

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

**SECURITIES ACT OF 1933**  
**Release No. 8746 / September 28, 2006**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12442**

**In the Matter of**

**DEUTSCHE INVESTMENT  
MANAGEMENT AMERICAS,  
INC., DEUTSCHE ASSET  
MANAGEMENT, INC., and  
SCUDDER DISTRIBUTORS  
INC.,**

**Respondents.**

**ORDER UNDER RULE 602(e) UNDER THE  
SECURITIES ACT OF 1933, GRANTING A  
WAIVER OF THE DISQUALIFICATION  
PROVISION OF RULE 602(c)(3)**

Deutsche Investment Management Americas, Inc. (“DIMA”), Deutsche Asset Management, Inc. (“DAMI”), and Scudder Distributors, Inc. (“SDI”) (collectively “Respondents”) submitted a letter on behalf of Respondents, dated June 23, 2006, requesting a waiver of the disqualification from the exemption under Regulation E arising from the Respondents’ settlement of a cease-and-desist and administrative proceeding commenced by the Commission. On September 28, 2006, pursuant to the Respondents’ Offer of Settlement, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Sections 9(b) and 9(f) of the Investment Company Act of 1940, and Section 15(b) of the Securities Exchange Act of 1934 (“Order”) against Respondents.

The Order censures Respondents and finds that (1) DIMA and DAMI willfully violated Section 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”), and Sections 17(d) and 34(b) of the Investment Company Act of 1940 (“Investment Company Act”) and Rule 17d-1 thereunder, and (2) SDI willfully aided and abetted and caused

DIMA and DAMI's violations of Section 206(2) of the Advisers Act and willfully violated Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder; (3) requires Respondents to cease and desist from committing or causing violations and future violations of the preceding provisions; (4) requires Respondents to pay, jointly and severally, disgorgement (in the amount of \$14,223,493), prejudgment interest (in the amount of \$2,106,236), and a civil penalty (in the amount of \$3,000,000); and (5) requires Respondents to comply with certain undertakings.

The Regulation E exemption is not available for the securities of a small business investment company or business development company issuer, if a director, officer, principal security holder, investment adviser or underwriter of the securities to be offered, or any partner, director or officer of such investment adviser or underwriter, is subject to a Commission order pursuant to Section 15(b) of the Securities Exchange Act of 1934 or Section 203(e) of the Advisers Act. See Rule 602(c)(3) under the Securities Act of 1933 ("Securities Act"). The Commission may waive the disqualification upon a showing of good cause. See Rule 602(e).

Based on the representations set forth in the Respondents' request, the Commission has determined that a showing of good cause has been made pursuant to Rule 602(e) and that a request for a waiver of the disqualification should be granted.

Accordingly, **IT IS ORDERED**, pursuant to Rule 602(e) under the Securities Act, that a waiver from the disqualification provision of Rule 602(c)(3) under the Securities Act resulting from the entry of the Order is hereby granted

By the Commission.

Nancy M. Morris  
Secretary