On September 29, 2006, the U.S. Securities and Exchange Commission ("Commission") issued an Order Instituting Administrative and Cease-And-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions pursuant to Section 203(e) of the Investment Advisers Act of 1940 and Sections 9(b) and 9(f) of the Investment Company Act of 1940 against Strong Capital Management, Inc. ("Order"). Investment Advisers Act Rel. No. 2560 (Sep. 29, 2006). The Commission ordered that Strong Capital Management, Inc. ("SCM") be censured and pay disgorgement in the amount of $1,004,371.50, prejudgment interest in the amount of $181,556.10, and a civil money penalty of $1,000,000. The Order also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended.


More than $1.9 million has been distributed to shareholders in the Strong High-yield Municipal Bond Fund ("HYMBF"). The Fair Fund was allocated pro rata to harmed shareholders as follows: 25% to shareholders who owned shares in the HYMBF as of December 31, 2002; 50% to shareholders who owned shares in the HYMBF as of December 31, 2003; and
25% to shareholders who owned shares in the HYMBF as of June 30, 2004. A balance of $386,268.56 remains.

Paragraph 33 of the Plan of Distribution provides that the Fair Fund is eligible for termination after the final accounting by the Fund Administrator has been submitted and approved by the Commission, all taxes and fees have been paid, and all remaining funds have been transferred to the U.S. Treasury. The final accounting, which was submitted to the Commission pursuant to Rule 1105(f) of the Commission’s Rules on Fair Fund and Disgorgement Plans, has been approved. All taxes and fees have been paid and the Commission is in possession of the remaining funds.

Accordingly, IT IS ORDERED that:

1. The $386,268.56 balance in the Fair Fund shall be transferred to the U.S. Treasury, and any future funds received by the Fair Fund shall also be transferred to the U.S. Treasury;
2. The Fund Administrator is discharged; and
3. The Fair Fund is terminated.

By the Commission.

Elizabeth M. Murphy
Secretary