

**UNITED STATES OF AMERICA  
BEFORE THE  
SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934  
Release No. 54527 / September 27, 2006**

**ADMINISTRATIVE PROCEEDING  
File No. 3-11003**

<p><b>In the Matter of</b></p> <p style="text-align:center"><b>ROBERTSON STEPHENS, INC.,</b></p> <p><b>Respondent.</b></p>
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**ORDER AUTHORIZING  
DISBURSEMENT OF FUNDS  
FROM FAIR FUND TO PAY  
FEES AND TAXES AND  
DISBURSEMENT OF  
REMAINING FUND BALANCE  
TO U.S. TREASURY**

**I.**

1. On January 9, 2003 the Commission accepted an offer of settlement from Robertson Stephens, Inc. (“RSI”) and issued an Order Instituting Administrative and Cease-and-Desist Proceedings against the company. In the Order, the Commission found that RSI was a registered broker-dealer that had, among other things, issued materially misleading “buy” ratings on Corvis Corporation in research reports published on January 16, 2001 and on January 26, 2001, and failed to supervise a research analyst with a view to preventing the analyst’s violations of the antifraud provisions. The Commission found that RSI willfully violated Sections 15(c)(1) and 17(a) of the Exchange Act and Rules 15c1-2 and 17a-4 thereunder,<sup>1</sup> and failed reasonably to supervise a research analyst with a view to preventing the analyst’s violations of the antifraud provisions of the federal securities laws. The Commission censured RSI; ordered RSI to pay disgorgement, including prejudgment interest, of \$885,000; and ordered the firm to pay a penalty of \$4,115,000.<sup>2</sup>

2. In October 2003, pursuant to Section 308 of the Sarbanes-Oxley Act of 2002, the Commission authorized that the civil penalty of \$4,115,000 be added to, and become part of, a fund established for the benefit of the victims of RSI’s violations at issue in this case (“Fair Fund” or “Fund”). In January 2004, the Commission authorized the publication for comment of a proposed Plan of Distribution. The proposed Plan of Distribution provided that the disgorgement funds be distributed to claimants who purchased shares of Corvis common stock that was sold by RSI, on behalf of three

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<sup>1</sup> The Commission found that RSI had failed to preserve e-mails for three years; failed to preserve e-mails for the first two years in an accessible place; and failed to properly furnish e-mails that the Commission requested.

<sup>2</sup> In the Matter of Robertson Stephens, Inc., AP File No. 3-11003, Exchange Act Rel. No. 47144 (Jan. 9, 2003).

partnerships, from January 16 through January 26, 2001. The proposed Plan of Distribution also provided for the appointment of Laurence Storch, Esquire, of the law firm Dilworth Paxson LLP, as Plan Administrator, for the purpose of administering the Plan of Distribution.

3. In February 2004, after no comments had been received in response to the proposed Plan of Distribution, the Commission approved the Plan, finding that it was fair and reasonable.

4. In March 2005, after receiving distribution recommendations from the Plan Administrator, the Commission authorized payments to investors pursuant to the Plan of Distribution. Subsequently, the Fund paid a total of \$2,440,235.35 to twenty-seven claimants in accordance with the Plan of Distribution, leaving a Fund balance of \$2,559,764.65.

5. In May 2005 the Plan Administrator issued a final report and, subsequently, submitted a detailed statement of his fees and the expenses incurred in fulfilling his duties as the Plan Administrator. The Commission authorized the payment of fees and expenses submitted by the Plan Administrator in the amount of \$60,150.22 and authorized the remaining balance of the Fund to be remitted to the United States Treasury.

6. Since May 2005, the Fund has incurred additional expenses from Damasco & Associates LLP, relating to the preparation of tax returns and filings for the Fund. These additional expenses total \$5,400.00 and include costs advanced on behalf of the Fund for tax payments to the District of Columbia for the years 2003 through 2006. The staff has reviewed the invoices and believes that the fees and expenses are reasonable and in accordance with the proposal submitted to the staff for administering the Plan of Distribution.

## **II.**

In view of the foregoing, it is ORDERED that:

A payment shall be promptly made out of the Fair Fund to Damasco & Associates LLP in the amount of \$5,400.00 in satisfaction of the firm's remaining fees and the Fair Fund's estimated District of Columbia tax liability for the years 2003 through 2006.

The entire remaining balance of the Fair Fund shall be paid to the U.S. Treasury.

By the Commission.

Nancy M. Morris  
Secretary