I. The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Stephen J. Treadway (“Treadway” or “Respondent”).

II. In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 203(f) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III. On the basis of this Order and Respondent’s Offer, the Commission finds that:
1. Treadway, age 59, a resident of New York, New York, was, during the relevant period, the Chief Executive Officer and a Managing Director of PA Fund Management LLC f/k/a PIMCO Advisors Fund Management LLC (“PAFM”), the Chief Executive Officer and a Managing Director of PA Distributors LLC f/k/a PIMCO Advisors Distributors LLC (“PAD”), and the Chairman of the Board of Trustees for the PIMCO Funds: Multi-Manager Series (the “PIMCO Funds”). The PIMCO Funds is a registered investment company. PAFM is a registered investment adviser that advises the PIMCO Funds. PAD is a registered broker-dealer that distributes the PIMCO Funds. Treadway joined PIMCO in 1996. Treadway resigned from all positions at the PIMCO entities on July 30, 2004. Treadway received a J.D. from Columbia Law School in 1972. During the relevant period, Treadway had NASD Series 7, 24, and 63 licenses. He has no disciplinary history.

2. On October 30, 2006, a final judgment was entered by consent against Treadway, permanently enjoining him from future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rules 10b-5(b) and 10b-5(c) thereunder, Section 34(b) of the Investment Company Act of 1940 (“Investment Company Act”), and Section 206(2) of the Advisers Act, and from breaching his fiduciary duty within the meaning of Section 36(a) of the Investment Company Act, in the civil action entitled Securities and Exchange Commission v. Stephen J. Treadway, Case Number 04 Civ. 3464 (VM), in the United States District Court for the Southern District of New York. Treadway also was enjoined for one year from the date of the final judgment, pursuant to Section 36(a) of the Investment Company Act, from serving or acting with respect to any registered investment company as an officer, director, member of any advisory board, investment adviser, depositor, or principal underwriter; ordered to pay disgorgement of $261,215 plus prejudgment interest thereon in the amount of $49,304.32; and ordered to pay a civil penalty in the amount of $261,215.

3. The Commission’s complaint alleged that Treadway violated the federal securities laws by permitting an undisclosed market timing arrangement with Canary Capital Partners LLC (“Canary”), whereby Canary was permitted to market time certain of the PIMCO Funds. The complaint alleged that Treadway approved this trading arrangement in approximately January 2002, before any trading started, and despite knowing that the disclosures in the PIMCO Funds’ prospectus represented to investors that the PIMCO Funds discouraged and restricted market timing. The complaint further alleged that Treadway, the former CEO of PAFM and PAD, as well as former Chairman of the Board of Trustees for the PIMCO Funds, did not disclose his knowledge of the Canary market timing arrangement to the Board of Trustees until approximately September 2003.
IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Treadway’s Offer.

Accordingly, it is hereby ORDERED:

Pursuant to Section 203(f) of the Advisers Act, Respondent Treadway be, and hereby is, barred from association with any investment adviser, with the right to reapply for association after one year to the appropriate self-regulatory organization, or if there is none, to the Commission.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Nancy M. Morris
Secretary