

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

*Admin. Proc. File No. 3-11818* :

**In the Matter of** :

**BANC OF AMERICA CAPITAL** :  
**MANAGEMENT, LLC, BACAP** :  
**DISTRIBUTORS, LLC, AND BANC** :  
**OF AMERICA SECURITIES, LLC,** :

**Respondents.**

**PROPOSED PLAN OF DISTRIBUTION**

*I. Background*

1.1. On February 9, 2005 the Securities and Exchange Commission ("SEC" or "Commission") entered an order in this proceeding (the "Order"). Among other things, the Order recited that between July 2000 and July 2003: (i) Banc of America Capital Management, LLC ("BACAP") and BACAP Distributors, LLC ("BACAP Distributors") "allowed certain market timing clients to engage in short-term or excessive trading and never disclosed this fact to other investors"; (ii) BACAP and BACAP Distributors "entered into arrangements with two entities, allowing them to engage in frequent short-term trading in at least 13 Nations Funds mutual funds ... despite knowing that such trading could be detrimental to Nations Funds' shareholders"; and (iii) Banc of America Securities, LLC ("BAS") "facilitated market timing and late trading by some introducing broker dealers and a hedge fund at the expense of shareholders of Nations Funds and other mutual fund families." (Order ¶¶1-2, 7). As a result, the Commission found that the Respondents willfully violated the antifraud provisions of the securities laws. (Order ¶¶116-132). The Order established a Fair Fund consisting of \$250,000,000 in disgorgement and \$125,000,000 in civil money penalties, for a total fund of \$375,000,000. That Order required an Independent Distribution Consultant ("IDC") to develop a plan ("Distribution Plan" or "Plan") for the distribution of the Fair Fund, "according to a methodology developed by the IDC

in consultation with Respondents and the independent trustees of the Nations Funds mutual funds and acceptable to the staff of the Commission.” (Order ¶139(a)).<sup>1</sup> Shortly after the entry of the Order, Professor Lawrence A. Hamermesh, Ruby R. Vale Professor of Corporate and Business Law at Widener University School of Law in Wilmington, Delaware, was appointed as the IDC in this proceeding.<sup>2</sup> On February 25, 2005, Respondents deposited the amount of the Fair Fund (\$375,000,000) at the U.S. Treasury for investment in government obligations. Other than interest from these investments, it is not anticipated that the Fair Fund will receive additional funds. If such funds are received before distributions under this Plan have begun, such funds will be distributed by means of proportionally increasing distributions otherwise provided for in this Plan, or by such other means approved by the IDC in consultation with the Respondents, the trustees of the Nations Funds, and the Commission or its staff. After distributions under this Plan have begun, the Fund will not accept additional funds for distribution.

1.2. This Distribution Plan is the result of extensive consultation. Among other efforts, Professor Hamermesh:

- Met with Deloitte & Touche to review the analyses it prepared for the Independent Trustees of the Nations Funds to assist with their evaluation of the effects of market timing and late trading activity in the Nations Funds.
- Met and spoke with Respondents’ economic adviser Lexecon, which has, at Professor Hamermesh’s request and under his guidance, managed the trading data and developed and executed the numerical and financial analyses of that data.
- Retained Professor Erik R. Sirri, professor of finance at Babson College and former Chief Economist of the Commission, and consulted him, prior to April 30, 2006, on issues of financial and economic analysis associated with the development of the Distribution Plan with respect to distributions to Nations Funds shareholders.<sup>3</sup>

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<sup>1</sup> The plan of distribution of the Fair Fund is to provide for the distribution of the entire \$375 million fund, including both the disgorgement and penalty portions of the Fund. Order ¶139(a).

<sup>2</sup> Professor Hamermesh also serves as IDC for the fair fund established under the February 9, 2005 order in *In the Matter of Columbia Management Advisors, Inc. and Columbia Funds Distributor, Inc.* (the “Columbia Funds Proceeding”). That proceeding involves a separate fair fund from the fund established with respect to the Nations Funds. As prescribed in the Order in this proceeding involving the Nations Funds (¶139), Respondents have agreed to pay all compensation of and expenses incurred by Professor Hamermesh as IDC for the Nations Funds Fair Fund.

<sup>3</sup> Erik Sirri is now Director of the Division of Market Regulation at the Commission. His consultation with Professor Hamermesh occurred during the period from around March 2005 through March 2006.

1.3. The Fair Fund established by the Order differs from the fair funds established with respect to other mutual fund families that have settled with the Commission. Like the other settlement funds, the Fair Fund in this proceeding addresses trading in the funds for which the Respondents served as adviser and distributor (the "Nations Funds"); it also addresses, however, trading in many other fund families, where such trading was found to have been facilitated by respondent BAS, a registered broker-dealer.

1.4. The preponderance of this trading through BAS was in mutual fund families that have reached their own settlements with the Commission with respect to market timing and/or late trading allegations and thus have established their own fair funds. Mutual funds in such families, which include, for example, the mutual funds advised by Alliance Capital Management, L.P. (the "Alliance Funds"), Invesco Funds Group, Inc. (the "Invesco Funds"), AIM Advisors, Inc. (the "AIM Funds"), Massachusetts Financial Services Co. (the "MFS Funds") and Janus Capital Management LLC (the "Janus Funds"), are referred to in this Distribution Plan as the "Settling Funds." Some of the trading through BAS was also in fund families that have not entered into settlements with the Commission and thus have not established their own fair funds. Mutual funds in such fund families are referred to in this Distribution Plan as "Nonsettling Funds." The Settling Funds and the Nonsettling Funds are referred to collectively as the "Unaffiliated Funds."

## *II. Distribution Methodology—In General*

2.1. The methodology for the distribution of the money in the Fair Fund involves two bases for allocation. First, it is designed to provide compensation for dilution and related harm to contemporaneous long term shareholders arising from the trading identified in the Order in the various funds identified in Tables 2 through 4. The term "contemporaneous," as used in this Distribution Plan, refers to those persons or entities who were fund shareholders at the time of the trading identified in the Order, regardless of whether such persons continued to hold fund shares thereafter. Although the duration of such trading varied from fund to fund, in general the trading in question occurred during the period from 2000 through mid-2003.

2.2. The trading at issue is attributable to specified traders: Canary Capital Partners, LLC and related entities ("Canary"), TranSierra Capital, LLC ("TranSierra"), and certain introducing brokers with significant mutual fund market timing clients (the "Introducing Brokers") who traded through BAS. See Order ¶¶29-54; 82-92.

2.3. In determining dilution and related harm, the effects of all of the trading by these firms have been assessed; no such trading has been excluded.

2.4. The methodology for determining dilution and related harm from such trading attempts to estimate, on a daily basis over the course of that trading, the extent to which a fund's net asset value ("NAV") would have been greater or less than the actual NAV had that trading not occurred. That difference (where positive) is the estimate of the dilution and related harm to the contemporaneous holders of the fund on each of the days on which such trading occurred. The sum of those daily increments (both positive and negative) represents the aggregate harm to each fund's shareholders during the period in which timing trading occurred.<sup>4</sup>

2.5. The second basis for allocating the Fair Fund in this proceeding involves return, to contemporaneous long term holders of Nations Funds in which the trading identified in the Order occurred, of advisory and administrative fees paid to BACAP and BACAP Distributors by those funds during the periods in which that trading occurred. Order ¶¶62-63. BACAP has acted as a fiduciary for the Nations Funds. Order ¶5. Where an advisor grants timing capacity in the funds that it advises, such a return of fees can be an appropriate use of the settlement proceeds in the fair funds. See, e.g., *In the Matter of Janus Capital Management LLC.*, File No. 3-11590, *Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 203(e) and 203(k) of the Investment Advisers Act of 1940 and Sections 9(b) and 9(f) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order*, Investment Advisers Act Release No. IA-2277 (Aug. 18, 2004), ¶33.

2.6. The aggregate results of the application of the foregoing principles to both the Nations Funds and the Unaffiliated Funds are summarized in Table 1. The methods of calculation of each eligible contemporaneous shareholder's share of the Fair Fund are intended to result in a payment from the Fair Fund to each such shareholder that restores the impaired value of such shareholder's investment in a particular fund. The methods of calculation are intended to fairly estimate the impaired value that each investor has suffered and make a payment in that amount. In the view of the IDC, these methods of calculation are fair and reasonable in the context of this case, and result in a fair and reasonable allocation of the Fair Fund.

### *III. Estimation of Dilution and Related Harm to Contemporaneous Shareholders*

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<sup>4</sup> There may be instances of accounts for which the effect of timer trading was beneficial (and for which harm-based compensation would be inappropriate). Because of this possibility, it may also be the case that the other account holders' share of estimated harm would in the aggregate exceed the aggregate amount estimated for the fund as a whole. For the Nations Funds, at least, it appears that such instances are both unusual and small in scope, and are not likely to have a substantial effect on the ultimate distribution.

## A. *Estimating Dilution*

3.1. The starting point in estimating the dilution arising from timer trading is a determination of the net gains realized through that trading. Each timer's purchases and sales are formed into buy-sell pairs using a last-in, first out ("LIFO") methodology.<sup>5</sup>

3.2. For any given mutual fund, if the funds a timer uses to purchase fund shares ("timer funds") were never invested in risky portfolio assets by the portfolio manager, timer net gains would accurately measure dilution to contemporaneous shareholders. To the extent, however, that timer funds were invested in risky assets, dilution may diverge from timer net gains. Accordingly, it is necessary to estimate the extent to which portfolio managers invested in (and sold) portfolio assets in response to timer investment (and sales).<sup>6</sup>

3.3. For each buy-sell pair, the mutual fund's incremental investment in risky assets (*i.e.*, assets with unpredictable future returns) is estimated by assuming that a constant fraction of the timer funds is invested in risky assets each day until either the timer funds are invested or the timer's shares are redeemed. When the timer's shares are redeemed, the portfolio manager is assumed to sell risky assets at the same rate to fund the redemption.<sup>7</sup>

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<sup>5</sup> Because of the focus on the actual dilutive impact on fund shareholders, aggregate timer gains and losses in each individual fund are netted through the period in which timer trading occurred.

<sup>6</sup> See Greene, Jason T. and Ciccotello, Conrad S., "Mutual Fund Dilution from Market Timing Trades" (September 27, 2004).

<sup>7</sup> To implement this approach it was necessary to estimate the constant fraction of timer funds that are invested each day by the portfolio manager (*i.e.* the investment rate). To do this estimation a regression analysis was used. Regression analysis is a statistical procedure commonly used by statisticians and economists to find the relationship between two variables. Here, regression analysis was used to find the relationship between the flow of timer money and the amount of risky assets purchased or sold by the portfolio manager. Since this relationship may vary by fund, whenever possible a separate regression was performed for each fund. In cases where it was not possible to perform a separate regression (due to lack of information specific to a particular fund), a weighted average of the estimates of funds with available data was used.

A regression analysis can be set up (or "specified") in many different ways. For example, one might look at the relationship between investment today and flow today. Alternatively, one might look at the relationship between investment today and flow today and yesterday (under the assumption that it takes time to invest money so yesterday's flow also influences today's investment). Many different specifications were tried and the specification that produced the highest investment rate was used.

The regression analysis used data on flows of money into the Nations Funds and the portfolio manager investments for the Nations Funds (this data was also used to calculate transaction costs). To ensure typical portfolio manager behavior was being estimated, extreme observations (also called outliers) were removed from this data prior to running the regression analysis. In

3.4. To illustrate, take the case where a timer buys 10 fund shares for \$100 on day 1, sells those 10 shares on day 4 for \$110, and the estimated daily average investment rate is 10 percent per day. The model assumes the portfolio manager invests \$10 per day in risky assets on days 2 through 4. Consequently, before the redemption on day 4, the fund holds \$30 of the timer funds in risky assets and \$70 in cash; and immediately after the redemption on day 4, the fund holds \$30 of the timer funds in risky assets and has a cash deficit of \$40 (= \$70 - \$110). On days 5 through 14, the portfolio manager is assumed to sell \$40 of risky assets at the rate of \$4 per day to offset the cash deficit and return the fund to its previous cash level.

3.5. To estimate the effect of the incremental investment in risky assets, the fund's profits and losses on the incremental investment are estimated for each day, and the total effect is the sum of the daily profits and losses. The effect of the incremental investment each day is estimated as the fund's return that day multiplied by the incremental investment in risky assets that day. For example, continuing the previous illustration, the fund's investment in risky assets is \$20 higher on day 3 than it would have been absent the timing activity. If the fund's return on day 3 was 1 percent, then the investment of the timer funds benefited the fund's shareholders that day by \$0.20 (= \$20 \* .01); and if the fund's return on day 3 was -2 percent, then the timing activity harmed the fund's shareholders that day by \$0.40 (= \$20 \* .02).

3.6. Last, the effects of all incremental investments are summed and added to the total net profits made by the timers (\$10 in this example) to arrive at an estimate of the total dilution harm to shareholders from the timing activity.<sup>8</sup>

#### *B. Estimating Transaction Costs Related to Timer Trading*

3.7. The Order states that timer trading may have adversely affected the funds' NAV's in an additional way, aside from dilution. (Order ¶19). To the extent that timer investment and disinvestment resulted in excess portfolio purchases and sales, the funds may have incurred transaction costs that reduced their NAV's. Such transaction costs can be estimated by comparing estimated transaction costs due to the funds' actual inflows and outflows to the estimated transaction costs that would have occurred had there been no timing activity. The difference between the two estimates of transaction costs is taken as the incremental transaction cost attributable to the timing activity.

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addition, it was assumed that at least 1% of timer funds was invested each day even if the regression suggested a lower amount.

<sup>8</sup> Timer trading involved in this proceeding largely involved very short holding periods, often just one day. Therefore, the effect of investment in and disinvestment of risky portfolio assets due to flows of timer funds is in this case quite small. In the aggregate, dilution using this cash investment model differs from timer net gains by about 2%.

3.8. For Nations Funds for which the pertinent data are available, incremental transactions in response to a given inflow or outflow are modeled by assuming that the portfolio manager invests (or disinvests) in risky assets at the estimated daily average investment rate until the flow is completely invested (or disinvested). For each inflow or outflow, this produces a series of daily portfolio manager investments or disinvestments. To get the net portfolio manager investment or disinvestment on any given day, all portfolio manager investments and disinvestments on that day due to all inflows and outflows are summed. In other words, where there is investment due to previous inflows and disinvestment due to previous outflows, the investments and disinvestments are netted against each other for that day. Investments and disinvestments are not netted against each other across days.

3.9. Transaction costs are estimated from the daily series of net investments by multiplying the net investment or disinvestment on each day by the transaction cost per dollar of investment or disinvestment. Total transaction costs are the sum of the daily transaction costs.

3.10. Transaction costs vary by fund type and time period. Funds are classified into five fund groups based on their Morningstar classification: U.S. Large-Cap, U.S. Small-Cap, International, Municipal Bond and Other Bond. (When a fund's category cannot be identified, the U.S. Small-Cap classification is used.) Transaction costs (expressed in basis points) for U.S. Large-Cap, U.S. Small-Cap and International funds are equity trading costs calculated by Plexus Group, Inc. using Plexus Asset Manager client data, and are the sum of "commissions" and "impact costs." Bond fund transaction costs (expressed in basis points) are average trading costs for institutional corporate bonds calculated in Schultz, Paul, 2001, "Corporate Bond Trading Costs: A Peek Behind the Curtain," *The Journal of Finance* 56, 677–698 at 677.

### C. Interest

3.11. In order to make compensation on an equivalent basis for losses spread over time, and to provide appropriate compensation to long-term fund shareholders, this Distribution Plan contemplates an adjustment for the time value of the estimated harms. The methodology incorporated in this Distribution Plan therefore builds in a component of interest on estimates of harm, accruing from the time of dilution harm through the date of payment into the Fair Fund. The rate of interest was selected to approximate Bank of America's cost of unsecured borrowing,<sup>9</sup> and is estimated by reference to the Merrill Lynch index of 1-3 year A-rated corporate debt over the course of the period in which timer trading occurred.

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<sup>9</sup> See Knoll, Michael S. and Colon, Jeffrey M. Colon Miguel, "The Calculation of Prejudgment Interest" (May 31, 2005).

#### *IV. Allocation to Contemporaneous Nations Funds Shareholders*

4.1. Applying the foregoing analysis to timer trading in the Nations Funds results in an estimated allocation to contemporaneous holders of those funds of approximately \$19.0 million in respect of dilution and \$0.5 million in respect of transaction costs (as more fully set forth in Table 2).<sup>10</sup> In addition to those amounts, the distribution to such holders includes net advisory and administration fees earned by BACAP from the affected funds during the periods in which timer trading in those funds occurred. That additional amount is approximately \$63.4 million, which will be distributed among the Nations Funds contemporaneous shareholders in proportion to their holdings during the periods affected by timer trading. Finally, the inclusion of interest on these amounts results in a total distribution to Nations Funds shareholders of approximately \$89.7 million.<sup>11</sup>

#### *V. Allocation to Holders in Unaffiliated Fund Families*

5.1. The same methodology described earlier for estimating dilution and related harm is used to arrive at an estimate of such harm to contemporaneous shareholders of the Unaffiliated Funds. To arrive at this estimate requires the adoption of assumptions about portfolio manager investment and disinvestment in response to timer fund flows, and the estimated response derived from Nations Funds portfolio management is used in the estimate of dilution for the Unaffiliated Funds.<sup>12</sup>

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<sup>10</sup> For Nations Funds where data on total flows are not available, transaction costs are estimated using the weighted average ratio of transaction costs to timer buys and sells for the Nations Funds for which data are available.

<sup>11</sup> Due to the relatively small amounts involved, and applying the criteria described in paragraph 6.8 of this Distribution Plan, distributions relating to the Nations Bond Fund, the Nations Government Securities Fund and the Nations Short-Term Income Fund will be paid directly to the funds themselves, rather than to contemporaneous shareholders. Application of the criteria described in paragraph 6.8 of this Distribution Plan may also result in payments to one or more other funds rather than contemporaneous shareholders.

<sup>12</sup> The aggregate dilution calculation is not particularly sensitive to the assumptions concerning daily average investment rates. Even if that rate were doubled, the aggregate dilution calculation remains essentially unchanged.

5.2. Estimating transaction costs for the Unaffiliated Funds is affected by the fact that the IDC did not have access to data for (i) inflows and outflows in those funds or (ii) investment and disinvestments by portfolio managers for those funds. Moreover, even if those data had been available to the IDC, given the number of funds involved it would be impractical to generate transaction cost models for each of the numerous affected funds.

5.3. This Distribution Plan therefore applies a measure of general application in estimating transaction costs in the Unaffiliated Funds. That measure flows from two sources for which the IDC had pertinent data. The first is the transaction cost model developed for the Nations Funds, where transaction costs were approximately 2.4% of dilution. The second source is a similar analysis of transaction costs in the Columbia Funds (where timer trading was partly known to the funds' advisers, but to a significant extent was not). In the latter situation, transaction costs ranged from approximately 6% to 10% of dilution, depending upon assumptions used about daily average investment rates. Taking these data points into consideration, and noting the ratios of transaction costs to dilution calculated by other IDCs, this Distribution Plan measures transaction costs in Unaffiliated Funds at 10% of estimated dilution.

5.4. For Nonsettling Funds, the result of this approach is a total distribution of \$42.2 million, to compensate for harm arising from dilution and related transaction costs, plus interest. (See Table 4).

5.5. The treatment of Settling Funds is somewhat different, since their contemporaneous shareholders will likely also be compensated through the fair funds established by their respective advisers. Much of the timer trading through BAS covered by the Order in this proceeding is also covered by the orders in those other proceedings. For example, Alliance, which has a \$250 million open ended fair fund, was found in the Commission order in that matter to have given Canary a capacity agreement. *In re Alliance Capital Management, L.P.*, Investment Advisers Act Release No. IA-2205 (Dec. 18, 2003), ¶¶46-52. Canary traded in the Alliance funds through BAS. Likewise, MFS, which has a \$225 million fair fund, was found in the Commission order in that matter to have allowed frequent trading in eleven funds. *In re Massachusetts Financial Services Co., et al.*, Investment Advisers Act Release No. IA-2213 (Feb. 5, 2004), ¶9. Almost all of the trading by Canary and the Introducing Brokers through BAS into MFS was in those eleven funds.

5.6. The methodology contemplated in this Distribution Plan would treat allocations to Settling Funds holders in precisely the same way as distributions to Nonsettling Fund holders, as described above. In other words, the allocation contemplated under this Plan allocates 100% of estimated dilution and transaction costs plus interest arising from trading in the Settling Funds identified in the Order. The total of such allocations is approximately \$213.1 million (see Table 3).

## VI. Administration of the Distribution

### A. Allocating the Distributions Among Contemporaneous Shareholders.

6.1. Application of the methodology described above will permit the calculation of a distribution amount, by date, for each of the funds affected by the identified timer trading. In turn, an effort will be made to identify each holder of shares in one or more of those funds during the period affected by timer trading, and to determine that holder's appropriate allocation of the Fair Fund. There are a number of difficulties, however, in simply directing payment of those amounts to those holders. The balance of this Distribution Plan addresses these and other aspects of implementation and administration of the Plan.

6.2. This Fair Fund is not being distributed according to a claims-made process, so the procedures for providing notice and for making and approving claims are not applicable.

6.3. Under the Distribution Plan, there will be no distribution to any of the persons (Canary, TranSierra, or the clients of the Introducing Brokers) who engaged in the trading covered by the Order. The aggregate of amounts excluded on this basis in each fund will be added to the total available for distribution, increasing proportionally the distribution in respect of that fund.

6.4. Returns on the Fair Fund that have accrued since its establishment in February 2005 through the date of approval of the Distribution Plan will be allocated in proportion to the allocation otherwise contemplated under the Plan. As of May 31, 2007 net interest returns that have accrued to the Fair Fund were \$26.1 million. In the situation where the distribution to contemporaneous holders of a Settling Fund is to be coordinated with the distribution to be made by the other IDC, the accrual will be cut off on the date on which the plan of distribution for that fund is approved by the Commission, and any subsequent accrual on the distributable amount will be allocated to the holdback amount described in paragraph 6.13 below.

6.5. In any given fund there will be holders identified for whom the estimated distribution is so small that it would be impractical and ineffective to send a check. In general, no distribution of less than \$10 will be made. Three steps will be taken, however, to minimize the number of such *de minimis* situations, and maximize the number of individual holders who will be receiving a distribution: (i) an effort will be made to identify, by common social security number or other administratively feasible mechanism, instances in which distribution amounts attributable to an individual shareholder in multiple affected funds can be aggregated into a single amount in excess of \$10; (ii) an effort will be made to combine distributions with those by IDCs for other Settling Funds

(see paragraph 6.10 below); and (iii) other accounts for which the distribution would amount to less than \$10 will be aggregated, with the resulting sum distributed in \$10 units to the holders of those accounts, in descending order of attributable dilution harm.

*B. Distributions to Omnibus Accounts, Nonsettling Funds, Network Level Accounts, and Retirement Accounts.*

6.6. (a) For distributions with respect to omnibus accounts (but not for ordinary trusts, pension plans and 529 plans), it will be necessary to evaluate the cost associated with commercially reasonable best efforts to identify and distribute funds to contemporaneous beneficial owners.

(b) If the aggregate amount of the distribution attributable to a particular omnibus account is \$1,000 or more, the account holder will be contacted in order to determine an appropriate method for distributing the funds to contemporaneous beneficial owners holding through the omnibus account. Unless the account holder agrees to distribute the funds to beneficial owners at its own expense, in accordance with the specifications supplied by or on behalf of the IDC, the account holder will be asked to estimate the costs of commercially reasonable efforts to identify and distribute funds to the beneficial owners.

(c) If the aggregate amount of the distribution with respect to an omnibus account exceeds such costs, the omnibus account holder will be asked to elect, within 45 days after notice of the proposed distribution, whether to (i) supply to the IDC the sub-account information necessary for the IDC to distribute funds to the beneficial owners, (ii) supply such information to the IDC, who will calculate the amount of distributions to beneficial owners so that the account holder can make such distributions itself, or (iii) distribute the funds itself, using specifications supplied by or on behalf of the IDC as necessary to determine the appropriate allocation of the funds among contemporaneous beneficial owners holding through the omnibus account. The omnibus account holder may elect more than one of these options and apply them differently in respect of different categories of beneficial owners (such as open accounts and closed accounts). In any of these three cases, Respondents will reimburse the omnibus account holder for the reasonable out of pocket costs of gathering and supplying the necessary sub-account information. If the omnibus account makes no election within the time specified in this subparagraph, it will be deemed to have elected to proceed under subparagraph (i) of this paragraph. If and to the extent that the omnibus account holder elects to proceed under subparagraph (c)(i) or (c)(ii), the holder shall submit the specified information to the IDC within 90 days after notice of the proposed distribution.

(d) If the omnibus account holder elects to proceed under subparagraph (c)(ii) or (c)(iii), the account holder may either send a check to the beneficial owner or, if the beneficial owner has a current sub-account, credit that sub-account. Except where the omnibus account holder credits current sub-accounts in lieu of sending checks, it will be required to develop and execute a

program similar to the one described in paragraph 7.5(ii) for dealing with individual distributions of less than \$10.

(e) If the aggregate amount of the distribution attributable to a particular omnibus account is less than either (a) \$1,000 or (b) the costs of commercially reasonable efforts to identify and distribute funds to contemporaneous beneficial owners, the omnibus account holder will be given the choice of refusing the distribution or applying any distribution technique, at its own expense, that the account holder, in the exercise of its reasonable discretion, deems to be consistent with its fiduciary, contractual or other legal obligations. If the omnibus account holder refuses the distribution, the otherwise distributable amount will be added to the holdback described in paragraph 6.13.

(f) For purposes of this paragraph, "commercially reasonable best efforts" to identify and distribute funds to beneficial owners in omnibus accounts involve assembly, in appropriate format, of (i) names, addresses and other necessary identifying information for beneficial owners, and (ii) daily records or opening account data and subsequent transaction data (or, if such data are either unavailable or available only at a cost that would otherwise result in the application of the previous subsection, the most extensive records (monthly, quarterly or yearly) that are available) necessary to determine each such owner's fund share balance during the period to which the distribution in question relates. The foregoing information provided by omnibus account holders shall be maintained confidentially and held exclusively by Rust Consulting, Inc. ("Rust," or the "Fund Administrator" appointed pursuant to paragraph 6.14 of this Distribution Plan), and Respondents shall not have access to that information. Respondents and the Fund Administrator shall maintain records of efforts made to obtain the cooperation of omnibus account holders, and of the responses to these efforts.

(g) If the distribution to an omnibus account holder is less than the payments to beneficial owners calculated in accordance with the specifications supplied by the IDC (due to netting at the omnibus account level), the amounts to be distributed to beneficial owners will be proportionally reduced.

(h) Distributions with respect to omnibus accounts shall be completed within 180 days after receipt by the omnibus account holder of funds from this Plan (or, within 180 days after receipt by the IDC of the information specified in subparagraph (c)(i), if applicable), unless the account holder demonstrates to the satisfaction of the IDC that good cause exists to extend that deadline. Omnibus account holders seeking to alter the procedures specified in this paragraph 6.6 may apply to the Fund Administrator for permission for such alteration within 90 days of receiving notice of the proposed distribution from the Fund Administrator, and the IDC will rule on such applications within 60 days after their submission to the Fund Administrator. The IDC may grant such applications if the requested alteration would not materially affect the distribution of funds to the contemporaneous beneficial owners. Paragraph 6.12 of this Plan shall apply to distributions made by omnibus account holders to beneficial owners, and the amount of undeliverable or unclaimed payments shall be

returned to the Fund Administrator promptly after conclusion of the six month period specified in paragraph 6.12.

6.7. (a) *Retirement Accounts.* Plan administrators of retirement accounts shall be required to distribute the monies received under this Plan in accordance with their fiduciary and contractual obligations, and consistent with guidance issued by the Department of Labor, if any. "Retirement accounts" as used in the Plan means any account of an employee benefit plan, as such plans are defined in section 3(3) of ERISA, which is not an Individual Retirement Account, whether or not the plan is subject to Title I of ERISA.<sup>13</sup> Plan administrators of retirement accounts may distribute the monies received under this Plan to plan participants in accordance with such participants' account balances during the period to which the distribution in question relates, using balance information on a daily, monthly, quarterly or yearly basis.

(b) *Network Level Accounts.* Networking firms associated with network level accounts (*i.e.*, an account that represents one underlying owner but for which name, address and other necessary identifying information may be maintained by an intermediary) shall distribute the monies received under this Plan to the underlying owners of such accounts, and will be asked to elect, within 45 days after notice of the proposed distribution, one of the following two options for completing such distributions: (i) supplying to the IDC the information necessary for the IDC to distribute funds to the underlying owners, or (ii) distributing the funds themselves, using specifications supplied by or on behalf of the IDC as necessary to determine the appropriate allocation of the funds among contemporaneous underlying owners. In either option, Respondents will reimburse the networking firm for the reasonable out of pocket costs of gathering and supplying the information necessary to distribute funds to the underlying owners of the network level account. The networking firm may elect more than one of these options and apply them differently in respect of different categories of underlying owners (such as open accounts and closed accounts). If the networking firm makes no election within the time specified in this subparagraph, it will be deemed to have elected to proceed under subparagraph (i) of this paragraph. Distributions with respect to network level accounts shall be completed within 180 days after receipt by the networking firm of funds from this Plan (or within 180 days after receipt by the IDC of the information specified in subparagraph (i), if applicable). Paragraph 6.12 of this Plan shall apply to distributions made by networking firms to underlying owners of network level accounts, and the amount of undeliverable or unclaimed payments shall be returned to the Fund Administrator promptly after the conclusion of the six month period specified in paragraph 6.12.

### C. *Distributions to Nonsettling Funds.*

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<sup>13</sup> Distributions with respect to Individual Retirement Accounts are governed by Part VI(A) of this Plan.

6.8. For distributions with respect to Nonsettling Funds, it will be necessary to evaluate the cost associated with commercially reasonable best efforts (as defined in paragraph 6.6) to identify and distribute funds to beneficial owners (including beneficial owners in omnibus accounts in such funds). Where the amount to be distributed in respect of a Nonsettling Fund is less than \$1,000,000 (exclusive of interest), the amount will be paid to the fund itself in the absence of compelling circumstances suggesting a contrary approach. Even where the amount to be distributed (exclusive of interest) exceeds \$1,000,000, it may be appropriate to distribute the money to the fund itself. Factors to be taken into account in determining whether the distribution should be to the fund itself, rather than to its contemporaneous shareholders, include: estimated costs of the distribution; total assets of the fund; the number of shareholder accounts in the fund; the amount to be distributed; the extent of turnover among holders of the fund during the period in which the trading at issue occurred; the number of shareholders whose distribution would be less than the *de minimis* amount prescribed in paragraph 6.5 above; availability of account data; and the potential for economies of scale if other funds in the same family are to receive a distribution. The IDC, subject to the concurrence of the Commission's staff, will retain the discretion to choose the appropriate disposition of funds in the case of a Nonsettling Fund. If the IDC determines that a distribution should be paid to a Nonsettling Fund, that fund will have the choice of refusing the distribution, allocating the distribution to its own portfolio assets, or, at its expense, applying any distribution technique that the fund, in the exercise of its reasonable discretion, deems to be consistent with its fiduciary, contractual or other legal obligations. Where the amount otherwise distributable to a Nonsettling Fund is less than \$50, or where the Nonsettling Fund refuses the distribution, the amount of the distribution will be added to the holdback described in paragraph 6.13.

*D. Distributions to Settling Funds.*

6.9. Distributions in respect of Settling Funds will be handled somewhat differently than in the case of Nonsettling Funds. In the interest of minimizing administrative costs and avoiding the confusion to shareholders associated with multiple and roughly concurrent distributions on account of the same trading, the preferred approach is to distribute funds directly to the IDC for the Settling Fund, so that the IDC can combine the two distributions, or to a bank (or other check-writing entity) that would combine the distributions. Thus, for example, a long term shareholder of the Alliance Technology Fund whose allocation from this Fair Fund would be \$8 and whose allocation from the Alliance fair fund would be \$7 would, instead of receiving nothing, receive a distribution, through cooperation with the Alliance IDC, of \$15. In such a joint distribution, the administrative costs of the distribution would be shared by Respondents in this proceeding and respondents in the other proceedings in an equitable manner under the circumstances, either as agreed to by the Respondents or, absent such agreement, by the pertinent IDCs.

6.10. In view of these considerations, this Distribution Plan contemplates the following categories of treatment of Settling Funds:

(a) *Coordinated Distributions.* Where the IDC for the Settling Fund is making a distribution to contemporaneous holders of the fund and such holders overlap with the holders to whom a distribution is contemplated under this Distribution Plan, the aggregate amount of such distribution under this Plan will be transmitted to the Commission for deposit in the Fair Fund for the Settling Fund for distribution using one of two approaches, subject to further coordination and consultation with the other IDCs and the staff of the Commission. Under the first approach, which may be used where the distributions under this Plan to a particular fund are correlated with the distributions to that fund under the other IDC's plan, the other IDC will proportionally increase his distributions. Alternatively, where the distributions are not correlated, the other IDC can combine the allocations (by day, quarter or other period) to that particular fund with the allocations to that fund under the other IDC's plan. If the latter approach is employed, in supplying to the other IDC the allocations within a fund, any negative sub-period allocations will be netted against the positive allocations nearest in time.

(b) *Distribution Under this Plan Only.* In the situation where this Distribution Plan contemplates a distribution to contemporaneous holders of a Settling Fund to whom the IDC for that Settling Fund is not making a distribution, the distribution will be made to the contemporaneous holders using account data supplied by the Settling Fund in question, or will be paid to the fund itself, subject to the considerations described in paragraph 6.8 above relating to distributions in respect of Nonsettling Funds.

6.11. All of the IDCs for the Settling Funds with respect to which this Distribution Plan contemplates a distribution to contemporaneous shareholders have indicated their willingness to participate in a coordinated distribution, although the precise mechanisms for such coordinated distributions will have to be developed as the distribution plans are implemented. Appendix B summarizes the treatment under this Plan of allocations in respect of the Settling Funds, and in particular it identifies which of those funds is to receive a distribution under this Plan through the IDC for its fair fund.

*E. Unclaimed Distributions.*

6.12. In situations in which distributions are unclaimed (checks not cashed), or persons to whom a distribution would otherwise be made cannot be identified or located, the distributable amounts will be paid to the fund to which the distribution relates. All distributions will be on terms providing that checks not cashed within six months after distribution shall be void, and the issuing financial

institution shall be instructed to stop payment on those checks or otherwise assure that payment on such checks is prevented.

*F. Holdback.*

6.13. To the extent that the sum of the distributable amounts contemplated above falls below the total amount of \$375 million, that remaining amount will be held back from initial distribution in order to respond to claims, if any, by persons asserting entitlement to a distribution that is not contemplated under this Plan. To the extent that there are no such claims pending one year following the initial distribution, the unclaimed amount will be paid consistent with the terms of this Distribution Plan, and as determined by the IDC on notice to Respondents, the Independent Trustees of the Nations Funds, and the Commission.

*G. Fund Administrator and Tax Administrator.*

6.14. Rust Consulting, Inc. ("Rust"), if approved by the Commission, will serve as the Fund Administrator of the Fair Fund and will be compensated by the Respondents. Appendix A to this Plan provides a summary of the qualifications of the Fund Administrator and other information regarding its administration of the Plan. The IDC requests that the Commission waive, for good cause shown (specifically, the facts set forth in Appendix A), the requirement that a bond be posted pursuant to Rule 1105(c) of the Commission's Rules on Fair Fund and Disgorgement Plans. Under the supervision of the IDC, Rust will be responsible for, among other things: overseeing the administration of the Fair Fund, obtaining accurate mailing information for shareholders, preparing accountings, cooperating with the Tax Administrator in providing the information necessary to accomplish the income tax compliance, distributing money from the Fair Fund to shareholders in accordance with and subject to approval of this Plan, and setting up and staffing a call center to address shareholder questions or concerns regarding the distribution. The Fund Administrator will provide customer support and communications programs which will become active at least by the time the first distribution occurs. These services will include a toll free number and a website accessible to the public. The Commission retains the right to review and approve any material posted on the website. While the distribution is being implemented, the Fund Administrator will submit to the IDC and the staff of the Commission an accounting during the first ten days of each calendar quarter, and will submit a final accounting for approval of the Commission before termination of the Fair Fund and discharge of the Fund Administrator.

6.15. The Commission has appointed Damasco & Associates as the Tax Administrator ("Tax Administrator") of the Fund (Order Directing Appointment Of Tax Administrator, in the Matter of Certain Disgorgement and Fair Funds in Administrative Proceedings, Exchange Act Rel. No. 51341, March 9, 2005). The IDC, Fund Administrator and Respondents will cooperate with the Tax

Administrator in providing information necessary to accomplish the income tax compliance, ruling and advice work assigned to the Tax Administrator by the Commission. The Tax Administrator shall be compensated by the Respondents.

*H. Payment of Distributions.*

6.16. In order to distribute funds, and promptly after the necessary information becomes available, the IDC will submit a validated list of payees and the payment amounts to the assigned Commission staff. The staff shall obtain authorization from the Commission to disburse funds pursuant to Rule 1101(b)(6), upon staff receipt and acceptance of a validated payment file or list. It is anticipated that the entire distribution may not be validated at one time. As and when additional payee distribution information becomes available, the IDC will submit additional validated lists of payees and payment amounts for distribution as authorized. In each instance, the payees and amounts will be validated at the IDC's direction by Rust. The validation will state that the list was compiled in accordance with the Plan and provides all information necessary to make disbursement to each distributee. Unless otherwise directed by the Commission, the Commission staff will direct the release of funds to the bank account established by the Fund Administrator based upon the validated list and representation by the Fund Administrator that the checks will be issued the next business day.

6.17. All payments shall be preceded or accompanied by a communication that includes, as appropriate: (a) a statement characterizing the distribution; (b) a description of the tax information reporting and other related tax matters; (c) a statement that checks will be void after 180 days; and (d) the name of a person to contact, to be used in the event of any questions regarding the distribution. Any such information letter or other mailing to recipients characterizing their distribution shall be submitted to the assigned Commission staff for review and approval. Distribution checks, on their face, or in the accompanying mailing will clearly indicate that the money is being distributed from an SEC Fair Fund.

6.18. In implementing the distribution under this Plan, the Fund Administrator will prepare a "positive pay file" for clearing checks at a bank (the "Escrow Bank"), and will provide that file to the Escrow Bank separately from the physical checks themselves. The Escrow Bank will be instructed to clear only checks matching entries in the positive pay file and for the amount in the file. When checks are printed, a reconciliation report will be provided which lists the total number of checks and sequenced numbers printed. These totals will be compared to the total records from the payment file to confirm all checks were printed. Printed checks will be kept in a secured area until they are mailed and will generally be printed just in time for mailing. Only authorized individuals will be allowed access to the check area for printing and performing quality control procedures. Processing of the mailing of checks will be subject to appropriate

security procedures. For wires, the Fund Administrator will provide the Escrow Bank with wire transfer instructions signed by both the IDC and an authorized representative of the Fund Administrator. Wire instructions received by the Escrow Bank will be reviewed by an administrative employee of the Escrow Bank for content, required signatures and all necessary data. The administrative employee will input the instructions into the Escrow Bank's computer system, and an Officer of the Escrow Bank will compare the computer entries to the original wire instructions before giving final approval on the transfer.

6.19. If a check is returned as undeliverable, the Fund Administrator will send the name, current address it has on file, and the tax identification number for the individual/entity, to a company that has access to credit bureau header type information. That company will then search for the most current address available through its proprietary databases, and will then return each record back to the Fund Administrator. If the returned file contains new addresses for records where the company has a more current address, with a date that corresponds with that address, the Fund Administrator will then update its database for records with better addresses, with a code that notes that the new address was obtained through a trace process and the date the new address was obtained. This new address will then become the current address for that record in its database. The Fund Administrator will not overwrite or delete previous addresses, which it will maintain in an address history with dates and codes that identify when an address is used and why an address was updated.

6.20. The Fund Administrator will provide customer support and communications programs which will become active at least by the time the first distribution occurs. These services will include a toll free number and a website to the public. The Commission retains the right to review and approve any material posted on the website.

6.21 (a). The Fair Fund constitutes a Qualified Settlement Fund ("QSF") under Section 468B(g) of the Internal Revenue Code, 26 U.S.C. §468B(g), and related regulations, 26 C.F.R. §§1.468B-1 through 1.468B-5. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund is currently deposited at the U.S. Treasury Bureau of Public Debt ("BPD"). Upon approval of the Plan, the Fund Administrator shall establish one or more accounts at the Escrow Bank (*i.e.*, Deutsche Bank or such other bank as shall be selected by the IDC and determined to be acceptable by the staff of the Commission), in the name of and bearing the Taxpayer Identification Number of the QSF. Following approval of the Plan and submission by the IDC of a list of payees and amounts to the Commission staff, and to the extent necessary to fund payments as and when contemplated under paragraph 6.16, and unless otherwise directed by the Commission, the Commission staff shall cause the balance in the Fair Fund to be deposited in an escrow account established by the Fund Administrator in the name of and bearing the Taxpayer Identification Number of the Qualified

Settlement Fund ("QSF account"). The Fund Administrator shall be the signer on the QSF account, subject to the continuing jurisdiction and control of the Commission. Funds deposited in the QSF account shall remain in that account until necessary for distribution as provided in this Plan, at which point they shall be deposited in one or more disbursement accounts established by the Fund Administrator at the Escrow Bank. The Fund Administrator shall authorize the Escrow Bank to provide account information to the Tax Administrator. The Fund Administrator shall use the assets and earnings of the Fair Fund to provide payments to Investors and to provide the Tax Administrator with assets to pay tax liabilities and tax compliance fees and costs. The QSF account shall be invested in direct obligations of the United States Government of a type and term necessary to meet the cash requirements of the payments to Investors, tax obligations and fees.

(b) The IDC and the Fund Administrator, and/or each of their designees, agents and assistants, shall be entitled to rely on any Orders issued in this proceeding by the Commission, the Secretary by delegated authority, or an Administrative Law Judge, and may not be held liable to any current or contemporaneous shareholder of any of the funds, or any of their successor funds, identified in Tables 1 through 4 for any act or omission in the course of administering the Fair Fund, except upon a finding that such act or omission is caused by such party's gross negligence, bad faith or willful misconduct, reckless disregard of duty, or reckless failure to comply with the terms of the Plan. This subparagraph (b) is an expression of the current state of the law and is not intended, nor should it be deemed to be, a representation to an indemnification of the IDC or the Fund Administrator or their designees, agents and assistants, nor should this subparagraph (b) preclude the Commission or the QSF from seeking redress for any act or omission in the course of administering the Fair Fund or from seeking redress from any insurance or bond provided as set forth in this Plan.

6.22. The Respondents will pay all fees and costs associated with the administration of the Distribution Plan, except for tax liabilities of the QSF, which shall be paid in accordance with Rule 1105(e) of the Commission's Rules on Fair Fund and Disgorgement Plans.

6.23. The IDC and the Fund Administrator shall use their best efforts to assure that distribution of payments to investors shall be substantially completed within 180 days following approval of the Plan by the Commission.

*I. Amendment, Termination and Notices*

6.24. The IDC will inform the Commission staff of any material changes in the Plan, and will obtain approval from the Commission prior to their implementation. If material changes are required, this Plan may be amended upon the motion of the Respondents, the Fund Administrator or upon the

Commission's own motion. Under this Distribution Plan the IDC has discretion, subject again to consultation with the Respondents, the Independent Trustees and the Commission staff, to make supplemental specifications to the Plan of Distribution after its approval that are not materially inconsistent with the Plan as approved.

6.25. The Fair Fund shall terminate effective upon the later of March 30, 2008 or 60 days after the final distribution of funds to investors and the resolution of uncashed or unclaimed funds and the payment or reserve for taxes and the final accounting by the Fund Administrator has been submitted to and approved by the Commission. Before the termination of the Fair Fund, the IDC shall cooperate with the Tax Administrator to make adequate reserves for tax liability and for the costs of tax compliance. Upon termination as defined in this paragraph, all undistributed assets remaining in the Fair Fund, minus any reserves for tax liability and tax compliance costs, shall be remitted to the United States Treasury or to such other person or entity as the Commission may direct.

6.26. Notices to be given under the terms of this Plan (other than under paragraph 6.27) shall be given in writing to:

The IDC, to the following address:

Prof. Lawrence A. Hamermesh  
Widener University School of Law  
4601 Concord Pike  
Wilmington, Delaware 19803

-- or --

[lahamermesh@widener.edu](mailto:lahamermesh@widener.edu)

The Commission, to the following addresses:

Office of Financial Management  
Securities and Exchange Commission  
Operations Center  
6432 General Green Way  
Alexandria, Stop 0-3, VA 22312

With a copy to:

Mark Schonfeld  
Regional Director  
New York Regional Office  
Securities and Exchange Commission  
3 World Financial Center  
Room 4-300  
New York, New York 10281-1022

*J. Notice of the Plan*

6.27. Notice of this Distribution Plan will be published in the SEC Docket, on the Commission web site, and on the web site of BACAP (or its successor). Any person or entity wishing to comment on the Plan must do so in writing by submitting their comments, within thirty days of the date of the Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549-1090;
2. by using the Commission's Internet comment form ([www.sec.gov/litigation/admin.shtml](http://www.sec.gov/litigation/admin.shtml)); or
3. by sending an email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov).

Such comments should include the Administrative Proceeding File Number (Admin. Proc. File No. 3-11818) in the subject line. Comments received will be publicly available. Persons should submit only information that they wish to make publicly available. This Distribution Plan is subject to approval by the Commission and the Commission retains jurisdiction over the implementation of the Plan.

Submitted on: July 11, 2007

By: \_\_\_\_\_  
Lawrence A. Hamermesh,  
Independent Distribution  
Consultant for the Nations Fair  
Fund

## **Appendix A**

### **The Fund Administrator**

*The Fund Administrator has provided information regarding the Fund Administrator and its procedures to the IDC for inclusion in this Attachment.*

#### **1. Custody / Risk Protection**

The Plan provides that money from the Qualified Settlement Fund, which is currently being held in the U.S. Treasury Bureau of Public Debt ("BPD"), would be transferred to one or more escrow accounts to be established by the Qualified Settlement Fund at the Escrow Bank, no more than two business days prior to the date on which checks would be mailed to shareholders, and that on behalf of the Qualified Settlement Fund, Rust Consulting, Inc ("Fund Administrator") would manage the printing and mailing of checks that would be drawn on those escrow accounts, subject to procedures described below to protect against misappropriation.

The distribution of the Qualified Settlement Fund will take place in multiple steps, rather than all at once. The monies will be transferred from the BPD to the Escrow Bank two business days before each of those steps, thus minimizing the amount of time that the monies are held pending actual distribution to shareholders. The Fund Administrator contemplates that the steps in the distribution of the Qualified Settlement Fund will include:

- Initial distribution to IDCs for the Settling Funds (MFS, Alliance, etc.).
- Distribution of checks to contemporaneous Nations Funds retail holders and other direct record owners ("direct accounts") in successive mailings, beginning with reliable/clear addresses.
- Distribution of checks directly to Nonsettling Funds, Settling Funds and Nations Funds, as described more fully in the Plan.
- Distribution of checks to contemporaneous holders of Nonsettling Funds, Settling Funds and Nations Funds, as described more fully in the Plan.
- Distributions to Omnibus Accounts and Network Level Accounts. Monies will not be transferred from the Qualified Settlement Fund to the Escrow Bank until the Omnibus Account or Network Level Account is prepared to complete the distribution of any payment they receive under the Plan to its Beneficial Shareholders.

As a result, much less than the full amount of the Qualified Settlement Fund will ever be in the control of the Escrow Bank and/or the Fund Administrator at any given time.

Once the Fund Administrator has completed calculations for the account holder distribution accounts, the IDC will take steps sufficient to satisfy the IDC as to the accuracy of the Fund Administrator's calculations, including reference to determinations

by Lexecon as to whether its own calculations agree with those of the Fund Administrator. Once the IDC is satisfied with the accuracy of the calculations, those calculations will be the basis on which the positive pay file described in paragraph 6.18 of the Plan and ultimately used to control the distribution is generated.

## *2. Custody Procedures*

The Fund Administrator specializes in claims administration and the development and implementation of plans for the distribution of settlement funds, and has administered more than 500 cases worth billions of dollars with class sizes ranging from 80 class members to more than 100 million. The Fund Administrator has been in existence since 1976 and has never had any occurrence of employee or vendor problems or claims against its Errors & Omissions insurance due to employee theft or dishonesty. Over the past three years alone, the Fund Administrator has distributed approximately \$1.8 billion in settlement disbursements to approximately 9.6 million recipients without incident. The Fund Administrator typically oversees the check printing process and relies on a third-party check-printing vendor.

The Fund Administrator's databases are configured so that modifications can only be made to data through programs; individuals are not allowed direct access to underlying production databases. Only designated individuals with security clearances at the Fund Administrator can access data used in completing the distribution. If an individual has security clearance to make changes in data (*e.g.*, to update an address through an on-line screen), all original data (*e.g.*, the original address) is automatically maintained by the Fund Administrator's systems, and the system records the identity of the individual who made the change. Individuals cannot alter award amounts. Duties are segregated: award calculations are separate from the preparation of checks, which is in turn separate from submission of files to a bank, so that no individual or working team could affect more than one of these processes.

## *3. Additional Risk Protection*

The Escrow Bank, which will hold Plan assets during the check-cashing period, maintains a Financial Institutions (FI) Bond including errors and omissions coverage with an aggregate limit of 200 MM Euro. The primary insurer is American International Group, which, as of its most recent renewal, was rated A+ by A.M. Best. The Escrow Bank has 200 MM Euro of E&O insurance. In addition, the Escrow Bank has a bankers blanket bond of 250 MM Euro from Chubb (which is rated A++ by A.M. Best), which the Escrow Bank has advised the IDC includes coverage for wrongful acts (*i.e.*, an act, errors and omissions, misstatement, etc.) or failure to safeguard proprietary information in connection with rendering of professional services. The Fund Administrator has \$10 million in E&O insurance, as well as \$2 million fiduciary insurance. The Escrow Bank annually assesses the adequacy of its policy limits through extensive analysis of historical loss data, exposure to loss and internal company controls.

The Fund Administrator maintains and will continue to maintain until termination of Plan, an errors and omissions insurance policy. The primary insurer, Illinois Union

Insurance Co, is a company which, as of its most recent renewal, was rated A+ by A.M. Best. The policy is in the amount of \$10 million per occurrence. The Fund Administrator also maintains, and will continue to maintain until termination of Plan, a fiduciary insurance policy. The primary insurer, St. Paul Companies, is a company which, as of its most recent renewal, was rated A+ by A.M. Best. The policy is in the amount of \$2 million per occurrence. The Fund Administrator's print vendor maintains and will continue to maintain until termination of Plan, an errors and omissions insurance policy. The primary insurer, Illinois Union Insurance Co (ACE USA), is a company which, as of its most recent renewal, was rated A+ by A.M. Best. The policy is in the amount of \$25 million per occurrence. Under the Plan of Distribution, at no time will there be funds under the custody and control of the Fund Administrator that exceed the amount covered by insurance. Certificates of insurance for these policies have been provided to the assigned SEC staff for review and have been deemed "not unacceptable."

#### Definitions

"Escrow Bank" means Deutsche Bank or such other bank as shall be selected by the IDC and determined to be acceptable by the staff of the Commission

"Rust" mean Rust Consulting, Inc., experts in the development and implementation of plans for the distribution of settlement funds.

"Fund Administrator" means Rust or such other entity as shall be acceptable to the staff of the Commission.

"Omnibus Account" means an account registered in the name of a broker-dealer or other financial intermediary which holds shares as the record owner for the benefit of more than one beneficial shareholder.

"Network Level Account" means an account controlled by a broker where Bank of America knows the underlying account/s. Certain account information, but not the identity of the beneficial owner of the account, is maintained on the records of Bank of America systems but other account information, including the identity of the beneficial owner of the account, is maintained by the broker of record.

## **Appendix B**

### **Distributions in Respect of Settling Funds**

Based on communications with the independent distribution consultants (“IDCs”) for the Settling Funds identified in Table 2, this Distribution Plan contemplates that the distributions to contemporaneous holders of those funds will proceed in accordance with the following framework.

**MFS (Prof. John Coates, IDC):** Professor Coates, as IDC for the MFS Funds, is proposing to distribute money from the MFS fair fund to contemporaneous holders of the following funds identified in Table 2: Massachusetts Investors Growth Stock Fund; Massachusetts Investors Trust; and MFS Research Fund. Under this Distribution Plan, the amounts distributable to contemporaneous holders of those funds will be transmitted to the MFS fair fund, to be applied in accordance with one of the approaches specified in paragraph 6.10(a) of this Plan. For the MFS Emerging Growth Fund, as to which Professor Coates is not making any distribution, the amount distributable to contemporaneous holders will be distributed to them under this Distribution Plan using account data to be supplied by respondents in the MFS settlement. Due to the relatively small amounts involved, the amounts attributable to the MFS Bond Fund, MFS International Growth Fund, MFS Global Equity Fund, MFS Global Growth Fund, MFS Government Securities Fund, MFS Growth Opportunities Fund, MFS Research International Fund and MFS Total Return Fund will presumptively be paid under this Distribution Plan directly to the funds themselves, subject to application of the factors identified in paragraph 6.8 of the Plan.

**Alliance (Prof. Marshall Blume, IDC):** Professor Blume, as IDC for the Alliance Funds, is proposing to distribute money from the Alliance fair fund to contemporaneous holders of the following funds identified in Table 2: Alliance Growth and Income Fund; Alliance Growth Fund; Alliance Mid-Cap Growth Fund; Alliance Premier Growth Fund; and Alliance Technology Fund. Under this Distribution Plan, the amounts distributable to contemporaneous holders of those funds will be transmitted to the Alliance fair fund, to be applied in accordance with one of the approaches specified in paragraph 6.10(a) of this Plan. Due to the relatively small amounts involved, the amounts attributable to the following funds will presumptively be paid under this Distribution Plan directly to the funds themselves, subject to application of the factors identified in paragraph 6.8 of the Plan: ACM International Fund; Alliance Balanced Shares Fund (now AllianceBernstein Balanced Shares Fund); Alliance Bond Fund; Alliance Corporate Bond Fund; Alliance Bond Fund, U.S. Government Portfolio; Alliance Emerging Market Debt Fund (now AllianceBernstein Emerging Market Debt Fund); Alliance Municipal Income National Fund (now AllianceBernstein Municipal Income National Fund); Alliance New Europe Fund (merged into

AllianceBernstein International Fund); and Bernstein R/E Fund (now AllianceBernstein Real Estate Investment Fund). Because the Alliance Global Small Cap Fund and the Alliance International Fund are no longer separately in existence, the amount to be distributed under this Distribution Plan in respect of those Funds will be included in the holdback amount described in paragraph 6.13 of this Distribution Plan.

**RS (Prof. Alan Shapiro, IDC):** Professor Shapiro, as IDC for the RS Funds, is proposing to distribute money from the RS fair fund to contemporaneous holders of the following fund identified in Table 2: RS Emerging Growth Fund. Under this Distribution Plan, the amount distributable to contemporaneous holders of that fund will be transmitted to the RS fair fund, to be applied in accordance with one of the approaches specified in paragraph 6.10(a) of this Plan.

**Columbia (Prof. Lawrence Hamermesh, IDC):** For the Liberty Acorn International Fund (now Columbia Acorn International Fund), the amount distributable under this Distribution Plan to contemporaneous holders of that fund will be transmitted to the Columbia fair fund, along with data reflecting daily calculations of distributable amounts, so that the funds can be combined with the distributions otherwise being made under that fair fund's distribution plan and be distributed to contemporaneous holders of that fund. Due to the relatively small amounts involved, the amounts attributable to the following funds will be paid under this Distribution Plan directly to the funds themselves, subject to application of the factors identified in paragraph 6.8 of the Plan: Liberty High-Yield Securities Fund (now Columbia High-Yield Opportunity Fund); Columbia Fixed Income Securities Fund (merged into Columbia Total Return Fund); Columbia Growth Stock Fund; Columbia High Yield Fund (now Columbia Conservative High Yield Fund); Columbia International Stock Fund; Columbia Short Term Bond Fund; Liberty Federal Securities Fund (now Columbia Federal Securities Fund); Liberty Intermediate Government Fund (merged into what is now Columbia Federal Securities Fund); Liberty Newport Global Equity Fund (now Columbia World Equity Fund); Liberty Newport International Equity Fund (merged into Columbia International Stock Fund); and Liberty Newport Tiger Fund (now merged into Columbia International Stock Fund).

**Federated (Prof. Kenneth Lehn, IDC):** Professor Lehn has indicated agreement with the suggestion that the amounts distributable under this Distribution Plan to contemporaneous holders of the Federated American Leaders Fund could be applied in accordance with one of the approaches specified in paragraph 6.10(a) of this Plan. Alternatively, if Professor Lehn will not be making a distribution in respect of that particular fund, the amount could be distributed to the fund itself or to contemporaneous holders using account data to be supplied by respondents in the Federated settlement, depending upon application of the factors identified in paragraph 6.8 of the Plan. Due to the

relatively small amounts involved, the amounts attributable to the following funds will presumptively be paid under this Distribution Plan directly to the funds themselves, subject to application of the factors identified in paragraph 6.8 of the Plan: Federated Equity Income Fund, Federated Kaufmann Fund and Federated Max-Cap Index Fund, Federated Bond Fund; Federated European Growth Fund; Federated Global Equity Fund; Federated Growth Strategies Fund; Federated International Equity Fund; Federated International Growth Fund (now Federated International Capital Appreciation Fund); Federated International Small Company Fund; and Federated Fund for U.S. Securities.

**Franklin Templeton Investments (Hon. Charles B. Renfrew, IDC):** Due to the relatively small amounts involved, the amounts attributable to the following funds will be paid under this Distribution Plan directly to the funds themselves: Franklin Small Cap Growth Fund II; Franklin US Government Securities Fund; Templeton Global Opportunities Trust; Templeton Global Smaller Companies Fund; Franklin Flex Capital Growth Fund; and Templeton World Fund.

**Janus Funds (Prof. Christopher James, IDC):** For the Janus Adviser International Growth Fund, Janus Adviser Worldwide Fund, and Janus Mercury Fund, the amounts distributable under this Distribution Plan to contemporaneous holders of those funds will be transmitted to the Janus fair fund, to be applied in accordance with one of the approaches specified in paragraph 6.10(a) of this Plan. Due to the relatively small amounts involved, the amounts attributable to the Janus Adviser Capital Appreciation Fund (now Janus Adviser Forty Fund), Janus Adviser Core Equity Fund, Janus Enterprise Fund, Janus Adviser Global Value Fund (now Janus Adviser International Value Fund), Janus Risk-Managed Stock Fund (now Janus INTECH Risk-Managed Stock Fund), Janus World Global Technology Fund, Janus Worldwide Fund and Janus World Fund U.S. Short Term Bond Fund will presumptively be paid under this Distribution Plan directly to the funds itself, subject to application of the factors identified in paragraph 6.8 of the Plan.

**One Group (Prof. Joseph Grundfest, IDC):** Due to the relatively small amounts involved, the amounts attributable to the following funds will be paid under this Distribution Plan directly to the funds themselves: One Group Equity Index Fund (now JPMorgan Equity Index Fund); One Group Intermediate Bond Fund (now JPMorgan Intermediate Bond Fund); One Group International Equity Index Fund (now JPMorgan International Equity Index Fund); and One Group Mid Cap Growth Fund (now JPMorgan Mid Cap Growth Fund).

**PBHG Funds (Prof. Kenneth Lehn, IDC):** For the PBHG Tech & Common Fund, PBHG Emerging Growth Fund, and PBHG Growth Fund, the amounts distributable under this Distribution Plan to contemporaneous holders of those funds will be transmitted to the PBHG fair fund, to be applied in accordance with one of the approaches specified in paragraph 6.10(a) of this Plan, or will be paid directly to the fund itself or to contemporaneous holders

using account data to be supplied by respondents in the PBGH settlement, subject to application of the factors identified in paragraph 6.8 of this Plan. Due to the relatively small amounts involved, the amounts attributable to the PBHG Large Cap Value Fund, PBHG Small Cap Value Fund (now Old Mutual TS&W Small Cap Value Fund) and PBHG Midcap Value Fund (now Old Mutual Mid-Cap Fund) will presumptively be paid under this Distribution Plan directly to the funds themselves, subject to application of the factors identified in paragraph 6.8 of the Plan.

**Putnam Funds (Prof. Peter Tufano, IDC):** For the Putnam Europe Growth Fund (now known as Putnam Europe Equity Fund), the amounts distributable under this Distribution Plan to contemporaneous holders of those funds will be transmitted to the Putnam fair fund, to be applied in accordance with one of the approaches specified in paragraph 6.10(a) of this Plan. Due to the relatively small amounts involved, the amounts attributable to the Putnam American Government Income Fund, Putnam Global Equity Fund, Putnam International Equity Fund, Putnam International Growth and Income Fund, Putnam International New Opportunities Fund, and Putnam International (Non-U.S. Core Equities) Fund will presumptively be paid under this Distribution Plan directly to the funds themselves, subject to application of the factors identified in paragraph 6.8 of the Plan.

**Strong Funds (Prof. Michael Gibbons, IDC):** Professor Gibbons, as IDC, is proposing to distribute money from the Strong fair fund to contemporaneous holders of all of the Strong Funds identified in Table 2 except the Strong Short-Term Bond Investment Fund. Under this Distribution Plan, the amounts distributable to contemporaneous holders of those funds will, subject to application of the factors identified in paragraph 6.8 of the Plan, be transmitted to the Strong fair fund, to be applied in accordance with one of the approaches specified in paragraph 6.10(a) of this Plan. Because the Strong Funds are no longer separately in existence, the amount to be distributed under this Distribution Plan in respect of the Strong Short-Term Bond Investment Fund will be included in the holdback amount described in paragraph 6.13 of this Distribution Plan.

**AIM/Invesco (Prof. Gordon Alexander, IDC):** For the AIM Euroland Growth Fund (now AIM European Growth Fund), AIM Global Aggressive Growth Fund, AIM Dynamics Fund, AIM Advantage Health Sciences Fund, INVESCO Telecommunications Fund (now AIM Technology Fund) and INVESCO Technology Fund (now AIM Technology Fund), the amounts distributable under this Distribution Plan to contemporaneous holders of those funds will be transmitted to the AIM/Invesco fair fund, to be applied in accordance with one of the approaches specified in paragraph 6.10(a) of this Plan, or (to the extent that the AIM/Invesco distribution plan does not involve distributions to the contemporaneous holders of these funds), such amounts will be paid to the contemporaneous holders of those funds pursuant to paragraph 6.10(b) of the

Plan, subject to application of the factors identified in paragraph 6.8 of this Plan. Due to the relatively small amounts involved, the amounts attributable to the AIM Asia Pacific Growth Fund, AIM Capital Development Fund, AIM Developing Markets Fund, AIM European Development Fund (now AIM European Growth Fund), AIM European Small Company Fund, AIM Global Growth Fund, AIM International Core Equity Fund, AIM Tax-Free Intermediate Fund, AIM Growth Allocation Fund, and AIM Small Cap Growth Fund will presumptively be paid under this Distribution Plan directly to the funds themselves, subject to application of the factors identified in paragraph 6.8 of the Plan.

**PIMCO (Michael Koehn, IDC):** Due to the relatively small amounts involved, the amounts attributable to the PIMCO Funds identified in Table 2 will presumptively be paid under this Distribution Plan directly to the funds themselves, subject to application of the factors identified in paragraph 6.8 of the Plan.

06/21/06

**Table 1**  
**Bank of America Preliminary Distribution Summary**

	<b>Dilution</b>	<b>Transaction Costs</b>	<b>Fees</b>	<b>Interest</b>	<b>Total</b>
<b>Nations Funds</b>	18,973,656	466,264	63,396,949	6,851,878	89,688,747
<b>Unaffiliated Funds</b>					
<b>Settling Funds</b>					
Alliance	67,641,557	6,764,156	n/a	6,037,500	80,443,213
AIM/Invesco	44,986,039	4,498,604	n/a	4,077,786	53,562,430
Janus	19,226,848	1,922,685	n/a	1,473,329	22,622,862
MFS	32,289,894	3,228,989	n/a	3,293,102	38,811,986
RS	2,673,362	267,336	n/a	350,375	3,291,073
Other	11,717,105	1,171,710	n/a	1,455,846	14,344,662
<b>Nonsettling Funds</b>	34,850,550	3,485,055	n/a	3,817,658	42,153,263
<b>Appeal Facility / Additional Fee Return</b>	n/a	n/a	n/a	n/a	30,081,765
<b>Total</b>	<b>232,359,012</b>	<b>21,804,800</b>	<b>63,396,949</b>	<b>27,357,474</b>	<b>375,000,000</b>

**Table 2**  
**Bank of America Preliminary Distribution**  
**Nations Funds**

<b>Fund Family</b>	<b>Fund</b>	<b>Dilution</b>	<b>Transaction Costs</b>	<b>Fees</b>	<b>Interest</b>	<b>Total</b>
Nations Funds	Nations Bond	0	568	0	0	568
	Nations California Municipal	123,577	5,497	2,950,698	292,315	3,372,087
	Nations Conver Secs	1,735,697	67,491	13,356,289	1,176,788	16,336,265
	Nations Emerg Mkts	252,407	4,539	118,427	33,121	408,514
	Nations Govt Secs	157,384	13,109	0	14,290	184,784
	Nations Intermediate Municipal	266,881	11,948	6,968,091	421,802	7,668,721
	Nations Intl Equity	10,593,991	0	6,343,463	1,326,980	18,264,433
	Nations Intl Value	364,463	8,424	0	34,593	407,480
	Nations Lg-Cp Idx	81,954	45,871	642,252	38,679	808,756
	Nations Mgd Index	137,330	1,761	165,959	16,198	321,249
	Nations MidCap Index	728,638	79,588	688,549	73,972	1,570,747
	Nations Municipal Income	1,037,365	41,942	13,053,102	1,651,973	15,784,381
	Nations Sh-Term Inc	482	482	0	42	1,007
	Nations Small Co	2,817,430	119,752	14,395,890	1,505,046	18,838,118
	Nations SmallCap Index	292,128	44,260	749,572	53,180	1,139,139
	Nations Strat Gr	176,389	16,991	2,491,127	133,174	2,817,680
	Nations Value	207,539	4,022	1,473,530	79,726	1,764,817
	<b>Total</b>	<b>18,973,656</b>	<b>466,264</b>	<b>63,396,949</b>	<b>6,851,878</b>	<b>89,688,747</b>

**Table 3**  
**Bank of America Preliminary Distribution**  
**Settling Funds**

Fund Family	Fund	Dilution	Transaction Costs	Fees	Interest	Total
AIM/INVESCO	AIM Asian Growth	68,666	6,867	0	4,305	79,838
	AIM Cap Development	4,173	417	0	543	5,133
	AIM Capital Europe Develop	215	21	0	14	250
	AIM Developing Mkts	7,796	780	0	535	9,111
	AIM Euroland Growth	2,890,599	289,060	0	340,141	3,519,800
	AIM European Develop	76,597	7,660	0	9,855	94,112
	AIM European Small Co	120	12	0	6	138
	AIM Global Aggr Growth	1,234,937	123,494	0	137,356	1,495,787
	AIM Global Growth	211,423	21,142	0	17,900	250,466
	AIM Intl Equity	4,206,736	420,674	0	404,987	5,032,397
	AIM Tax-Free Intern	2,596	260	0	185	3,040
	INVESCO Core Equity Inv	864,266	86,427	0	44,532	995,225
	INVESCO Dynamics Fund	23,255,946	2,325,595	0	1,865,109	27,446,650
	INVESCO Growth Inv	90,159	9,016	0	13,307	112,482
	INVESCO Health Sci Inv	2,031,334	203,133	0	184,460	2,418,928
	INVESCO Small Co Gr Inv	149,883	14,988	0	37,949	202,820
	INVESCO Telecom Inv	6,062,731	606,273	0	620,255	7,289,259
	INVESCO Technology Fund	3,827,863	382,786	0	396,345	4,606,994
Sub-Total	44,986,839	4,498,604	0	4,077,786	53,562,430	
ALLIANCE FUNDS	***ACM INTERNATIONAL	21,896	2,190	0	1,736	25,822
	Alliance Balanced Sh	129,273	12,927	0	12,007	154,208
	Alliance Bond Corp Bd	235,322	23,532	0	16,242	275,097
	Alliance Bond U.S. Govt	490,247	49,025	0	32,233	571,504
	Alliance Emg Mkt Debt	11,850	1,185	0	1,590	14,625
	Alliance Glob Sm Cap	2,725	273	0	229	3,226
	Alliance Growth	1,325,390	132,539	0	159,149	1,617,078
	Alliance Grth & Inc	7,078,062	707,806	0	737,738	8,523,607
	Alliance Intl	7,675	767	0	895	9,337
	Alliance Mid-Cap Gr	10,867,053	1,086,705	0	953,919	12,907,677
	Alliance Muni Inc Natl	13,059	1,306	0	1,258	15,623
	Alliance New Europe	8,996	900	0	1,032	10,928
	Alliance Premier Gr	17,948,334	1,794,833	0	1,621,523	21,364,690
	Alliance Technology	29,463,564	2,946,356	0	2,495,953	34,905,873
	AllianceBernstein R/E	38,111	3,811	0	1,996	43,918
	Sub-Total	67,641,557	6,764,156	0	6,037,500	80,443,213
	JANUS	Janus Adviser Cap App	155,978	15,598	0	9,006
Janus Adviser Intl		3,575,013	357,501	0	263,346	4,195,860
Janus Adviser Worldwide		5,246,881	524,688	0	400,895	6,172,464
Janus Core Equity		17,198	1,720	0	3,134	22,052
Janus Enterprise		659,677	65,968	0	51,333	776,978
Janus Global Value		113,540	11,354	0	9,052	133,945
Janus Mercury		8,384,859	838,486	0	686,150	9,909,495
Janus Risk Managed Stock Fund		68,909	6,891	0	3,709	79,509
Janus World Global Tech		185,320	18,532	0	11,265	215,118
Janus Worldwide		807,033	80,703	0	34,610	922,347
Janus Wrld Sh Trm Bond		12,440	1,244	0	829	14,513
Sub-Total		19,226,848	1,922,685	0	1,473,329	22,622,862
MFS FAMILY OF FUNDS	MFS Bond	64,528	6,453	0	4,369	75,349
	MFS Emerging Growth	17,566,845	1,756,684	0	1,884,046	21,207,575
	MFS Global Equity	112,301	11,230	0	11,516	135,047
	MFS Global Growth	126,448	12,645	0	13,249	152,342
	MFS Government Secs	115,377	11,538	0	7,244	134,158
	MFS Growth Opport	558,204	55,820	0	74,309	688,333

**Table 3**  
**Bank of America Preliminary Distribution**  
**Settling Funds**

Fund Family	Fund	Dilation	Transaction Costs	Fees	Interest	Total
	MFS Intl Growth	329	33	0	23	385
	MFS Mass Inv Grth Stk	8,242,505	824,251	0	814,204	9,880,960
	MFS Massachusetts Inv	2,915,973	291,597	0	176,963	3,384,534
	MFS Research	2,152,844	215,284	0	270,643	2,638,772
	MFS Research Intl	217,978	21,798	0	19,754	259,530
	MFS Total Return	216,564	21,656	0	16,781	255,001
	<b>Sub-Total</b>	<b>32,289,894</b>	<b>3,228,989</b>	<b>0</b>	<b>3,293,102</b>	<b>38,811,986</b>
<b>RS FUNDS</b>	<b>RS Emerging Growth</b>	<b>2,673,362</b>	<b>267,336</b>	<b>0</b>	<b>350,375</b>	<b>3,291,073</b>
	<b>Sub-Total</b>	<b>2,673,362</b>	<b>267,336</b>	<b>0</b>	<b>350,375</b>	<b>3,291,073</b>
<b>COLUMBIA</b>	<b>Columbia Fixed-Inc Secs</b>	<b>2,656</b>	<b>266</b>	<b>0</b>	<b>338</b>	<b>3,260</b>
	Columbia Growth	7,753	775	0	1,083	9,611
	Columbia High Yield Fund	75,801	7,580	0	4,271	87,652
	Columbia Intl Stock	12,230	1,223	0	790	14,243
	Columbia Short Term Bond	5,414	541	0	454	6,409
	Liberty Acom Intl	116,649	11,665	0	13,702	142,015
	Liberty Federal Secs	1,987	199	0	197	2,383
	Liberty Hi-Yld Secs	428,258	42,826	0	28,887	499,971
	Liberty Intern Govt	1,163	116	0	132	1,412
	Liberty Newport Glb Eq	36,050	3,605	0	4,955	44,610
	Liberty Newport Intl Eq	31,232	3,123	0	4,591	38,946
	Liberty Newport Tiger	1,026	103	0	185	1,313
	<b>Sub-Total</b>	<b>720,219</b>	<b>72,022</b>	<b>0</b>	<b>59,585</b>	<b>851,826</b>
<b>FEDERATED FUNDS</b>	<b>Federated Amer Leaders</b>	<b>913,014</b>	<b>91,301</b>	<b>0</b>	<b>73,845</b>	<b>1,078,160</b>
	Federated Bond	6,824	682	0	637	8,144
	Federated Equity-Inc	494,340	49,434	0	28,176	571,951
	Federated European Gr	4,144	414	0	271	4,829
	Federated Global Eq	4,277	428	0	215	4,920
	Federated Intl Equity	23,213	2,321	0	1,098	26,632
	Federated Intl Growth	1,529	153	0	52	1,733
	Federated Intl Sm Co	24,144	2,414	0	4,041	30,599
	Federated Investment Management Co/Plt	2,309	231	0	133	2,672
	Federated Kaufmann	244,116	24,412	0	17,926	286,453
	Federated MaxCap Idx I	656,377	65,638	0	38,815	760,830
	<b>Sub-Total</b>	<b>2,374,286</b>	<b>237,429</b>	<b>0</b>	<b>165,210</b>	<b>2,776,925</b>
<b>FRANKLIN TEMPLETON INVESTMENTS</b>	<b>Franklin CA Growth</b>	<b>437,231</b>	<b>43,723</b>	<b>0</b>	<b>79,716</b>	<b>560,670</b>
	Franklin Sm Cap Gr II	152,798	15,280	0	23,870	191,947
	Franklin US Gov Secs	241	24	0	-46	219
	Templeton Glob Opport	25,983	2,598	0	3,691	32,272
	Templeton Glob Sm Co	3,197	320	0	446	3,962
	Templeton World	69,075	6,908	0	11,262	87,245
	<b>Sub-Total</b>	<b>688,525</b>	<b>68,852</b>	<b>0</b>	<b>118,938</b>	<b>876,316</b>
<b>ONE GROUP</b>	<b>One Group Equity Idx</b>	<b>4,218</b>	<b>422</b>	<b>0</b>	<b>613</b>	<b>5,253</b>
	One Group Intern Bond	5,975	598	0	584	7,157
	One Group Intl EqIdx	26,230	2,623	0	2,812	31,665
	One Group Mid Cap Grow	40,893	4,089	0	5,880	50,862
	<b>Sub-Total</b>	<b>77,316</b>	<b>7,732</b>	<b>0</b>	<b>9,889</b>	<b>94,937</b>
<b>PBHG FUNDS</b>	<b>PBH Large Cap Val PBH</b>	<b>264,838</b>	<b>26,484</b>	<b>0</b>	<b>37,655</b>	<b>328,977</b>
	PBH Small Cap Val PBH	145,517	14,552	0	19,387	179,656
	PBH Tech & Commun PBH	2,012,103	201,210	0	315,293	2,528,607
	PBHG Emerging Growth	1,277,718	127,772	0	235,645	1,641,135

**Table 3**  
**Bank of America Preliminary Distribution**  
**Settling Funds**

Fund Family	Fund	Dilution	Transaction Costs	Fees	Interest	Total
	PBHG Growth	949,262	94,926	0	154,495	1,198,684
	PBHG Mid Cap Value	14,768	1,477	0	1,619	17,864
	Sub-Total	4,664,207	466,421	0	764,295	5,894,922
PIMCO FUNDS	Pimco NACM International Fund	322	32	0	51	405
	Pimco RCM Emerging Markets	12,743	1,274	0	852	14,870
	Pimco RCM Europe Fund	12,517	1,252	0	866	14,635
	Pimco RCM Global S/C Fund	1,726	173	0	124	2,023
	Pimco Select International	149,437	14,944	0	16,956	181,337
	PIMCO Global Innov	13,750	1,375	0	2,038	17,162
	PIMCO Growth	3,502	350	0	469	4,321
	PIMCO High-Yield	414,036	41,404	0	26,205	481,644
	PIMCO Lg-Trm US Govt	12,275	1,228	0	1,139	14,642
	PIMCO Low Duration	62,756	6,276	0	6,611	75,642
	PIMCO Real Ret Bd	31,357	3,136	0	3,271	37,764
	PIMCO RCM Intl Gr Eq	13,862	1,386	0	2,015	17,263
	PIMCO RCM Intl Grw Eqty	41,630	4,163	0	3,731	49,524
	PIMCO Short-Term	2,736	274	0	240	3,250
	PIMCO Total Ret II Admin	1,249	125	0	131	1,505
	Sub-Total	773,898	77,390	0	64,699	915,987
PUTNAM FUNDS	Putnam American Govt	92,327	9,233	0	7,783	109,342
	Putnam Europe Growth	959,811	95,981	0	124,943	1,180,736
	Putnam Global Equity	92,301	9,230	0	9,605	111,137
	Putnam International Equity	785,117	78,512	0	65,395	929,024
	Putnam Intl Growth	81,031	8,103	0	6,894	96,028
	Putnam Intl New Opport	161,669	16,167	0	21,695	199,531
	Putnam-Int Non US Core Eq	52,095	5,210	0	3,844	61,149
	Sub-Total	2,224,351	222,435	0	240,161	2,686,946
STRONG FUNDS	Strong Adv Mid Cap Gr	50,405	5,040	0	9,132	64,578
	Strong Asia Pacific	4,792	479	0	455	5,726
	Strong Discovery	105,321	10,532	0	18,457	134,310
	Strong Enterprise Inv	11,015	1,101	0	1,717	13,833
	Strong Intl Stock	7,157	716	0	715	8,587
	Strong Multi Cap Value Fund	4,935	494	0	720	6,149
	Strong Opportunity Inv	4,443	444	0	640	5,527
	Strong S/T Bond Inv	6,235	623	0	1,234	8,092
	Sub-Total	194,363	19,430	0	33,069	246,802
<b>Total For Settling Funds</b>		<b>178,534,887</b>	<b>17,853,481</b>	<b>0</b>	<b>16,687,939</b>	<b>213,076,226</b>

**Table 4**  
**Bank of America Preliminary Distribution**  
**Nonsettling Funds**

Fund Family	Fund	Dilution	Transaction Costs	Fees	Interest	Total
ABN AMRO FUNDS	ABN AMRO Intl Equity	1,123	112	0	84	1,320
	ABN AMRO/Chicago CapBd	10,447	1,045	0	821	12,312
	ABN AMRO/Montag Bal	18,393	1,839	0	2,456	22,688
	ABN AMRO/Montag Gr	35,763	3,576	0	4,794	44,133
	Sub-Total	65,726	6,573	0	8,154	80,452
ALGER GROUP	Alger Balanced	6,396	640	0	749	7,785
	Alger LargeCap Growth	736,067	73,607	0	56,856	866,529
	Alger MidCap Growth	627,720	62,772	0	37,885	728,377
	Alger Small Cap	251,636	25,164	0	14,311	291,111
	Spectra	629,434	62,943	0	34,062	726,438
	Sub-Total	2,251,252	225,125	0	143,864	2,620,241
AMERICAN CENTURY INVESTMENTS	Amer Cent Sht Trm Treas	145	14	0	21	180
	AmCent Intl Growth Inv	1,369,133	136,913	0	137,618	1,643,664
	AmCent S/T Gov Inv	193	19	0	13	225
	AmCent Vista Inv	5,617	562	0	688	6,867
	Sub-Total	1,375,088	137,509	0	138,339	1,650,936
AMERICAN FUNDS GROUP	Amer Funds CapWldGI	21,060	2,106	0	4,380	27,546
	Amer Funds EuroPac	436,349	43,635	0	63,220	543,203
	Amer Funds Ltd Trm T/B Bd	3,283	328	0	216	3,827
	Amer Funds New Persp	44,650	4,465	0	2,952	52,067
	Amer Funds New World	12,456	1,246	0	1,994	15,695
	Amer Funds T/E Bd Fd	1,718	172	0	88	1,978
	Sub-Total	519,515	51,952	0	72,849	644,316
	AMERICAN SKANDIA ADVISOR FUNDS	Amer Skandia ASAF WB Intl Gr	212,631	21,263	0	11,298
ASAF Alliance Gr & Inc		19,950	1,995	0	3,392	25,337
ASAF AmCent Intl Gr		84,778	8,478	0	4,658	97,915
ASAF Deam International Eq		386,552	38,655	0	26,173	451,380
ASAF INVESCO Eqty Inc		52,520	5,252	0	7,510	65,283
ASAF Janus Capital Gr		107,300	10,730	0	15,532	133,562
ASAF PIMCO Tot Ret Bd		71,752	7,175	0	4,823	83,750
ASAF Strong Intl Eq		49,321	4,932	0	2,573	56,827
Sub-Total		984,805	98,480	0	75,960	1,159,245
AMSOUTH FUNDS		AmSouth Intl Eq	24,272	2,427	0	1,297
	Sub-Total	24,272	2,427	0	1,297	27,996
ARIEL FUNDS	Ariel	40,390	4,039	0	5,048	49,477
	Ariel Appreciation	51,719	5,172	0	6,510	63,400
	Ariel Premier Bond Fd	29,096	2,910	0	3,820	35,826
	Sub-Total	121,204	12,120	0	15,378	148,703
ARK FUNDS	ARK Balanced	13,305	1,330	0	1,594	16,229
	ARK Blue Chip Eqty	10,060	1,006	0	1,208	12,274
	ARK International Eq	5,574	557	0	108	6,239
	ARK Mid-Cap Equity	17,629	1,763	0	2,167	21,560
	ARK Short-Term Bd	862	86	0	57	1,005
	ARK Short-Term Treas	11,184	1,118	0	1,331	13,634
	Sub-Total	58,614	5,861	0	6,464	70,940
ARMADA FUNDS	Armada Intl Eq	152,831	15,283	0	8,120	176,233
	Sub-Total	152,831	15,283	0	8,120	176,233

**Table 4**  
**Bank of America Preliminary Distribution**  
**Nonsettling Funds**

Fund Family	Fund	Dilution	Transaction Costs	Fees	Interest	Total
ARTISAN FUNDS	Artisan International	32,724	3,272	0	1,581	37,577
	Sub-Total	32,724	3,272	0	1,581	37,577
BEAR STEARNS	Bear Stearns HIYld Tot	3,232	323	0	363	3,919
	Bear Stearns Intl Eqy	6,385	639	0	628	7,652
	Sub-Total	9,618	962	0	991	11,571
BLACKROCK FUNDS	BlackRock Index Eqy Iv	16,696	1,670	0	967	19,333
	BlackRock Intl Eqy Iv	141,489	14,149	0	18,655	174,293
	BlackRock Managed Incls	1,678	168	0	218	2,064
	BlackRock Mid Cap Gr Iv	44,334	4,433	0	4,648	53,416
	BlackRock Sm Cap Grthlv	22,396	2,240	0	2,521	27,157
	Sub-Total	226,593	22,659	0	27,010	276,263
BNY HAMILTON FUNDS	BNY Hamilton Int Gov Is	6,397	640	0	426	7,463
	BNY Hamilton Intl Eq Is	48,131	4,813	0	3,121	56,065
	Sub-Total	54,529	5,453	0	3,547	63,529
CALVERT GROUP	Calvert World Val Intl	854	85	0	137	1,076
	Sub-Total	854	85	0	137	1,076
CAPSTONE GROUP	Capstone SERV Intern	4,269	427	0	-63	4,633
	Capstone SERV Shrt Bnd	4,954	495	0	267	5,716
	Sub-Total	9,222	922	0	204	10,349
CDC IXIS ADVISERS	CDC Nvest Bond Inc	765	76	0	37	878
	CDC Nvest Star Sm Cap	39,571	3,957	0	7,977	51,504
	CDC Nvest Targeted Eq	2,607	261	0	532	3,399
	Sub-Total	42,942	4,294	0	8,545	55,782
CITIZENS FUNDS	Citizens Income	3,341	334	0	379	4,053
	Sub-Total	3,341	334	0	379	4,053
CREDIT SUISSE	Credit Suisse Emg Gr Com	22,530	2,253	0	2,524	27,308
	Credit Suisse FixInc	862	86	0	64	1,012
	Credit Suisse HI Inc	687	69	0	31	787
	Credit Suisse Ins Int In	78	8	0	9	96
	Credit Suisse Instl F/	734	73	0	90	897
	Credit Suisse Intl	5,990	599	0	936	7,525
	Credit Suisse Intl Focus	58,380	5,838	0	6,597	70,814
	Credit Suisse Sm Val	17,374	1,737	0	2,489	21,601
	Credit Suisse Warburg Pincus	67,334	6,733	0	7,731	81,798
	Sub-Total	173,968	17,397	0	20,471	211,837
	DAVIS FUNDS	Davis Financial	11,738	1,174	0	1,711
Davis Intl Total Ret		15,419	1,542	0	2,247	19,208
Davis NY Venture		15,820	1,582	0	4,211	21,614
Davis Opportunity		29,405	2,941	0	6,168	38,514
Sub-Total		72,382	7,238	0	14,337	93,957
DELAWARE INVESTMENTS	Delaware American Govt	2,064	206	0	313	2,583
	Sub-Total	2,064	206	0	313	2,583
DEUTSCHE ASSET MANAGEMENT	Deutsche Emerg Gr	109,245	10,924	0	19,188	139,358
	Deutsche Flag Eq Ptn	5,628	563	0	1,078	7,269
	Deutsche Intl Eq Invnt	280,544	28,054	0	26,002	334,600

**Table 4**  
**Bank of America Preliminary Distribution**  
**Nonsettling Funds**

Fund Family	Fund	Dilution	Transaction Costs	Fees	Interest	Total
	<b>Sub-Total</b>	<b>395,417</b>	<b>39,542</b>	<b>0</b>	<b>46,268</b>	<b>481,227</b>
<b>DODGE &amp; COX FUNDS</b>	Dodge & Cox Intl Stock	930	93	0	156	1,179
	<b>Sub-Total</b>	<b>930</b>	<b>93</b>	<b>0</b>	<b>156</b>	<b>1,179</b>
<b>DREYFUS</b>	Dreyfus Prem Aggr Grth	23,096	2,310	0	4,226	29,632
	Dreyfus Prem GNMA	849	85	0	134	1,067
	Dreyfus Prem Intl Gr	71,748	7,175	0	9,556	88,479
	Dreyfus Prem Ltd-Tm In	2,005	201	0	110	2,315
	Dreyfus Prem Sm Co Ssk	17,052	1,705	0	3,282	22,040
	Dreyfus Prem Widwide Gr	115,902	11,590	0	17,160	144,652
	Dreyfus Premier Tech Gr	1,238,241	123,824	0	149,060	1,511,126
	<b>Sub-Total</b>	<b>1,468,894</b>	<b>146,889</b>	<b>0</b>	<b>183,527</b>	<b>1,799,311</b>
<b>EATON VANCE GROUP</b>	Eaton Vance Emg Mkts	490	49	0	51	590
	Eaton Vance Govt Oblig	2,553	255	0	252	3,061
	Eaton Vance Growth	4,456	446	0	217	5,119
	Eaton Vance Grth & Inc	1,759	176	0	256	2,191
	Eaton Vance Info Age	39,844	3,984	0	2,890	46,719
	Eaton Vance T-M Int Gr	75,725	7,572	0	8,114	91,411
	Eaton Vance T-M SmGr.	6,431	643	0	950	8,024
	<b>Sub-Total</b>	<b>131,259</b>	<b>13,126</b>	<b>0</b>	<b>12,729</b>	<b>157,114</b>
<b>ENTERPRISE GROUP</b>	Enterprise Captl Apprec	8,824	882	0	1,589	11,296
	Enterprise Equity Inc	532	53	0	149	733
	Enterprise Growth	3,598	360	0	658	4,616
	Enterprise Grwth & Inc	15,257	1,526	0	2,493	19,275
	Enterprise Internet	9,529	953	0	1,323	11,805
	Enterprise Intl Growth	151,429	15,143	0	20,422	186,994
	Enterprise Sm Co Grwth	79,410	7,941	0	12,176	99,527
	Enterprise Sm Co Val	19,503	1,950	0	2,765	24,219
	<b>Sub-Total</b>	<b>288,083</b>	<b>28,808</b>	<b>0</b>	<b>41,574</b>	<b>358,465</b>
<b>EVERGREEN FUNDS</b>	Evergreen Emerging Mkts	12,146	1,215	0	811	14,171
	Evergreen Int-Term	7,610	761	0	687	9,058
	Evergreen Intl Growth	5,039	504	0	358	5,901
	Evergreen Perpetual Init	2,602	260	0	348	3,210
	Evergreen Sh-Dur Inc	1,237	124	0	176	1,536
	Evergreen ShrtIntn Muni	1,628	163	0	114	1,905
	Evergreen Strat Income	344	34	0	41	420
	Evergreen U.S. Govt	7,078	708	0	546	8,331
	<b>Sub-Total</b>	<b>37,683</b>	<b>3,768</b>	<b>0</b>	<b>3,081</b>	<b>44,532</b>
<b>EXCELSIOR FUNDS</b>	Excelsior International	95,826	9,583	0	16,565	121,973
	Excelsior Intl Eqy	13,866	1,387	0	1,102	16,354
	Excelsior Large Cap Grth	10,226	1,023	0	1,511	12,760
	Excelsior Small Cap	109,472	10,947	0	14,236	134,656
	Excelsior Val & Restruct	37,568	3,757	0	2,151	43,475
	<b>Sub-Total</b>	<b>266,958</b>	<b>26,696</b>	<b>0</b>	<b>35,565</b>	<b>329,219</b>
<b>FIDELITY ADVISOR FUNDS</b>	Fidelity Adv Div Intl	32,904	3,290	0	2,676	38,871
	Fidelity Adv Overseas	45,833	4,583	0	5,653	56,070
	Fidelity Adv Tech	6,835	684	0	504	8,023
	<b>Sub-Total</b>	<b>85,573</b>	<b>8,557</b>	<b>0</b>	<b>8,834</b>	<b>102,964</b>
<b>FIRST AMERICAN FUNDS</b>	First Amer Emerg Mkts	2,592	259	0	250	3,101

**Table 4**  
**Bank of America Preliminary Distribution**  
**Nonsettling Funds**

Fund Family	Fund	Dilution	Transaction Costs	Fees	Interest	Total
	First Amer Equity Ldx	30,387	3,039	0	5,454	38,880
	First American Intermediate	2,744	274	0	200	3,219
	First American International	157,814	15,781	0	19,465	193,061
	Sub-Total	193,537	19,354	0	25,369	238,260
FIRST INVESTORS GROUP	First Inv Special Sit	8,267	827	0	942	10,036
	Sub-Total	8,267	827	0	942	10,036
FREMONT INVESTMENT ADVISORS	Fremont Global	32,021	3,202	0	1,494	36,718
	Fremont Intl Growth	120,743	12,074	0	15,191	148,008
	Fremont U.S. Micro	97,958	9,796	0	13,788	121,543
	Fremont U.S. Small Cap	6,623	662	0	1,312	8,597
	Sub-Total	257,346	25,735	0	31,786	314,866
GABELLI FUNDS	Gabelli Global Growth	157,850	15,785	0	12,690	186,325
	Gabelli Westwood Intm AA	144	14	0	10	168
	Sub-Total	157,994	15,799	0	12,700	186,493
GAM FUNDS	GAM International	2,609	261	0	314	3,184
	Sub-Total	2,609	261	0	314	3,184
GARIMORE FUNDS	Garimore Total Return	529,845	52,985	0	29,715	612,545
	Sub-Total	529,845	52,985	0	29,715	612,545
GE FUNDS	GE Global Equity	40,179	4,018	0	6,064	50,261
	GE Govt Secs	7,073	707	0	362	8,142
	GE International Equity	201,486	20,149	0	25,750	247,384
	GE Sh-Term Government	2,408	241	0	225	2,874
	Sub-Total	251,145	25,115	0	32,401	308,660
GOLDMAN SACHS ASSET MGMT GROUP	Goldman Sachs AdjGov	135	14	0	8	157
	Goldman Sachs Asia	51,806	5,181	0	3,355	60,341
	Goldman Sachs Euro Eq	2,683	268	0	204	3,155
	Goldman Sachs Intl	150,609	15,061	0	10,478	176,147
	Goldman Sachs RelEst	164	16	0	14	195
	Goldman Sachs Sh Gov	3,011	301	0	215	3,528
	Sub-Total	208,409	20,841	0	14,274	243,524
GUARDIAN FUNDS	Guardian Baillie EmMkt	4,139	414	0	398	4,952
	Guardian Baillie Intl	179,024	17,902	0	18,790	215,717
	Sub-Total	183,163	18,316	0	19,189	220,668
HARBOR FUNDS	Harbor Capital Apprec	10,809	1,081	0	1,438	13,329
	Harbor Growth	53,489	5,349	0	7,170	66,008
	Harbor Mid Cap Growth	5,010	501	0	435	5,946
	Harbor Short Duration	1,029	103	0	112	1,243
	Sub-Total	70,337	7,034	0	9,155	86,526
HARRIS INSIGHT FUNDS	Harris Equity	6,548	655	0	867	8,070
	Harris Index	863	86	0	120	1,070
	Harris Intl	35,413	3,541	0	3,975	42,929
	Harris Sh/Intm Bd	2,115	212	0	224	2,551
	Harris Small Cap Val Is	5,814	581	0	771	7,166
	Harris Small-Cap	12,115	1,211	0	1,594	14,921
	Sub-Total	62,868	6,287	0	7,551	76,706

**Table 4**  
**Bank of America Preliminary Distribution**  
**Nonsettling Funds**

Fund Family	Fund	Dilution	Transaction Costs	Fees	Interest	Total
HARTFORD MUTUAL FUNDS	Hartford Bond Inc	3,816	382	0	421	4,618
	Hartford Cap Apprec	4,351	435	0	611	5,397
	Hartford Global Lead	67,496	6,750	0	6,120	80,365
	Hartford Growth & Inc	4,546	455	0	629	5,629
	Hartford Intl Opp	90,658	9,066	0	8,492	108,216
	Hartford Small Co	60,664	6,066	0	8,743	75,474
	Sub-Total	231,532	23,193	0	25,015	279,700
HERITAGE FAMILY OF FUNDS	Heritage Eagle Intl Eq	8,915	891	0	1,127	10,933
	Heritage Intern Govt	10,987	1,099	0	1,161	13,247
	Sub-Total	19,902	1,990	0	2,288	24,180
HIGHMARK FUNDS	HighMark Bond Fid	910	91	0	42	1,043
	HighMark Growth Ret	8,439	844	0	1,179	10,462
	HighMark Intl Eqty Fid	567,643	56,764	0	75,071	699,478
	HighMark Sm Cap Val Ret	13,563	1,356	0	1,863	16,783
	Sub-Total	590,555	59,056	0	78,155	727,766
IDEX MUTUAL FUNDS	IDEX Federated Tax-Ex	6,294	629	0	429	7,352
	IDEX Janus Capital App	35,442	3,544	0	5,147	44,134
	Sub-Total	41,736	4,174	0	5,577	51,486
ING PILGRIM GROUP	**AETNA SER FUND IN	34,835	3,484	0	4,138	42,457
	**PILGRIM FUNDS T	2,532	253	0	410	3,196
	ING Growth	15,439	1,544	0	1,841	18,824
	ING Intermediate Bond	2,616	262	0	160	3,037
	ING International	10,049	1,005	0	1,518	12,572
	ING International Gr	83,416	8,342	0	5,555	97,313
	ING Intl SmCap Growth	50,227	5,023	0	5,526	60,776
	ING Large Company Val	1,107	111	0	153	1,370
	ING MagnaCap	6,370	637	0	885	7,891
	ING Midcap Growth Fund	13,107	1,311	0	3,296	17,713
	ING Small Cap Opp	8,302	830	0	942	10,074
	ING SmallCap Growth Fund	35,751	3,575	0	6,240	45,566
	ING Worldwide Growth	41,908	4,191	0	1,764	47,862
	Sub-Total	305,659	30,566	0	32,428	368,652
IVY MACKENZIE MANAGEMENT	Ivy European Opp	45,467	4,547	0	2,414	52,428
	Ivy International	4,879	488	0	659	6,026
	Sub-Total	50,346	5,035	0	3,072	58,453
JOHN HANCOCK FUNDS	Hancock Govt Income	2,140	214	0	403	2,757
	Hancock International	2,594	259	0	174	3,028
	Hancock Large Cap Eq	102,352	10,235	0	12,285	124,872
	Hancock Mid Cap Growth	38,837	3,884	0	5,051	47,771
	Hancock Pacific Basin	771	77	0	75	923
	Hancock Small Cap Eq	14,450	1,445	0	1,671	17,567
	Hancock Small Cap Gr	92,728	9,273	0	11,987	113,988
	Sub-Total	253,871	25,387	0	31,647	310,906
JP MORGAN FUNDS	JP Morgan Bond Sel	25,070	2,507	0	3,019	30,596
	JP Morgan Capital Gr	80,781	8,078	0	11,091	99,951
	JP Morgan Dynamic Sm	23,495	2,349	0	2,641	28,485
	JP Morgan Fleming EmDbt	6,998	700	0	881	8,578
	JP Morgan Fleming Eur	27,166	2,717	0	3,243	33,126
	JP Morgan Fleming InOpSe	115,793	11,579	0	14,080	141,453

**Table 4**  
**Bank of America Preliminary Distribution**  
**Nonsettling Funds**

Fund Family	Fund	Dilution	Transaction Costs	Fees	Interest	Total
	JP Morgan Int T/F Sel	38,532	3,853	0	4,467	46,852
	JP Morgan Sm Cap Eq	361,724	36,172	0	55,391	453,287
	JP Morgan Tax Exempt Bond	27,449	2,745	0	3,532	33,725
	JP Morgan US Tres Inc	7,869	787	0	795	9,451
	JP MORGAN FLM International Opp Fund	85,327	8,533	0	12,089	105,948
	Sub-Total	800,203	80,020	0	111,230	991,453
JULIUS BAER INVESTMENT FUNDS	Julius Baer Global Inc	7,496	750	0	460	8,705
	Sub-Total	7,496	750	0	460	8,705
KEMPER FUNDS	Kemper International Fund	121,418	12,142	0	18,422	151,982
	Sub-Total	121,418	12,142	0	18,422	151,982
KINETICS MUTUAL FUNDS	Kinetics Internet Fund-Adv	767,782	76,778	0	37,856	882,416
	Sub-Total	767,782	76,778	0	37,856	882,416
LAZARD FUNDS	Lazard Intl Equity	136,232	13,623	0	14,020	163,875
	Lazard Stral Yield	7,809	781	0	624	9,214
	Sub-Total	144,040	14,404	0	14,644	173,689
LONGLEAF PARTNERS FUNDS	Longleaf Partners Intl	5,860	586	0	361	6,807
	Sub-Total	5,860	586	0	361	6,807
LOOMIS SAYLES FUNDS	Loomis Sayles Bond	8,052	805	0	1,085	9,942
	Loomis Sayles Gr	2,455	245	0	177	2,877
	Loomis Sayles Intl Eq	1,509	151	0	99	1,759
	Loomis Sayles Sm Gr	30,457	3,046	0	4,069	37,572
	Loomis Sm Cap Val	14,029	1,403	0	1,874	17,307
	Loomis U.S. Govt	1,915	191	0	129	2,235
	Sub-Total	58,417	5,842	0	7,432	71,691
LORD ABBETT FAMILY OF FUNDS	Lord Abbett Bond-Deb	915	92	0	54	1,061
	Lord Abbett Intl	61,886	6,189	0	8,540	76,615
	Lord Abbett Lg-Cap Res	620	62	0	127	808
	Sub-Total	63,421	6,342	0	8,721	78,484
MAINSTAY FUNDS	MainStay Hi-Yield Corp	705,517	70,552	0	48,173	824,243
	MainStay Strategic Inc	2,239	224	0	157	2,620
	MainStay Value	24,507	2,451	0	3,561	30,519
	Sub-Total	732,264	73,226	0	51,891	857,382
MANAGERS FUNDS	Managers Special Equity	35,813	3,581	0	7,402	46,796
	Sub-Total	35,813	3,581	0	7,402	46,796
MARSHALL FUNDS	Marshall Equity-Inc Inv	25,392	2,539	0	3,145	31,076
	Marshall Govt Inc Inv	16,190	1,619	0	1,788	19,597
	Marshall Intern Bond Inv	14,780	1,478	0	1,042	17,299
	Marshall Intl Stk Inv	438,056	43,806	0	40,810	522,672
	Marshall Mid-Cap Gr Inv	131,574	13,157	0	21,628	166,359
	Marshall Mid-Cap Val Inv	836	84	0	638	1,558
	Marshall Sm-Cp Gr Inv	32,935	3,293	0	7,053	43,281
	Sub-Total	659,763	65,976	0	76,104	801,843
MERCURY FUNDS	Merrill Lynch Intl Value	5,324	532	0	281	6,137
	Sub-Total	5,324	532	0	281	6,137

