UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9038 / June 8, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13507

In the Matter of **Evergreen Investment Management Company, LLC, and Evergreen Investment Services, Inc.** **Respondents.**	**ORDER UNDER RULE 602(e) OF THE SECURITIES ACT OF 1933 GRANTING A WAIVER OF THE RULE 602(c)(3) DISQUALIFICATION PROVISION**

I.

Evergreen Investment Management Company, LLC ("EIMCO"), and Evergreen Investment Services, Inc. ("EIS") (collectively, "Respondents") have submitted a letter, dated May 21, 2009, requesting a waiver of the Rule 602(c)(3) disqualification from the exemption from registration under Regulation E arising from Respondents' settlement of an administrative proceeding commenced by the Commission.

II.

On June 8, 2009, pursuant to Respondents' Offer of Settlement, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b)(4) and 21C of the Securities Exchange Act of 1934 ("Exchange Act"), Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Investment Company Act"), Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order") against Respondents. The Order found, among other things, that: (1) from February 2007 through June 18, 2008, the Evergreen Ultra Short Opportunities Fund (the "Fund") overstated its net asset value ("NAV") by as much as 17% and, as a result, certain shareholders redeemed their shares at prices higher than they should have received – to the detriment of remaining shareholders – and certain shareholders purchased shares at higher prices than they should have paid; (2) from June 13, 2008 through June 17, 2008, EIS, with EIMCO's knowledge, disclosed to select Fund

shareholders, including shareholders who were brokerage customers of an affiliate, that recent significant decreases in the Fund's NAV were caused by the downward re-pricing of certain securities owned by the Fund that resulted not from market-related events but rather from a change in the way the Fund valued those securities and that the re-pricings may continue – information these shareholders were then able to use in deciding whether to redeem their shares before further potential re-pricings of the securities held by the Fund; (3) from as early as January 2008, EIMCO caused the Fund to engage in prohibited securities transactions with other mutual funds in the Evergreen family of mutual funds; and (4) EIS failed to preserve certain business-related electronic communications as required by federal securities laws and in violation of a Commission Order entered against it on September 19, 2007, in a separate enforcement action. The Order found that, as a result of the conduct described therein, EIMCO willfully violated Sections 204A and 206(2) of the Advisers Act and Section 34(b) of the Investment Company Act and willfully aided and abetted and caused violations of Section 17(a)(2) of the Investment Company Act and Rule 22c-1(a) promulgated pursuant to Section 22(c) of the Investment Company Act; and EIS willfully violated Sections 15(f) and 17(a) of the Exchange Act and Rule 17a-4(b)(4) thereunder, and Rule 22c-1(a) promulgated pursuant to Section 22(c) of the Investment Company Act, and willfully aided and abetted and caused EIMCO's violations of Section 206(2) of the Advisers Act. The Order censures the Respondents and requires them to, among other things: (1) pay a total of approximately $7,125,000 in disgorgement plus prejudgment interest and civil penalties (and acknowledges the Respondents' undertaking to make a payment of an additional $33,000,000 to compensate shareholders for harm caused by the conduct set forth in the Order); (2) cease and desist from committing or causing violations of various provisions of the federal securities laws; and (3) comply with certain undertakings concerning compliance oversight.

III.

Regulation E exemption is unavailable for the securities of small business investment company issuers or business development company issuers if any investment adviser or underwriter for the securities to be offered is subject to an order of the Commission entered pursuant to Section 15(b) of the Exchange Act or Section 203(e) of the Advisers Act. 17 C.F.R. § 230.602(c)(3). Rule 602(e) of the Securities Act of 1933 ("Securities Act") provides, however, that the disqualification "shall not apply . . . if the Commission determines, upon a showing of good cause, that it is not necessary under the circumstances that the exemption be denied." 17 C.F.R. § 230.602(e).

IV.

Based upon the representations set forth in Respondents' request, the Commission has determined that, pursuant to Rule 602(e) under the Securities Act, a showing of good cause has been made and that it is not necessary under the circumstances that the exemption be denied as a result of the Order.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver of the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the entry of the Order is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary