

United States Securities and Exchange Commission

**Investment Advisers Act of 1940
Release No. 2319 / November 4, 2004**

**Investment Company Act of 1940
Release No. 26652 / November 4, 2004**

Administrative Proceeding File No. 3-11728

In the Matter of Larry Adams

The Commission instituted public administrative and cease-and-desist proceedings pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act and Sections 9(b) and 9(f) of the Investment Company Act against Larry Adams.

The Division of Enforcement alleges that Larry Adams, the former Vice President of Institutional Sales at Fremont Investment Advisors, Inc. (“Fremont”) negotiated a market timing agreement on behalf of Fremont with brokerage firm Brean Murray & Co., Inc. that allowed a Brean Murray customer to make frequent exchanges into and out of one of the funds managed by Fremont. The Division of Enforcement alleges that Adams authorized this arrangement, notwithstanding Fremont’s prospectus language and internal policies that prohibited market timing. In addition, the Division of Enforcement alleges that Adams did not disclose Fremont’s potential conflict of interest as a result of the increased fees and assets under management the deal generated. The Division of Enforcement further alleges that, as a result of this conduct, Adams willfully aided and abetted and caused Fremont’s violations of Sections 206(1) and 206(2) of the Advisers Act and Section 34(b) of the Investment Company Act.

A hearing will be scheduled before an administrative law judge to determine whether the allegations contained in the order are true, to provide the Respondent an opportunity to dispute these allegations, to determine what remedial sanctions, if any, are appropriate and in the public interest, and whether a cease-and-desist order should be imposed. The Commission directed that the Administrative Law Judge issue an initial decision no later than 300 days from the date of service of the order, pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice.