

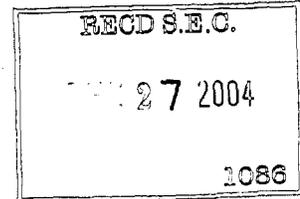
LEGAL DEPARTMENT

40-33

December 21, 2004

P.O. Box 89000  
Baltimore, Maryland  
21289-8220  
100 East Pratt Street  
Baltimore, Maryland  
21202-1009  
Toll Free 800-638-7890  
Fax 410-345-6575

United States Securities and  
Exchange Commission  
Attn: File Desk  
450 Fifth Street, N.W.  
Washington, DC 20549



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

\* 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,

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

Enclosure

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

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**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.

C. Malcolm Cochran, IV (#2377)  
Daniel A. Dreisbach (#2583)  
Elizabeth C. Tucker (#4468)  
Richards Layton & Finger, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, DE 19899  
(302) 651-7700  
Attorneys for Plaintiff Empire Insurance  
Company



Matthew F. Lintner (#4371)  
Morris James Hitchens & Williams LLP  
222 Delaware Avenue, 10<sup>th</sup> Floor  
Wilmington, DE 19899  
(302) 888-6800  
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.



Jon E. Abramczyk (#2432)  
Morris Nichols Arsht & Tunnell  
1201 North Market Street  
Wilmington, DE 19899  
(302) 658-9200  
Attorneys for Defendants Western Water  
Co, Michael George, Reginald Norris and  
Dennis Kenny

IT IS SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
Vice Chancellor Strine