335K100	SOPFX
SUNAMERICA GNMA FD CL A	866918402	GNMAX
SUNAMERICA INTL EQUITY FD CL A	867031726	.SIEAX
SUNAMERICA INTL EQUITY FD CL II	867031684	SIETX
T ROWE PRICE GNMA FD	779549104	PRGMX
T ROWE PRICE INTL STOCK FD	77956H203	PRITX
T ROWE PRICE MID CAP GROWTH FD	779556109	RPMGX
T ROWE PRICE NEW ASIA FD	77956H500	PRASX
T ROWE PRICE SPECTRUM INTL FD	779906304	PSILX
T ROWE PRICE TAX FREE INCOME FD	779576107	PRTAX
TCW GALILEO SMALL CAP GROWTH FD CL I	87234N849	TGSCX
TCW GALILEO SMALL CAP GWTH CL N (NW)	87234N666	TGSNX
THIRD AVENUE VALUE FD	884116104	TAVFX
THORNBURG INTL VALUE FD CL A	885215657	TGVAX
THORNBURG LTD TERM US GOVT FD CL A	885215103	LTUSX
THORNBURG VALUE FD CL I	885215632	TVIFX
TOUCHSTONE EMERGING GROWTH FD CL A	89154X880	TEGAX
TOUCHSTONE INTER TERM GOVT BOND FD A	89154W205	TINAX
TURNER MICROCAP GROWTH FD CL I	872524301	TMCGX
TURNER MIDCAP GROWTH FD (MF)	900297409	TMGFX
TURNER SMALL CAP GROWTH FD CL I	900297300	TSCEX
TURNER SMALL CAP VALUE FD CL I	87252R300	TCSVX
UBS INTL EQUITY FD CL Y	90262H361	BNUEX
UBS PACE INTL EQUITY FD CL A	90262L768	PWGAX
UBS S&P 500 INDEX FD CL A	90263C106	PSPIX
UNDISCOVERED MANAGERS REIT FD	904504503	URTLX
VALUE LINE TAX EX NATIONAL BOND PORT	920461209	VLHYX

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VALUE LINE US GOVT SEC FD	920466109	VALBX
VAN KAMPEN AMERICAN VALUE FD CL A	921133401	MSAVX
VAN KAMPEN ASIAN EQUITY FD CL A	921133708	MSAAXOLD1
VAN KAMPEN EMERGING GROWTH FD CL A	92113B106	ACEGX
VAN KAMPEN EMERGING MKT FD CL A	921133872	MSRAX
VAN KAMPEN GLOBAL VALUE EQ FD CL A	921133849	MGEAX
VAN KAMPEN GROWTH & INCOME FD CL A	92113H103	ACGIX
VAN KAMPEN HIGH YLD MUNI FD CL A	92113R101	ACTHX
VAN KAMPEN INTL MAGNUM FD CL A	921133716	.MIMAX
VAN KAMPEN PACE FD CL A	92113N100	ACPAX
VAN WAGONER SMALL CAP GROWTH FD	921280103	VWMCX
VANGUARD HIGH YLD MUNI FD	922907407	VWAHX
VANGUARD INTL STOCK INDEX FD	921909602	VGTSX
VANGUARD LIFESTRAT CONS GRWTH FD	921909305	VSCGX
VICTORY DIVERSIFIED STOCK FD CL A	926464603	SRVEX
WEISS PECK GREER CAPITAL GROWTH FD	92931E100	WPGFX
WELLS FARGO INTL EQUITY FD CL A	94975G678	.SILAX
WELLS FARGO LARGE CO GROWTH FD CL I	94975G561	NVLCX
WELLS FARGO SIFE SPEC FIN SERV FD CL A	94975J870	SIFEX
WELLS FARGO SMALL CAP GROWTH FD CL A	94975G553	SOCAX
WILLIAM BLAIR INTL GROWTH FD CL I	093001774	BIGIX
WILSHIRE LARGE CO GROWTH INVEST FD	971897103	.DTLGX
WILSHIRE TARGET LARGE CAP GROWTH FD I	971897509	WLCGX
WILSHIRE TARGET SMALL CO VALUE FD	971897400	DTSVX
WM CONSERVATIVE GROWTH PORT CL A	928967702	SAGPX
WM GROWTH FD CL A	928966506	SRGFX
WM HIGH YIELD FD CL A	928965623	.CHYAX
WM SMALL CAP STOCK FD CL A	928966654	SREMX
WM TAX EXEMPT BD FD CL A	928965888	CMTEX
WM US GOVT SECURITIES FD CL A	928965755	CMPGX
YACKTMAN FOCUSED FD	984281204	YAFFX