

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73896 / December 19, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-13446

In the Matter of

**AMERICAN SKANDIA
INVESTMENT SERVICES,
INC.,**

Respondent.

**ORDER AUTHORIZING THE
TRANSFER OF RESIDUAL FUNDS
AND ANY FUTURE FUNDS
RECEIVED BY THE FAIR FUND TO
THE U.S. TREASURY, DISCHARGING
THE FUND ADMINISTRATOR, AND
TERMINATING THE FAIR FUND**

On April 17, 2009, the Securities and Exchange Commission (“Commission” or “SEC”) issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”) against American Skandia Investment Services, Inc. (“American Skandia” or “Respondent”) (Advisers Act Rel. No. 2867 (April 17, 2009)). The Order required American Skandia to pay \$34,000,000 in disgorgement and \$34,000,000 as a civil penalty. The Order also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002. A total of \$68,000,000 was paid into the Fair Fund by the Respondent. The Respondent was required to pay all reasonable costs of the distribution.

On August 16, 2010, the Commission issued an Order Approving Plan of Distribution, Appointing Fund Administrator, and Waiving Bond whereby Rust Consulting, Inc. was appointed as the Fund Administrator (Exchange Act Rel. No. 62733 (August 16, 2010)). The Commission subsequently issued four orders directing disbursement. On January 25, 2011, the Commission issued the first Order Directing Disbursement of Fair Fund in the amount of \$60,945,010.08 (Exchange Act Rel. No. 63765 (January 25, 2011)). On June 13, 2011, the Commission issued the second Order Directing Disbursement of Fair Fund in the amount of \$7,148,968.27 (Exchange Act Rel. No. 64651 (June 13, 2011)). On February 17, 2012, the Commission issued the third Order Directing Disbursement of Fair Fund in the amount of \$5,075,505.42 (Exchange Act Rel. No. 66425 (February 17, 2012)). On June 6, 2012, the Commission issued the fourth Order Directing Disbursement of Fair Fund in the amount of \$208,304.40 (Exchange Act Rel. No. 67149 (June 6, 2012)).

Pursuant to the Distribution Plan, the Fair Fund was distributed first to the underlying investors of six insurance-dedicated funds (“IDFs”) that received at least \$1 million in allocations from the Fair Fund and to the asset base of sixteen IDFs that received less than \$1 million. Fair Fund monies that remained undistributed because distributions to the underlying investors were not negotiated were distributed to the asset base of the six IDFs, or successor IDFs, that received at least \$1 million in allocations from the Fair Fund.

The Fair Fund earned a total of \$247,386.86 in interest. In addition, \$760.57 was deducted from the Fair Fund to reimburse the Tax Administrator for bond fees, \$13,850.20 was paid for investment/banking fees, and a total of \$82,240.00 was paid for federal and state taxes. A balance of \$39,839.09 remains in the Fair Fund.

The Distribution Plan provides that the Fair Fund shall be eligible for termination and the Fund Administrator shall be discharged after all of the following have occurred: (1) a final accounting, in an SEC standard accounting format provided by the staff, has been submitted by the Fund Administrator for approval of, and has been approved by, the Commission; (2) all taxes, fees, and expenses have been paid; and (3) any amount remaining in the Escrow Account of the Fair Fund has been received by the Commission. A final accounting report, 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. In addition, all taxes, fees and expenses have been paid and the Commission is in possession of the remaining funds.

Accordingly, IT IS ORDERED that:

1. The \$39,839.09 balance in the Fair Fund shall be transferred to the U.S. Treasury, and any future funds received by the Fair Fund will also be transferred to the U.S. Treasury;
2. The Fund Administrator is discharged; and
3. The Fair Fund is terminated.

By the Commission.

Brent J. Fields
Secretary