The Chief Administrative Law Judge, who is presiding over this proceeding, has moved, pursuant to Commission Rule of Practice 360(a)(3),\(^1\) for an extension of time to issue her initial decision. For the reasons set forth below, we have determined to grant the law judge's motion.

On September 30, 2010, we issued an Order Instituting Administrative and Cease-and-Desist Proceedings ("OIP") against John P. Flannery and James D. Hopkins, who were, during the period at issue, employees of State Street Bank and Trust Company ("State Street"), and associated with SSgA Funds Management, Inc., a registered investment adviser and affiliate of State Street. The OIP alleges, among other things, that, during the subprime mortgage crisis in 2007, State Street, Hopkins and Flannery engaged in a course of business and made material misrepresentations and omissions that misled investors about the extent of subprime

\(^1\) 17 C.F.R. § 201.360(a)(3).
mortgage-backed securities held in certain unregistered funds under State Street's management in violation of antifraud provisions of the securities laws.²

The OIP directs the presiding law judge to hold a public hearing to take evidence regarding the allegations and the appropriate sanctions, and to issue an initial decision no later than 300 days from the date of service of the OIP, i.e., by August 1, 2011. On June 28, 2011, the Chief Administrative Law Judge filed a motion pursuant to Commission Rule of Practice 360(a)(3)³ requesting an extension of time until October 31, 2011 to issue such decision.

II.

We adopted Rules of Practice 360(a)(2) and 360(a)(3) as part of an effort to enhance the timely and efficient adjudication and disposition of Commission administrative proceedings,⁴ setting mandatory deadlines for completion of administrative hearings. We further provided for the granting of extensions to those deadlines under certain circumstances, if supported by a motion from the Chief Law Judge.

The Chief Administrative Law Judge supports her extension request by stating that the initial decision cannot be issued within the specified time "because of the size of this particular record and the Office workload," noting that the "record consists of over 3,000 transcript pages reflecting eleven days of hearing, approximately 500 exhibits, and lengthy briefs." The law judge further states that her office currently is assigned a "record number of proceedings" and that their resources are strained because they currently have just two law clerks instead of the customary four. Under the circumstances, we believe it is appropriate in the public interest to grant the Chief Law Judge's request and to extend the deadline for issuance of a decision in this matter.

Accordingly, IT IS ORDERED that the deadline for filing the initial decision in this matter be, and it hereby is, extended until October 31, 2011.

By the Commission.

Elizabeth M. Murphy
Secretary

² Specifically, the OIP alleges violations of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, and Exchange Act Rule 10b-5.

³ 17 C.F.R. § 201.360(a)(3).

⁴ See Adopting Release, Securities Act Rel. No. 8240 (June 11, 2003), 80 SEC Docket 1463.