

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 9028 / April 17, 2009

SECURITIES EXCHANGE ACT OF 1934
Release No. 59780 / April 17, 2009

ADMINISTRATIVE PROCEEDING
File No. 3-13446

In the Matter of

**AMERICAN SKANDIA
INVESTMENT SERVICES,
INC.,**

Respondent.

**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
OF SECTION 27A(b)(1)(A)(ii) OF THE
SECURITIES ACT OF 1933 AND
SECTION 21E(b)(1)(A)(ii) OF THE
SECURITIES EXCHANGE ACT OF
1934 AS TO AMERICAN SKANDIA
INVESTMENT SERVICES, INC., AND
ITS AFFILIATES**

American Skandia Investment Services, Inc. (“ASISI”) has submitted a letter on behalf of itself and any of its current and future affiliates, dated February 3, 2009, for 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 its settlement of an administrative action filed by the Commission.

On April 17, 2009, the Commission entered an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”). The Order finds that ASISI willfully violated Section 206(2) of Investment Advisers Act of 1940 (“Advisers Act”). Specifically, the Order finds that from at least January 2000 through in or around September 2003, ASISI accommodated widespread market timing in the portfolios (hereinafter referred to as “sub-accounts”) of the American Skandia Trust (“AST”) that

serve as funding vehicles for variable annuities issued by American Skandia Life Assurance Corporation (“ASLAC”). At all relevant times, ASISI was registered with the Commission as an investment adviser under Section 203 of the Advisers Act and was investment adviser to AST. The Order finds that during this period, ASISI negligently failed to investigate credible complaints from the investment advisers hired to sub-advise certain sub-accounts to the effect that market timing was having a detrimental effect on the performance of the sub-accounts and negligently failed to inform the AST Board of Trustees of such complaints. In addition, the Order finds that the AST Board of Trustees lacked adequate information to give informed consideration to whether sub-accounts had adequate policies and procedures in place with respect to market timing and as to whether performance in certain AST sub-accounts was adversely affected by market timing. Further, the Order censures ASISI and requires ASISI to pay disgorgement in the amount of \$34 million and a civil monetary penalty of \$34 million to the Commission. Finally, ASISI neither admits nor denies the findings in the Order, except for findings pertaining to jurisdiction.

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 an 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 . . . order arising out of a government action that . . . prohibits future violations of the antifraud provisions of the federal securities laws.” Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications apply except “to the extent otherwise specifically provided by rule, regulation or order of the Commission.” Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act.

Based on the representations set forth in ASISI’s letter, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry 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 ASISI and any of its current or future affiliates resulting from the entry of the Order is hereby granted.

By the Commission.

Elizabeth M. Murphy
Secretary