

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Rel. No. 63941 / February 22, 2011

INVESTMENT ADVISERS ACT OF 1940
Rel. No. 3165 / February 22, 2011

INVESTMENT COMPANY ACT OF 1940
Rel. No. 29578 / February 22, 2011

Admin. Proc. File No. 3-13887

In the Matter of
DAVID W. BALDT

ORDER GRANTING
EXTENSION

The Chief Administrative Law Judge has moved, pursuant to Commission Rule of Practice 360(a)(3),¹ for an extension of time to issue an initial decision in this proceeding. For the reasons set forth below, we have determined to grant the motion.

On May 11, 2010, we issued an Order Instituting Administrative and Cease-and-Desist Proceedings ("OIP") pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940 against David W. Baldt, who served as portfolio manager for two municipal bond funds sponsored by Schroder Investment Management North America, Inc.

The OIP alleged that Baldt, while in possession of material non-public information, advised his family members to sell their shares in one of the funds that he managed, in willful violation of Securities Act Section 17(a), Exchange Act Section 10(b) and Exchange Act Rule 10b-5, and Investment Advisers Act Sections 206(1) and 206(2). The OIP directed the presiding law judge, in this case, Judge Mahoney, to hold a public hearing to take evidence regarding the allegations and the appropriate sanctions. The OIP specified that, pursuant to Commission Rule

¹

17 C.F.R. § 201.360(a)(3).

of Practice 360(a)(2),² the presiding law judge should issue an initial decision in this proceeding no later than 300 days from the date of service of the OIP.

The initial decision in this case is due on March 8, 2011. On February 4, 2011, the Chief Administrative Law Judge filed a motion, pursuant to Commission Rule of Practice 360(a)(3),³ requesting an extension of time of forty-five days to issue an initial decision.

II.

We adopted Rules of Practice 360(a)(2) and 360(a)(3) as part of an effort to enhance the timely and efficient adjudication and disposition of Commission administrative proceedings.⁴ At that time, we determined that adoption of mandatory deadlines for completion of administrative hearings would enhance timely completion of the adjudication process. However, we also recognized that a "'one size fits all' approach to timely disposition is not feasible."⁵ We therefore established three different deadlines – 120, 210, or 300 days – depending on "the nature, complexity, and urgency of the subject matter, and with due regard for the public interest and the protection of investors."⁶

We further provided for the granting of extensions to those deadlines under certain circumstances. If, during the proceeding, the presiding law judge decides that the proceeding cannot be concluded in the time specified in the OIP, Rule 360(a)(3) provides that the law judge may request an extension of the stated deadline. To obtain an extension, the law judge should consult with the Chief Administrative Law Judge. "Following such consultation, the Chief Administrative Law Judge may determine, in his or her discretion, to submit a motion to the Commission requesting an extension."⁷ The motion should explain why circumstances require an extension and should specify the extension's length.⁸ We may authorize an extension based on

² 17 C.F.R. § 201.360(a)(2).

³ 17 C.F.R. § 201.360(a)(3).

⁴ *See Adopting Release*, Securities Act Rel. No. 8240 (June 11, 2003), 80 SEC Docket 1463.

⁵ *Id.*

⁶ 17 C.F.R. § 201.360(a)(2).

⁷ 17 C.F.R. § 201.360(a)(3).

⁸ *See Adopting Release*, 80 SEC Docket at 1463.

the Chief Administrative Law Judge's motion if we determine that "additional time is necessary or appropriate in the public interest."⁹

The Chief Administrative Law Judge supports her extension request by stating that the initial decision cannot be issued within the specified time because of the size of the record (four days of transcript and approximately 150 exhibits), office workload, and staffing issues (fewer judges and law clerks than normal). In light of the reasonableness of the request, we believe that it is appropriate in the public interest to extend the deadline for filing the initial decision by forty-five days.

Accordingly, IT IS ORDERED that the deadline for filing the initial decision in this matter be, and it hereby is, extended until April 22, 2011.

By the Commission.

Elizabeth M. Murphy
Secretary

⁹

17 C.F.R. § 201.360(a)(3).