

LEGAL DEPARTMENT

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December 21, 2004

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United States Securities and
Exchange Commission
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②



04052837



Re: ① T. Rowe Price Small-Cap Value Fund, Inc.
CIK 0000834798/ 811-2215

② T. Rowe Price New Era Fund, Inc.
CIK 0000216907/ 811-1710

Empire Insurance Company v. Western Water Co., T. Rowe Price Small-Cap Value
Fund, Inc., et al.
In the Court of Chancery of the State of Delaware; New Castle County
C.A. No. 660-N

Ladies and Gentlemen:

Please be advised that the above-captioned matter has been dismissed with prejudice.
Pursuant to Section 33 of the Investment Company Act of 1940, enclosed is a copy of the Stipulation
and Order of Dismissal.

Should you have any questions with regard to this matter, please call.

Very truly yours,

PROCESSED

DEC 29 2004

THOMSON
FINANCIAL

B

P. Gregory Williams
Senior Legal Analyst, Transfer Agent/Litigation
(410) 345-6721

Enclosure

cc: Lelia S. Holder
D.N. Braman, Esq.



GRANTED

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IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

EMPIRE INSURANCE COMPANY,)

Plaintiff,)

v.)

C.A. No. 660-N

WESTERN WATER CO., T. ROWE)

PRICE ASSOCIATES, INC., T. ROWE)

PRICE SMALL-CAP VALUE FUND,)

INC., T. ROWE PRICE NEW ERA)

FUND, INC., ASHFORD CAPITAL)

MANAGEMENT, INC., WISCONSIN)

ALUMNI RESEARCH FOUNDATION,)

MICHAEL PATRICK GEORGE,)

REGINALD M. NORRIS, AND DENNIS)

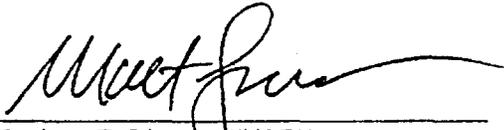
J. KENNY,)

Defendants.)

STIPULATION AND ORDER OF DISMISSAL

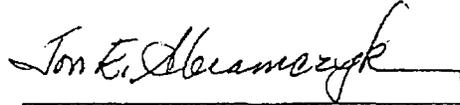
IT IS HEREBY STIPULATED AND AGREED by the parties hereto, through their undersigned attorneys, but subject to the approval of the Court, that pursuant to Court of Chancery Rule 41(a)(1)(ii) the above-captioned action is dismissed with prejudice. Each party shall bear its own costs, attorneys' fees and expenses.

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Attorneys for Defendants T. Rowe Price Associates, Inc., T. Rowe Price Small-Cap Value Fund, Inc., T. Rowe Price New Era Fund, Inc. and Ashford Capital Management, Inc.



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Attorneys for Defendants Western Water Co, Michael George, Reginald Norris and Dennis Kenny

IT IS SO ORDERED this ____ day of _____, 2004.

Vice Chancellor Strine