

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 54037 / June 23, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11769**

**In the Matter of**

**Franklin Advisers, Inc. and Franklin/  
Templeton Distributors, Inc.**

**Respondents.**

**ORDER APPROVING  
DISTRIBUTION PLAN AND  
APPOINTING AN ADMINISTRATOR**

On May 19, 2006, the Commission published a “Notice of Proposed Plan for Distribution of a Fair Fund 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 of monies placed into a Fair Fund authorized by the Commission in the above matter (“Distribution Plan”), by printing a copy of the proposed Distribution Plan from the Commission’s public website or Franklin Templeton’s public website or by submitting a written request to Marc J. Fagel, Esq. in the Commission’s San Francisco District Office.

The Notice also advised that all persons desiring to comment on the Distribution Plan could submit their views, in writing, 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), by no later than June 19, 2006. The Commission received no comments on the Distribution Plan.

As stated in the Distribution Plan, each Franklin Templeton mutual fund (“FT Fund”) will receive a *pro rata* share of the Fair Fund based on the amount of brokerage commissions attributed to that FT Fund during the calendar years 2001, 2002, and 2003. The Distribution

Plan also provides that the Commission will arrange for direct payment, by electronic transfer in immediately available funds, to each FT Fund its share of the Fair Fund.

The Division of Enforcement proposed that the Commission approve the Distribution Plan as written and appoint Marc J. Fagel, Esq. of the Commission as the Plan Administrator to consider and resolve any disputes relating to the distributions made pursuant to the Distribution 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 Rule 1105 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105, that Marc J. Fagel, Esq. of the Commission staff is appointed as the Administrator of the Distribution Plan in accordance with the terms of the Distribution Plan.

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

Nancy M. Morris  
Secretary