I. The Chief Administrative Law Judge, Brenda P. Murray, has moved, pursuant to Commission Rule of Practice 360(a)(3),\(^1\) for an extension of time to issue an initial decision in this proceeding. For the reasons set forth below, we have determined to grant the law judge’s motion.

On January 17, 2012, we issued an Order Instituting Administrative and Cease-and-Desist Proceedings against Lisa B. Premo, a registered investment adviser. The OIP alleges that from October 1996 to December 2008, Premo was employed with the Evergreen Investment Management Company, a registered investment adviser. Beginning in May 2003, Premo became the lead portfolio manager of the Evergreen Ultra Short Opportunities Fund, which primarily invested in commercial and residential fixed and variable rate mortgage backed securities. In December 2007, Premo became Evergreen’s chief investment officer for liquidity and structured solutions as well as a member of the Evergreen Valuation Committee (the "EVC"). The EVC was established by the Ultra Fund's Board of Trustees to assist the board in determining the valuation of fair-valued securities.

\(^1\) 17 C.F.R. § 201.360(a)(3).
The OIP alleges that, from at least May 2008 to early June 2008, the NAV of the Ultra Fund was materially overstated as a result of Premo's conduct. Specifically, in early February 2008, Premo learned that a collateralized debt obligation owned by the Ultra Fund had experienced an event of default. In late March 2008, Premo learned that, as a result of the event of default, the CDO would no longer make payments to the Fund. Premo did not convey this information to the EVC, which had been charged by the Board with the responsibility of calculating the value of the Ultra Fund's holdings. Additionally, Premo failed to disclose this information to the EVC in a June 4, 2008 report on the CDO. The OIP alleges that as a result of this conduct, Premo willfully violated Sections 206(1) and 206(2) of the Advisers Act.

The OIP also alleges that Premo willfully aided and abetted and caused Evergreen to violate Sections 206(1) and 206(2) of the Advisers Act. Through its failure to factor readily-available negative information concerning the CDO into its valuation of that security, Evergreen provided an overstated NAV to the Ultra Fund, which, in turn, generated higher advisory fees paid by the Ultra Fund to Evergreen. Through these actions, Evergreen breached its fiduciary duty to and defrauded the Ultra Fund in violation of Sections 206(1) and 206(2) of the Advisers Act. The OIP further alleges that Premo willfully aided and abetted and caused the Ultra Fund to violate Rule 22c-1(a) of the Investment Company Act, which requires registered investment companies to sell and redeem shares only at a price based on the current NAV of those shares.

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 November 19, 2012. On October 1, 2012, Judge Murray filed a motion pursuant to Commission Rule of Practice 360(a)(3) requesting an extension of time of sixty days to issue such decision.

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, 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 Administrative Law Judge.

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2 17 C.F.R. § 201.360(a)(3).


4 While we intend to grant extensions sparingly, we may authorize an extension on the basis of the Chief Administrative Law Judge's motion, if we determine that "additional time is necessary or appropriate in the public interest." 17 C.F.R. § 201.360(a)(3).
Judge Murray supports her extension request by stating that she will not be able to issue an Initial Decision by November 19, 2012, because she has "spent most of September and [is] committed to spending the first three weeks of October presiding at hearings in other cases." It is Judge Murray's request "to extend the due date for sixty days, until January 18, 2013." Under the circumstances, it appears 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 is extended until January 18, 2013.

By the Commission.

Elizabeth M. Murphy
Secretary