

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 56196 / August 3, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12116**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11292**

**In the Matter of**

**MILLENNIUM PARTNERS, L.P.,  
MILLENNIUM MANAGEMENT,  
L.L.C., MILLENNIUM  
INTERNATIONAL MANAGEMENT,  
L.L.C., ISRAEL ENGLANDER,  
TERENCE FEENEY, FRED STONE,  
AND KOVAN PILLAI,**

**Respondents.**

**ORDER APPROVING  
DISTRIBUTION PLAN,  
APPOINTING AN  
ADMINISTRATOR, AND WAIVING  
BOND**

**In the Matter of**

**STEVEN B. MARKOVITZ,**

**Respondent.**

On May 31, 2007, the Commission published a “Notice of Proposed Distribution Plan and Opportunity for Comment” (“Notice”) in connection with this proceeding pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103. This Notice advised interested parties that they could obtain a copy of a proposed plan of distribution (“Distribution Plan” or “Plan”) of monies placed into a Fair Fund authorized by the Commission, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, by printing a copy from the Commission’s public website or submitting a written request to Timothy P. Wei in the Commission’s New York Regional Office.

The Notice also advised that all persons desiring to comment on the Distribution Plan could submit their views to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-1090; by using the Commission’s

internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or by sending an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov), in writing, no later than July 2, 2007. The Commission received no substantive comments on the Distribution Plan.

On December 1, 2005, in In the Matter of Millennium Partners, et al., the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(e) and 203(f) of the Investment Advisers Act of 1940, Section 9(b) of the Investment Company Act of 1940 and Rule 102(e) of the Commission's Rules of Practice, Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Millennium Order") against Millennium Partners, L.P., Millennium Management, L.L.C., Millennium International Management L.L.C., Israel Englander, Terence Feeney, Fred Stone, and Kovan Pillai (collectively, "Millennium Respondents"). Among other things, the Millennium Order directed the Millennium Respondents to pay disgorgement in the amount of \$148,000,004 and civil penalties in the amount of \$32,175,000 and ordered that a Fair Fund be established for distribution of these funds. The Millennium Order further ordered that the Millennium entity respondents retain an independent distribution consultant ("IDC"), not unacceptable to the staff, to develop a distribution plan for the Fair Fund. The Millennium entity respondents retained Professor Joseph A. Grundfest as the IDC, and he submitted the Distribution Plan to the Division of Enforcement, which filed the plan with the Commission.

On October 11, 2006, in In the Matter of Steven B. Markovitz, the Commission issued an Order Making Findings and Imposing Disgorgement and Civil Penalties Pursuant to Section 203(f) of the Investment Advisers Act of 1940 and Section 9(b) of the Investment Company Act of 1940 ("Markovitz Order") against Steven B. Markovitz ("Markovitz"). Among other things, the Markovitz Order directed Markovitz to pay disgorgement in the amount of \$1 and civil penalties in the amount of \$400,000 and ordered these funds to be distributed through the Millennium Fair Fund.

As stated in the Distribution Plan, the Fair Fund will be distributed by the methodology described in the Plan to eligible entities harmed by the market timing conduct found in the Millennium Order and by the late trading conduct found in the Markovitz Order. The Distribution Plan describes the procedures which will be used to identify the entities that will receive distributions under the Distribution Plan. The Distribution Plan further describes the procedures that will be used to calculate the total amounts to be paid to the harmed entities and distribute those amounts to those harmed entities.

The Division of Enforcement proposes that the Commission approve the Distribution Plan submitted by the IDC as written, appoint Professor Joseph A. Grundfest (who is also the IDC) as the Plan Administrator of the Distribution Plan as proposed by the Plan, and waive bond of the Plan Administrator for the good cause shown in the Plan.

Accordingly, pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1104, IT IS HEREBY ORDERED that the Distribution Plan is approved.

IT IS FURTHER ORDERED, pursuant to Rules 1105(a) and (c) of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105, that Professor Joseph A. Grundfest is appointed as the Plan Administrator in accordance with the terms of the Distribution Plan and that bond is waived for good cause shown.

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

Nancy M. Morris  
Secretary