

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 62381 / June 25, 2010

Administrative Proceeding
File No. 3-11726

In the Matter of	:	
	:	
Fremont Investment	:	ORDER APPROVING PLAN,
Advisors, Inc.	:	APPOINTING A FUND
	:	ADMINISTRATOR, AND
	:	WAIVING BOND
	:	
Respondent.	:	
	:	

On November 4, 2004, the Commission entered an Order instituting settled administrative and cease-and-desist proceedings against Fremont Investment Advisors, Inc. (“Respondent”) in this matter (“Order”). *In the Matter of Fremont Investment Advisors, Inc.*, Admin. Proc. File No. 3-11726, Investment Adviser Act of 1940 Release No. 2317 (November 4, 2004). In the Order, the Commission authorized the establishment of a Fair Fund, comprised of \$4,146,000 in disgorgement, interest, and penalties paid by Respondent, for distribution to eligible investors to compensate them for losses resulting from market timing and late trading. The Order provided that the Fair Fund was to be distributed pursuant to a distribution plan developed by an Independent Distribution Consultant. The Respondent retained Dr. Richard Stanton as the IDC, who has developed a proposed distribution plan (the “Plan”) in consultation with the Division of Enforcement and Respondent.

On May 12, 2010, the Commission published a “Notice of Proposed Plan of Distribution and Opportunity for Comment” (“Notice”) pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F. R. § 201.1103 (Exchange Act Release No. 61897). The Notice advised all interested parties that they may obtain a copy of the Plan from the Commission’s public website, or by requesting one from Michael S. Dicke, Associate Regional Director, San Francisco Regional Office.

The Notice also advised all persons desiring to comment on the Plan that they may submit their written comments no later than 30 days from the date of the Notice by sending them to the Office of the Secretary, by using the Commission’s Internet

comment form, or by e-mailing rule-comments@sec.gov. The Commission received no comments on the Plan, and no modification has been made to the Plan since its publication.

The Plan provides for distribution of the Fair Fund to eligible investors in the Fremont U.S. Micro-Cap Fund and the Fremont Global Fund to compensate them for losses resulting from market timing and late trading. The Plan describes the procedures to be used to identify the eligible investors that will receive distributions. The Plan further describes the procedures to be used to calculate the amounts to be paid, and distributed to, the eligible investors. Eligible investors will not be required to make a claim or submit documentation to establish their eligibility.

The Plan also proposes Rust Consulting, Inc. as the Fund Administrator and sets forth, among other things, procedures for the administration of the Fair Fund, including a proposed timeframe for the termination of the Plan.

Rust Consulting, Inc. has not posted the bond generally required of third parties under Fair Fund Rule 1105(c). Good cause for waiver exists for the reasons that follow: (1) the Fund Administrator will have no custody, and only limited control, of the Fair Fund; (2) the Fair Fund will be held by U.S. Treasury Bureau of Public Debt until immediately before transmittal of checks or electronic transfers to eligible investors; (3) funds will be transferred from U.S. Treasury Bureau of Public Debt to a commercial bank (“Bank”) and those funds will be held in an escrow account, separate from Bank assets, until presentation of a check or electronic transfer, at which time funds will be transferred to a controlled distribution account; (4) presented checks or electronic transfers will be subject to “positive pay” controls before being honored by the Bank; and (5) both the Bank and the Fund Administrator will maintain, throughout this process, insurance and/or a financial institution bond that covers errors and omissions, misfeasance, and fraud.

The staff requests that the Commission approve the Plan, appoint Rust Consulting, Inc. as the Fund Administrator, and waive the bond requirement of the Fund Administrator for the good cause shown herein and set forth in the Plan.

Accordingly, pursuant to Fair Fund Rule 1104, it is hereby ORDERED that the Plan is approved.

It is hereby FURTHER ORDERED, pursuant to Fair Fund Rules 1105(a) and (c) that Rust Consulting, Inc. is appointed as the Fund Administrator in accordance with the terms of the Plan and that the bond requirement is waived for good cause shown.

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

Elizabeth M. Murphy
Secretary