

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

In the matter of

BlackRock Advisors, LLC
55 East 52nd Street
New York, NY 10055

BlackRock Financial Management, Inc.
55 East 52nd Street
New York, NY 10055

BlackRock Fund Advisors
400 Howard Street
San Francisco, CA 94105

AMENDMENT NO. 2 TO AND RESTATEMENT OF
APPLICATION FOR AN ORDER PURSUANT TO SECTION
206A OF THE INVESTMENT ADVISERS ACT OF 1940, AS
AMENDED, AND RULE 206(4)-5(e) THEREUNDER,
EXEMPTING BLACKROCK ADVISORS, LLC, BLACKROCK
FINANCIAL MANAGEMENT, INC., AND BLACKROCK
FUND ADVISORS FROM RULE 206(4)-5(a)(1) UNDER THE
INVESTMENT ADVISERS ACT OF 1940

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This Application, including Exhibits, consists of 39 pages
Exhibit Index appears on page 25

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UNITED STATES OF AMERICA
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In the matter of)	RESTATEMENT OF
)	APPLICATION FOR AN ORDER
BlackRock Advisors, LLC,)	PURSUANT TO SECTION 206A
	)	OF THE INVESTMENT
	)	ADVISERS ACT OF 1940, AS
BlackRock Financial Management, Inc.,	)	AMENDED, AND RULE 206(4)-
	)	5(e) THEREUNDER, EXEMPTING
	)	BLACKROCK ADVISORS, LLC,
and	)	BLACKROCK FINANCIAL
	)	MANAGEMENT, INC., AND
	)	BLACKROCK FUND ADVISORS
	)	FROM RULE 206(4)-5(a)(1)
	)	UNDER THE INVESTMENT
BlackRock Fund Advisors	)	ADVISERS ACT OF 1940

I. PRELIMINARY STATEMENT AND INTRODUCTION

BlackRock Advisors, LLC, BlackRock Financial Management, Inc., and BlackRock Fund Advisors (collectively, the "Advisers" or the "Applicants") hereby amend and restate their application to the Securities and Exchange Commission (the "Commission") for an order, pursuant to Section 206A of the Investment Advisers Act of 1940, as amended (the "Act"), and Rule 206(4)-5(e), exempting the Advisers from the two-year prohibition on compensation imposed by Rule 206(4)-5(a)(1) under the Act for investment advisory services provided to the government entities described below following a contribution to a candidate for President of the United States by a covered associate as described in this Application, subject to the representations set forth herein (as amended and restated, the "Application").

Section 206A of the Act authorizes the Commission to "conditionally or unconditionally exempt any person or transaction . . . from any provision or provisions of [the Act] or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of [the Act]."

Section 206(4) of the Act prohibits investment advisers from engaging "in any act, practice, or course of business which is fraudulent, deceptive, or manipulative," and directs the Commission to adopt such rules and regulations, define, and prescribe means reasonably designed to prevent, such acts, practices, or courses of business. Under this authority, the Commission adopted Rule 206(4)-5 (the "Rule"), which prohibits a registered investment adviser from providing "investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser."

The term "government entity" is defined in Rule 206(4)-5(f)(5) as including agencies and instrumentalities of a State or political subdivision; a pool of assets sponsored or established by a State or political subdivision, or any agency, authority, or instrumentality thereof, including a defined benefit plan; and participant-directed investment programs or plans sponsored or established by a State or political subdivision or any agency, authority or instrumentality thereof. The definition of an "official" of such government entity in Rule 206(4)-5(f)(6)(ii) includes the holder of or candidate for an elective office with authority to appoint a person directly or indirectly able to influence the outcome of the government entity's hiring an investment adviser. The

"covered associates" of an investment adviser are defined in Rule 206(4)-5(f)(2)(i) as including its managing member, executive officer or other individuals with similar status or function, as well as any employee who solicits a government entity on behalf of an investment adviser, and any person who supervises, directly or indirectly, such employee. Rule 206(4)-5(c) specifies that, when a government entity invests in a covered investment pool, the investment adviser to that covered investment pool will be treated as providing advisory services directly to the government entity. "Covered investment pool" is defined in Rule 206(4)-5(f)(3) to include, among other things, an investment company registered under the Investment Company Act of 1940 ("RIC"), as amended (the "1940 Act"), that is an investment option of a plan or program of a government entity (*e.g.*, "403(b)" and (457) retirement plans), and any company that would be an investment company under Section 3(a) of the 1940 Act, but for the exclusion provided from that definition by Section 3(c)(7) of the 1940 Act.

Rule 206(4)-5(b) provides exceptions from the two-year prohibition under Rule 206(4)-5(a)(1) with respect to contributions that do not exceed a de minimis threshold, were made by a person more than six months before becoming a covered associate unless such a person, after becoming a covered associate, solicits clients on behalf of the investment adviser, or were discovered by the adviser and returned by the official within a specified period and subject to certain other conditions. Should no exception be available, Rule 206(4)-5(e) permits an investment adviser to apply for, and the Commission to conditionally or unconditionally grant, an exemption from the Rule 206(4)-5(a)(1) prohibition on compensation.

In determining whether to grant an exemption, the Rule contemplates that the Commission will consider, among other things, (i) whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; (ii) whether the investment adviser, (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule; (B) prior to or at the time of the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution, (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution, and (2) has taken such other remedial or preventative measures as may be appropriate under the circumstances; (iii) whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) the timing and amount of the contribution which resulted in the prohibition; (v) the nature of the election (*e.g.*, Federal, State or local); and (vi) the contributor's apparent intent or motive in making the contribution that resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

Based on those considerations and the facts described in this Application, the Applicants respectfully submit that the relief requested herein is appropriate in the public interest and is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Accordingly, the Applicants request an order exempting them to the extent described herein from the prohibition under Rule 206(4)-

5(a)(1) to permit them to receive compensation for investment advisory services provided to the Clients (as defined below), within the two-year period following the contribution identified herein to an official of such government entities by a covered associate.

II. STATEMENT OF FACTS

A. The Applicants

The Applicants are registered with the Commission as investment advisers pursuant to the Act. BlackRock, Inc. ("BlackRock") is the parent company of the Advisers. The Advisers act as advisers to RICs and investment companies exempt from registration under the 1940 Act. As of December 31, 2016, the Advisers had approximately \$2.4 trillion in assets under management.

B. The Government Entities

Certain Ohio government entities have selected mutual funds advised by BlackRock Advisors, LLC and BlackRock Fund Advisors to be options in their participant-directed plans and one Ohio government pension plan has invested in an unregistered fund managed by BlackRock Financial Management, Inc. Such government entities are "government entities" as defined under Rule 206(4)-5(f)(5) and, throughout this Application, are referred to individually as a "Client" and collectively as the "Clients."

C. The Contributor

The individual who made the campaign contribution that triggered the two-year compensation ban (the "Contribution") is Mark Wiedman (the "Contributor"). The Contributor is a Senior Managing Director at BlackRock, the head of BlackRock's ETF

and Index Investments business, and a member of BlackRock's Global Executive Committee. At the time of the Contribution, the Contributor was the head of BlackRock's ETF business which focuses on selling interests in RICs directly to investors, including certain government entities, which is not covered business under the Rule. In December of 2016, the Contributor was placed in charge of a new business unit combining the ETF and Index businesses, which similarly focuses on direct sales of interests in various RICs. However, as a member of BlackRock's Global Executive Committee, the Contributor is, and at the time of the contribution was, an executive officer of the Advisers under Rule 206(4)-5(f)(4), and thus by definition is and at all relevant times was a covered associate pursuant to Rule 206(4)-5(f)(2)(i).

The Contributor has never solicited government entities for investment advisory business that is covered under the Rule. To the extent the Contributor has personally solicited business from any government entities, it was exclusively for direct investments in RICs that are outside the scope of the Rule. Indeed, he has never attended, or otherwise participated in, any meetings, discussions, or any other communications in which a solicitation of covered investment advisory business has taken place. The Contributor was not involved in soliciting the Clients or any other Ohio government entities and, in fact, has never communicated with the Clients or any other Ohio government entities on any business matters. Furthermore, no employee within the Contributor's line of supervision has personally solicited the Clients or any other government entity for any investment advisory business covered under the Rule. Rather, as one would expect given the focus of his business line, to the extent that persons in his line of supervision solicited government entities, it was for direct investments in RICs.

On a few occasions, two employees who are indirectly supervised by the Contributor were present at meetings where representatives of other BlackRock lines of business solicited a government entity for certain investment advisory business covered under the Rule; however, they did so solely as representatives of BlackRock's ETFs to discuss direct investments in such funds as a component of the suite of capabilities offered by BlackRock investment advisers. None of the meetings described above involved any Client.

In addition to the Contribution that triggered the compensation ban, the Contributor has made 27 federal contributions (none to a state or local official running for federal office) since 2006 totaling \$66,850, ten of which were made after the effective date of the Rule in 2011, and seven of which were made after he became a member of BlackRock's Global Executive Committee in March 2013. The recipients of those 27 contributions primarily included Republican candidates for President and the U.S. Senate and House of Representatives. Excluding the contribution at issue here, the Contributor made ten contributions after the effective date of the Rule. BlackRock has a record of pre-approval by Legal and Compliance pursuant to the Policy for all but one of those ten other contributions made after the effective date of the Rule. For one contribution made to a private citizen running for U.S. Senate in 2012, the Contributor believes he sought and obtained pre-approval, however, BlackRock cannot locate any record of such pre-approval. As noted below, BlackRock is implementing a procedure pursuant to which the Compliance department will remind the Contributor of the Policy's pre-clearance requirement on at least a quarterly basis.

D. The Official

The recipient of the Contribution was John Kasich (the "Official"), the Governor of Ohio, in his campaign for President of the United States. The investment decisions of each Client are overseen by a board of trustees or directors (the "Board" or the "Boards"), to which the Governor appoints certain members. The Governor is not authorized to serve directly on any Board, or to be involved in the Clients' investment decisions. However, due to the power of appointment, the Governor is an "official" of each of the Clients under the Rule.

E. The Contribution

On January 15, 2016, (the "Contribution Date") the Contributor contributed \$2,700 to the Official's campaign for President of the United State via credit card to attend a lunch hosted by the campaign at the invitation of a business acquaintance who was an independent director of a BlackRock fund and who shared the Contributor's personal political views. The Contribution was reported by the campaign as received on January 19, 2016 according to a report filed with, and made available online by, the Federal Election Commission ("FEC"). The Contribution was not motivated by any desire to influence the award of investment advisory business. In addition to being entitled to vote in the presidential election, the Contributor was interested in the GOP presidential primary. Aside from a brief introduction while Governor Kasich welcomed a group of attendees at the lunch, the Contributor has never met the Official or dealt with the Official or his staff in any capacity. Moreover, the Contribution is consistent with other contributions made by the Contributor over the years. Nevertheless, the

Contribution resulted in the two-year compensation ban given that the Rule covers elected state officials running for federal office.

Despite BlackRock's robust policies and procedures, as described in greater detail below, the Contributor made the Contribution without pre-clearance from BlackRock's Legal department. At the time he attended the campaign lunch and made the Contribution, the Contributor was focused on the Official in his capacity as a candidate for President of the United States, and the potential that a contribution to such a federal candidate would be covered under the Rule simply did not occur to him in that frame of mind. The Contributor never told any prospective or existing investor (including the Clients) about the Contribution, and did not discuss the Contribution with BlackRock, the Advisers or any of their covered associates. At no time did any employee of BlackRock or the Advisers, other than the Contributor, have any knowledge that the Contribution had been made prior to its discovery in October 2016, as described below.

F. The Clients' Investments with Adviser

The initial selection process pursuant to which each Client decided to invest in a fund advised by an Adviser or to select a RIC advised by an Adviser as an investment option in a participant-directed plan, as applicable, had been completed before the Contribution was made. As discussed above, the Contributor has never made presentations for, or met with, any representatives of any Client, or with any other government entities in Ohio or elsewhere with respect to investment advisory services covered by the Rule. The Contributor has no intention to seek, and no action was taken by the Contributor or the Applicants, to obtain any direct or indirect influence from the Official or any other person with respect to those investments. As noted above, the

Contributor did not participate in any capacity in soliciting those investments or any other investment advisory business covered under the Rule from any government entity.

G. The Advisers' Discovery of the Error and Response

The Contribution was discovered on October 6, 2016 by BlackRock's Compliance department in the course of internal compliance testing. Specifically, although not required to do so, the Compliance department routinely searches certain public websites for contribution information out of an abundance of caution to ensure compliance with the Rule. In doing so, BlackRock discovered the Contribution on the FEC's website. Subsequently, BlackRock promptly began an investigative process to understand the circumstances surrounding the Contribution and whether it presented an issue under the Rule given the Contributor's position at BlackRock. The Contributor requested a refund of the full \$2,700 on November 11, 2016 and received the refund on November 23, 2016. All compensation earned that is attributable to the Clients' investments since the Contribution Date has been placed in escrow and future compensation subject to the two-year ban under the Rule will continue to be placed in escrow pending the outcome of this Application. The Advisers have notified each Client of the Contribution and the resulting two-year prohibition on compensation absent exemptive relief from the Commission, and informed them that the impacted fees attributable to the Clients have been, and will continue to be, placed in escrow and that, absent exemptive relief from the Commission, those fees will be distributed in a way that is permissible under applicable laws and the Rule.

H. BlackRock's Political Contribution Policies and Procedures

BlackRock's robust political contribution policies and procedures (the "Policy"), which apply to BlackRock as well as its subsidiaries, including the Advisers, were adopted and implemented in order to coincide with the Rule's effective date, well before the Contribution was made. At the time of the Contribution, the Policy required, and continues to require, that all employees pre-clear all political contributions made in the United States. There is no de minimis exemption from this pre-clearance requirement. Once received, a member of BlackRock's Legal & Compliance department reviews each request to determine whether the requested contribution is permissible under federal, state, and local law and any relevant investment contracts.

Additionally, BlackRock requires employees to certify annually to their compliance with the Policy, sends reminders about the Policy and its pre-clearance requirement twice every year, and requires all employees to complete an annual computer-based training module that addresses the Policy and its pre-clearance requirement. As noted above, and described more fully in Section IV. A. below, BlackRock also periodically conducts searches of public websites for contributions made by employees, and it was in the course of such a routine search that the Contribution was discovered.

III. STANDARD FOR GRANTING AN EXEMPTION

In determining whether to grant an exemption, Rule 206(4)-5(e) provides that the Commission will consider, among other factors:

(1) Whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act;

(2) Whether the investment adviser:

(i) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the Rule;

(ii) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and

(iii) after learning of the contribution,

(a) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain return of the contribution; and

(b) has taken such other remedial or preventive measures as may be appropriate under the circumstances;

(3) Whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment;

(4) The timing and amount of the contribution which resulted in the prohibition;

(5) The nature of the election (*e.g.*, Federal, State or local); and

(6) The contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

As explained below, each of these factors weighs in favor of granting the relief requested in this Application.

IV. STATEMENT IN SUPPORT OF EXEMPTIVE RELIEF

The Applicants submit that an exemption from the two-year prohibition on compensation is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. The Clients determined to invest with the Applicants and established an advisory relationship on an arm's length basis free from any improper influence as a result of the Contribution. In support of that conclusion, Applicants note that the relationships with the Clients significantly predate the Contribution and that the Contributor had no interactions with the Clients before or after the Contribution. Applicants also note that the Official's influence over the Clients is limited to appointing members of their Boards.

The Applicants further note that the Contribution was made because of the personal political beliefs of the Contributor and not because of any desire to influence the award of investment advisory business. This conclusion is supported by the Contributor's history as a supporter of primarily Republican candidates. Moreover, neither the Contributor nor any person he directly supervises has been involved in the Advisers' solicitation of investment advisory business covered under the Rule from any government entities, let alone any Ohio government entities, and was not involved in soliciting the investments from the Clients.

Given the nature of the Contribution, and the lack of any evidence that the Advisers or the Contributor intended to, or actually did, interfere with the Clients' merit-based process for the selection or retention of advisory services, the Clients' interests are best served by allowing the Advisers and their Clients to continue their relationships uninterrupted. Causing the Advisers to forego the impacted compensation attributable to the two-year period would result in a financial loss of approximately \$37 million, or 13,700 times the amount of the Contribution. The policy underlying the Rule is served by ensuring that no improper influence is exercised over investment decisions by governmental entities as a result of campaign contributions and not by withholding compensation as a result of an unintentional covered contribution.

The other factors suggested for the Commission's consideration in Rule 206(4)-5(e) similarly weigh in favor of granting an exemption to avoid consequences disproportionate to the violation.

A. Policies and Procedures before the Contribution

BlackRock adopted and implemented the Policy, which applies to the Advisers and is fully compliant with and more rigorous than the Rule's requirements, well before the Contribution Date. Historically, BlackRock has monitored compliance with the Policy by searching for an individual employee's past political contributions on the Federal Election Commission's ("FEC") database whenever that individual makes a request to BlackRock to pre-clear a contribution to a federal candidate. As noted elsewhere in this Application, BlackRock is in the process of enhancing this monitoring protocol.

B. Actual Knowledge of the Contribution

Although it may be argued that the activity of one of the firm's executive officers is imputed to the Advisers as a matter of law, we believe that the facts militate against such an imputation. The Contributor acted as an individual when contributing to the Official's campaign as a result of his personal political beliefs. At no time did any employees or covered associates of BlackRock, the Advisers, or any of their affiliates, other than the Contributor, know of the Contribution to the Official until it was discovered by the Compliance department in October 2016.

C. BlackRock's Response After the Contribution

After learning of the Contribution and confirming the Contributor's covered status, BlackRock caused the Contributor to promptly obtain a full refund of the Contribution as described in more detail above. BlackRock and the Advisers have established escrow accounts for all compensation attributable to the Clients' investments. Additionally, in response to the Contribution, BlackRock has begun the process of implementing enhancements to the Policy that will include (a) sending its employees, and employees of its affiliates, including the Applicants, a third annual reminder that highlights the need to pre-clear all political contributions in the United States, including those to federal candidates, (b) revising its annual computer-based training module to highlight the need to pre-clear all political contributions in the United States, including those to federal candidates, and (c) enhancing its protocol to monitor compliance with the Policy's pre-clearance requirement by searching the FEC's and certain states' campaign finance databases for contributions made by a sampling of covered associates on a quarterly basis. Finally, BlackRock is implementing a procedure pursuant to which the

Compliance department will remind the Contributor of the Policy's pre-clearance requirement on at least a quarterly basis.

D. Status of the Contributor

The Contributor is and has, at all relevant times, been a covered associate of the Advisers. However, he has never solicited investment advisory business covered under the Rule from government entities and has had no direct contact or involvement with any of the Clients or the members of their Boards regarding any business matters. As discussed above, on a few occasions two employees who are indirectly supervised by the Contributor attended meetings where business covered under the Rule was solicited. On such occasions, the solicitations were conducted by representatives of other BlackRock business lines and the employees attended solely as representatives of BlackRock's ETF business to discuss direct investments in ETFs as a component of the capabilities of BlackRock advisers.

E. Timing and Amount of the Contribution

As noted above, the Clients' initial investments with the Advisers substantially predate the Contribution. They were done on an arm's length basis and the Contributor and the Applicants took no action to obtain any direct or indirect influence from the Official. The Contributor did not solicit or supervise anyone who solicited the Clients with respect to these investments. In the context of a presidential campaign, one in which the Official raised well over \$19,000,000, the amount of the Contribution was relatively insignificant.

F. Nature of the Election and Other Factors and Circumstances

The nature of the election and other facts and circumstances indicate that the Contributor's apparent intent in making the Contribution was not to influence the selection or retention of the Advisers. As noted above, the Contributor is a longtime Republican who has a history of supporting Republican candidates. Furthermore, the extraordinarily polarizing and hotly-contested nature of the 2016 GOP presidential primary provided additional motivation for the Contributor to make the Contribution in support of his political beliefs.

Given the difficulty of proving a quid pro quo arrangement, the Applicants understand that adoption of a regulatory regime with a default of strict liability, like the Rule, is necessary. However, they appreciate the availability of exemptive relief at the Commission's discretion where imposition of the two-year prohibition on compensation does not achieve the Rule's purposes or would result in consequences disproportionate to the mistake that was made. The Applicants respectfully submit that such is the case with the Contribution. Neither the Advisers nor the Contributor sought to interfere with the Clients' merit-based selection process for advisory services, nor did they seek to negotiate higher fees or greater ancillary benefits than would be achieved in arm's length transactions. There was no violation of the Advisers' fiduciary duty to deal fairly or disclose material conflicts given the absence of any intent or action by the Advisers or Contributor to influence the selection process. The Applicants have no reason to believe the Contribution undermined the integrity of the market for advisory services or resulted in a violation of the public trust in the process for awarding contracts.

G. Precedent

The Applicants note that the Commission granted exemptions similar to that requested herein with respect to relief from Section 206A of the Act and Rule 206(4)-5(e) in: Davidson Kempner Capital Management LLC, Investment Advisers Act Release Nos. IA-3693 (October 17, 2013) (notice) and IA-3715 (November 13, 2013) (order) (the "Davidson Kempner Application"); Ares Real Estate Management Holdings, LLC, Investment Advisers Act Release Nos. IA-3957 (October 22, 2014) (notice) and IA-3969 (November 18, 2014) (order) (the "Ares Application"); Crestview Advisors, LLC, Investment Advisers Act Release Nos. IA-3987 (December 19, 2014) (notice) and IA-3997 (January 14, 2015) (order) (the "Crestview Application"); T. Rowe Price Associates, Inc., and T. Rowe Price International Ltd., Investment Advisers Release Nos. IA-4046 (March 12, 2015) (notice) and IA-4508 (April 8, 2015) (order) (the "T. Rowe Application"); Crescent Capital Group, LP, Investment Advisers Release Nos. IA-4140 (July 14, 2015) (notice) and IA-4172 (August 14, 2015) (order) (the "Crescent Application"); Starwood Capital Group Management, LLC, Investment Advisers Act Release Nos. IA-4182 (August 26, 2015) (notice) and IA-4203 (September 22, 2015) (order) (the "Starwood Application"); Fidelity Management & Research Company and FMR Co., Inc., Investment Advisers Release Nos. IA-4220 (October 8, 2015) (notice) and IA-4254 (November 3, 2015) (order) (the "FMR Application"); Brookfield Asset Management Private Institutional Capital Adviser US, LLC et. al., Investment Advisers Act Release Nos. IA-4337 (February 22, 2016) (notice) and IA-4355 (March 21, 2016) (order) (the "Brookfield Application"); Angelo, Gordon & Co., LP, Investment Advisers Release Nos. IA-4418 (June 10, 2016) (notice) and IA-4444 (July 6, 2016) (order) (the

"Angelo Gordon Application"); Brown Advisory LLC, Investment Advisers Release Nos. IA-4605 (January 10, 2017) (notice) and IA-4642 (February 7, 2017) (order) (the "Brown Advisory Application"); Stephens Inc., Investment Advisers Release Nos. IA-4797 (October 18, 2017) (notice) and IA-4810 (November 14, 2017) (order) (the "Stephens Application"); and PNC Capital Advisors, LLC, Investment Advisers Release Nos. IA-4825 (December 8, 2017) (notice) and IA-4838 (January 3, 2018) (order) (the "PNC Application" and, collectively, the "Granted Applications"). The facts and representations made in this Application and the Granted Applications are substantially similar.

Nature of the Official. In the Crestview Advisors Application, the recipient of the contribution was, at the time of the contribution, the Texas Governor. The members of the board of the Crestview Advisors client were appointed by the Texas Governor. Similarly, on the Contribution Date, the Official was the Governor of Ohio responsible for appointing at least one member to the Board of each Client. Moreover, as in the Crestview Advisors Application, the Official was running for federal office at the time of the Contribution.

Interactions with the Official. The contributors in the Angelo, Gordon and Brown Advisory Applications had brief contacts with the recipients of the contributions at fundraising events where the contributors made the contributions. In the Crestview Advisors Application, the contributor was a longstanding donor to the official, and had a brief discussion with him at a fundraiser. In this Application, the Contributor has never met or spoken or otherwise communicated with the Official, aside from the brief lunch introduction discussed above.

Interactions with the Clients. The contributor in the Crestview Advisors Application made substantive presentations to the clients' representatives both before and after the contribution. In contrast, and similar to the contributors in the Angelo, Gordon and Brown Advisory Applications, the Contributor has never had any contact with any representative of the Clients or member of a Client's Board regarding any business matters.

Amount of the Contribution. In the Crestview Advisors Application, the contribution at issue was \$2,500. The Contribution to the Official was for a similar amount, \$2,700. In each case, the amount contributed was the maximum allowed at the time under federal law.

Knowledge of the Contribution. In the Davidson Kempner Application, the contributor informed the applicant's executive managing member of his interest in and intention to meet with the Ohio State Treasurer. In contrast, the Contributor in this Application did not inform any officers or employees of BlackRock or the Applicants of his interest in the Official. Additionally, and similar to the contributions in the Crestview Advisors, Angelo, Gordon, Brookfield and Brown Advisory Applications, no officer or employee of BlackRock or the Applicants, other than the Contributor, had any knowledge that the Contribution had been made until it was discovered by BlackRock's Compliance department in October 2016.

Client Investments after the Contribution. In the Davidson Kempner Application, a government entity with respect to the State of Ohio invested in the applicant's fund subsequent to the contribution that triggered the two-year compensation ban. In contrast, while certain Clients in this Application may have made certain additional investments in

vehicles managed by one or more of the Advisers since the Contribution, there has been no material increase in the amount of the Clients' investment advisory business with the Advisers since the Contribution. Furthermore, the Contributor did not solicit the Clients for those investments and did not supervise anyone who solicited the Clients for the investments.

The Applicants believe that the same policies and considerations that led the Commission to grant relief in the other Granted Applications are present here. In all instances, the imposition of the Rule would result in consequences vastly disproportionate to the mistake that was made. Moreover, the differences between this Application and the Davidson Kempner and Crestview Advisors Applications weigh even further in favor of granting the relief requested herein.

V. REQUEST FOR ORDER

The Applicants seek an order pursuant to Section 206A of the Act and Rule 206(4)-5(e), thereunder, exempting the Applicants, to the extent described herein, from the two-year prohibition on compensation required by Rule 206(4)-5(a)(1) under the Act, to permit the Applicants to receive compensation for investment advisory services provided to the Clients, within the two-year period following the Contribution identified herein to an official of such government entities by a covered associate.

VI. CONCLUSION

For the foregoing reasons, the Applicants submit that the proposed exemptive relief, conducted subject to the representations set forth above, would be fair and

reasonable, would not involve overreaching, and would be consistent with the general purposes of the Act.

VII. PROCEDURAL MATTERS

Pursuant to Rule 0-4 of the rules and regulations under the Act, a form of proposed notice for the order of exemption requested by this Application is set forth as Exhibit C to this Application. In addition, a form of proposed order of exemption requested by this application is set forth as Exhibit D to this Application.

On the basis of the foregoing, the Applicants submit that all the requirements contained in Rule 0-4 under the Act relating to the signing and filing of this Application have been complied with and that the Applicants, who have signed and filed this Application, are fully authorized to do so.

The Applicants request that the Commission issue an order without a hearing pursuant to Rule 0-5 under the Act.

Dated: March 27, 2018

Respectfully submitted,

BLACKROCK ADVISORS, LLC
BLACKROCK FUND ADVISORS

By: 
Peter Vaughan
Managing Director

BLACKROCK FINANCIAL MANAGEMENT, INC.

By: 
Peter Vaughan
Authorized Signatory

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Exhibit A

Authorization

All requirements of the limited liability company agreement of BlackRock Advisors, LLC have been complied with in connection with the execution and filing of this Application. BlackRock Advisors, LLC represents that the undersigned individual is authorized to file this Application pursuant to BlackRock Advisors, LLC's limited liability company agreement.

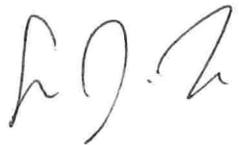
BlackRock Advisors, LLC

By: 
Peter Vaughan
Managing Director
Dated:

Subscribed and sworn to before me a Notary Public this 27th day of March 2018.

[OFFICIAL SEAL]

My commission expires 11/9/19



Summer J. Bealer
Notary Public, State of New York
No. 01BA6332679
Qualified in New York County
Commission Expires November 09, 2019

Authorization

All requirements of the articles of incorporation and bylaws of BlackRock Financial Management, Inc. have been complied with in connection with the execution and filing of this Application. BlackRock Financial Management, Inc. represents that, pursuant to the signing authority granted to each Managing Director of BlackRock, Inc. by the attached resolutions, the undersigned, being such a Managing Director of BlackRock, Inc., is fully authorized to sign and file this Application on behalf of BlackRock Financial Management, Inc. Such resolutions continue to be in force and have not been revoked through the date hereof.

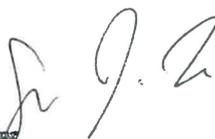
BlackRock Financial Management, Inc.

By: 
Peter Vaughan
Authorized Signatory
Dated:

Subscribed and sworn to before me a Notary Public this 27th day of March 2018.

[OFFICIAL SEAL]

My commission expires 11/9/19


Summer J. Bering
Notary Public, State of New York
No. 01BA6332679
Qualified in New York County
Commission Expires November 09, 2019

**OMNIBUS WRITTEN CONSENT
OF
THE BOARDS OF DIRECTORS
OF
BLACKROCK CAPITAL HOLDINGS, INC.
BLACKROCK CAPITAL MANAGEMENT, INC.
BLACKROCK FINANCIAL MANAGEMENT, INC.
BLACKROCK HOLDCO 2, INC.
BLACKROCK INTERNATIONAL HOLDINGS, INC.**

The undersigned, being all of the members of the Boards of Directors of BlackRock Capital Holdings, Inc., a Delaware corporation ("BRCH"), BlackRock Capital Management, Inc., a Delaware corporation ("BRCM"), BlackRock Financial Management, Inc., a Delaware corporation ("BFM"), BlackRock Holdco 2, Inc., a Delaware corporation ("Holdco 2"), and BlackRock International Holdings, Inc., a Delaware corporation ("BRIH" and together with BRAH, BRCH, BRCM, BFM, and Holdco 2, the "Companies"), acting pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, as applicable, do hereby consent in writing to the adoption of, and do hereby adopt, the following resolutions with the same force and effect as if such resolutions had been approved and adopted at duly convened meetings of the Boards of Directors of the respective Companies and direct that this consent be filed with the minute books of the respective Companies:

Appointment of Officers

WHEREAS, each of the Companies has determined to make certain changes to its officer appointments and to re-confirm other existing appointments.

NOW, THEREFORE, BE IT RESOLVED, that the following named persons be, and hereby are, elected to the office set forth opposite each such person's name, to serve as officers of each of the Companies until his or her successor is elected and qualified, or until his or her earlier death, resignation or removal, and any actions previously taken by such persons in their capacities as officers of the respective Companies are hereby approved and ratified:

Laurence Fink	Chairman and Chief Executive Officer
Robert Kapito	President
Robert Goldstein	Chief Operating Officer
Gary Shedlin	Chief Financial Officer
Christopher Meade	General Counsel and Chief Legal Officer
Philippe Matsumoto	Treasurer
R. Andrew Dickson III	Secretary
Daniel Waltcher	Assistant Secretary

and be it further

RESOLVED, that, in addition to the officers designated above, each Managing Director of BlackRock, Inc. and its affiliates is hereby prescribed to have signing authority for each of the Companies, in each case as set forth in each Company's respective By-Laws;

and be it further

RESOLVED, that the above named officers each be, and hereby are, authorized to prescribe, to the extent he or she shall deem appropriate, further named officers of the Companies, and to prescribe signing authority to such officers and to employees of each Company, in each case as set forth in the Company's respective By-Laws;

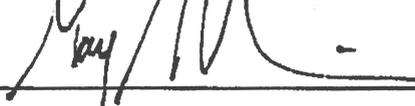
IN WITNESS WHEREOF, this unanimous written consent has been duly executed as of the 9th day of February 2017.

**BLACKROCK CAPITAL HOLDINGS, INC.
BLACKROCK CAPITAL MANAGEMENT, INC.
BLACKROCK FINANCIAL MANAGEMENT, INC.
BLACKROCK INTERNATIONAL HOLDINGS, INC.**

By: 

Robert Goldstein
Director

**BLACKROCK CAPITAL HOLDINGS, INC.
BLACKROCK CAPITAL MANAGEMENT, INC.
BLACKROCK FINANCIAL MANAGEMENT, INC.
BLACKROCK INTERNATIONAL HOLDINGS, INC.**

By: 

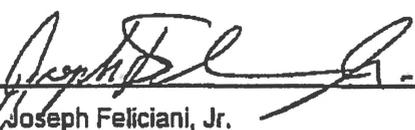
Gary Shedlin
Director

**BLACKROCK CAPITAL HOLDINGS, INC.
BLACKROCK CAPITAL MANAGEMENT, INC.
BLACKROCK FINANCIAL MANAGEMENT, INC.
BLACKROCK HOLDCO 2, INC.
BLACKROCK INTERNATIONAL HOLDINGS, INC.**

By: 

Daniel Waltcher
Director

BLACKROCK HOLDCO 2, INC.

By: 

Joseph Feliciani, Jr.
Director

BLACKROCK HOLDCO 2, INC.

By: 

Marc Comerchero
Director

Exhibit A-4

Authorization

All requirements of the articles of incorporation and bylaws of BlackRock Fund Advisors have been complied with in connection with the execution and filing of this Application. BlackRock Fund Advisors represents that the undersigned individual is authorized to file this Application pursuant to BlackRock Fund Advisors' articles of incorporation.

BlackRock Fund Advisors

By: 
Peter Vaughan
Managing Director
Dated:

Subscribed and sworn to before me a Notary Public this 27th day of March 2018.

[OFFICIAL SEAL]

My commission expires 11/9/19 

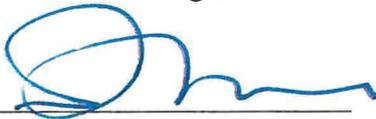
Summer Bayler
Notary Public, State of New York
No. 01BA6332679
Qualified in New York County
Commission Expires: November 09, 2019

Exhibit B

Verification:

State of New York County of New York, SS:

The undersigned being duly sworn deposes and says that he has duly executed the attached Application dated March 27, 2018, for and on behalf of BlackRock Advisors, LLC; that he is a Managing Director of such company; and that all action by managing members and other bodies necessary to authorize deponent to execute and file such Application has been taken. Deponent further says that he is familiar with such instrument, and the contents thereof, and that the facts set forth therein are true to the best of his knowledge, information and belief.



Peter Vaughan

Subscribed and sworn to before me a Notary Public this 27th day of March 2018.

[OFFICIAL SEAL]

My commission expires 11/9/19



Summer J. Bender
Notary Public, State of New York
No. 01BA832679
Qualified in New York County
Commission Expires: November 09, 2019

Verification:

State of New York County of New York, SS:

The undersigned being duly sworn deposes and says that he has duly executed the attached Application dated March 27, 2018, for and on behalf of BlackRock Financial Management, Inc.; that he is a Managing Director of BlackRock, Inc. and in such capacity is authorized to sign on behalf of BlackRock Financial Management, Inc.; and that all action by stockholders, directors, and other bodies necessary to authorize deponent to execute and file such Application has been taken. Deponent further says that he is familiar with such instrument, and the contents thereof, and that the facts set forth therein are true to the best of his knowledge, information and belief.

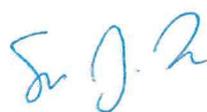


Peter Vaughan

Subscribed and sworn to before me a Notary Public this 27th day of March 2018.

[OFFICIAL SEAL]

My commission expires 11/9/19



Summer J. Bender
Notary Public, State of New York
No. 01BA6332878
Qualified in New York County
Commission Expires November 09, 2019

Verification:

State of New York County of New York, SS:

The undersigned being duly sworn deposes and says that he has duly executed the attached Application dated March 27, 2018, for and on behalf of BlackRock Fund Advisors; that he is a Managing Director of such company; and that all action by stockholders, directors, and other bodies necessary to authorize deponent to execute and file such Application has been taken. Deponent further says that he is familiar with such instrument, and the contents thereof, and that the facts set forth therein are true to the best of his knowledge, information and belief.



Peter Vaughan

Subscribed and sworn to before me a Notary Public this 27th day of March 2018.

[OFFICIAL SEAL]

My commission expires 11/9/19



Suzanne J. Becher
Notary Public, State of New York
No. 01BA632879
Qualified in New York County
Commission Expires: November 09, 2019

Exhibit C

Proposed Notice for the Order of Exemption

Agency: Securities and Exchange Commission (the "SEC" or "Commission").

Action: Notice of Application for Exemption under the Investment Advisers Act of 1940 (the "Advisers Act" or "Act").

Applicants: BlackRock Advisors, LLC, BlackRock Financial Management, Inc., and BlackRock Fund Advisors (the "Advisers" or "Applicants").

Relevant Act Sections: Exemption requested under Section 206A of the Act, and Rule 206(4)-5(e) thereunder, from the provisions of Section 206(4) of the Act, and Rule 206(4)-5(a)(1) thereunder.

Summary of Application: Applicants request that the Commission issue an order under Section 206A of the Advisers Act and Rule 206(4)-5(e) exempting them from Rule 206(4)-5(a)(1) under the Advisers Act to permit them to receive compensation for investment advisory services provided to government entities within the two-year period following a contribution by a covered associate to an official of such government entities.

Filing Dates: The application was filed on May 26, 2017, and amended and restated on November 21, 2017 and [DATE].

Hearing or Notification of Hearing: An Order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on [], and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Pursuant to Rule 0-5 under the Advisers Act, hearing requests should state the nature of the writer's interest, any facts bearing upon the desirability of a hearing on the matter, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

Addresses: Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, D.C. 20549-1090. Applicants, c/o BlackRock, Inc., Peter Vaughan, 40 East 52nd Street, New York, NY 10022.

For Further Information Contact: [CONTACT], or Holly Hunter-Ceci, Branch Chief, at (202) 551-6825 (Division of Investment Management, Chief Counsel's Office).

Supplementary Information: The following is a summary of the application. The complete application may be obtained via the Commission's website either at <http://www.sec.gov/rules/iareleases.shtml> or by searching for the file number, or for an applicant

using the Company name box, at <http://www.sec.gov/search/search.htm>, or by calling (202) 551-8090.

The Applicants' Representations:

1. The Advisers are affiliates of BlackRock, Inc. ("**BlackRock**") registered with the Commission as investment advisers under the Act. They provide discretionary investment advisory services to a variety of clients.

2. Several government entities of the State of Ohio have selected mutual funds advised by BlackRock Advisors, LLC and BlackRock Fund Advisors to be options in their participant-directed plans and one Ohio government pension plan has invested in an unregistered fund managed by BlackRock Financial Management, Inc. (the "**Clients**"). The investment decisions of each Client are overseen by a board of trustees or directors (the "**Boards**"), to which the Governor appoints certain members. Due to the power of appointment, the Governor of Ohio is an "official" of the Clients as defined in Rule 206(4)-5 under the Advisers Act (the "**Rule**").

3. On January 15, 2016, Mark Wiedman, Senior Managing Director and, at that time, the head of the ETF business for BlackRock (the "**Contributor**"), contributed \$2,700 to the campaign of John Kasich, the Governor of Ohio (the "**Official**"), in his campaign for President of the United States (the "**Contribution**").

4. The Applicants represent that the Contributor was motivated to make the Contribution by his interest in the GOP presidential primary and the fact that he is a longtime Republican who has a history of supporting Republican candidates. The Applicants further represent that, aside from a brief introduction at a fundraising luncheon, the Contributor has never met the Official or dealt with him or his staff in any capacity. Accordingly, the Applicants represent that the Contribution was not motivated by any desire to influence the award of investment advisory business.

5. The Clients' investment advisory business with the Advisers substantially predates the Contribution. The Applicants represent that the Contributor was not involved in soliciting the Clients or any other Ohio government entities and, in fact, has never communicated with the Clients or any other Ohio government entities on any business matters.

6. The Applicants represent that the Contribution was discovered by BlackRock's Compliance department on October 6, 2016 during internal compliance testing and that BlackRock promptly began an investigation to determine whether the Contribution presented an issue under the Rule given the Contributor's position. The Applicants represent that the Contributor requested a refund of the full \$2,700 on November 11, 2016 and received the refund on November 23, 2016. The Applicants further represent that at no time did any employees of BlackRock or the Applicants, other than the Contributor, have any knowledge of the Contribution prior to the Contribution's discovery described above.

7. The Applicants represent that the Advisers have established one or more escrow accounts into which they have been depositing an amount equal to the compensation received with respect to the Clients' investments since the day of the Contribution. The Applicants further represent that all compensation earned with respect to the Clients' investments since the day of the Contribution has been placed in escrow and will continue to be placed in escrow pending the outcome of this Application. The Applicants represent that they notified the Clients of the Contribution and the Application.

8. The Applicants represent that BlackRock's political contribution policies and procedures, which apply to the Advisers (the "**Policy**"), require that all employees pre-clear all political contributions. The Applicants further represent that the Policy was initially adopted and implemented in order to coincide with the Rule's effective date and that it is fully compliant with and more rigorous than the Rule's requirements. The Applicants represent that, at the time of the Contribution, the Contributor was focused on the Official in his capacity as a candidate for President of the United States, and it did not occur to him that a contribution to such a candidate would be covered by the Rule.

The Applicants' Legal Analysis

1. Rule 206(4)-5(a)(1) under the Act prohibits a registered investment adviser from providing investment advisory services for compensation to a government entity within two years after a contribution to an official of the government entity is made by the investment adviser or any covered associate of the investment adviser. The "[R]ule's intended purpose" is to combat quid pro quo arrangements involving investment advisers making contributions in order to influence a government official's decision regarding advisory business with the advisor.

2. Rule 206(4)-5(c) specifies that, when a government entity invests in a covered investment pool, the investment adviser to that covered investment pool will be treated as providing advisory services directly to the government entity. "Covered investment pool" is defined in Rule 206(4)-5(f)(3) to include, among other things, an investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"), that is an investment option of a plan or program of a government entity (*e.g.*, "403(b)" and (457) retirement plans), and any company that would be an investment company under Section 3(a) of the 1940 Act, but for the exclusion provided from that definition by Section 3(c)(7) of the 1940 Act.

3. Section 206A and Rule 206(4)-5(e) permit the Commission to exempt an investment adviser from the prohibition under Rule 206(4)-5(a)(1) upon consideration of, among other factors, (i) Whether the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act; (ii) Whether the investment adviser: (A) before the contribution resulting in the prohibition was made, adopted and implemented policies and procedures reasonably designed to prevent violations of the rule; and (B) prior to or at the time the contribution which resulted in such prohibition was made, had no actual knowledge of the contribution; and (C) after learning of the contribution: (1) has taken all available steps to cause the contributor involved in making the contribution which resulted in such prohibition to obtain a return of the contribution; and (2) has taken such other remedial or preventive measures as may

be appropriate under the circumstances; (iii) Whether, at the time of the contribution, the contributor was a covered associate or otherwise an employee of the investment adviser, or was seeking such employment; (iv) The timing and amount of the contribution which resulted in the prohibition; (v) The nature of the election (e.g., federal, state or local); and (vi) The contributor's apparent intent or motive in making the contribution which resulted in the prohibition, as evidenced by the facts and circumstances surrounding such contribution.

4. The Applicants request an order pursuant to Section 206A and Rule 206(4)-5(e), exempting the Advisers from the two-year prohibition on compensation imposed by Rule 206(4)-5(a)(1) with respect to investment advisory services provided to the Clients within the two-year period following the Contribution. The Applicants assert that the exemption sought is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Advisers Act.

5. The Applicants state that the Clients determined to invest with the Advisers and established their advisory relationships on an arm's length basis free from any improper influence as a result of the Contribution. In support of this argument, Applicants note that the Clients' relationships with the Advisers pre-date the Contribution. Similarly, the Contributor did not solicit the Clients with respect to investments, nor did anyone whom he supervises. The Applicants also note that the Official's influence over the Clients is limited to appointing members of their Boards. The Applicants respectfully submit that the interests of the Clients are best served by allowing the Advisers and the Clients to continue their relationships uninterrupted.

6. The Applicants submit that the Contributor's decision to make the Contribution to the Official was based on the Contributor's interest in the GOP presidential primary, and not on any desire to influence the Clients' or any other government entity's merit-based selection process for advisory services.

7. Although the Policy required the Contributor to obtain prior approval for the Contribution, which he failed to do, BlackRock and the Applicants discovered the Contribution as a result of their own internal compliance testing. At the Contributor's request, the Contribution was refunded promptly upon determining that it presented an issue under the Rule.

8. Applicants further submit that the other factors set forth in Rule 206(4)-5(e) similarly weigh in favor of granting an exemption to the Applicants to avoid consequences disproportionate to the violation. The Applicants propose the evidence is clear that there was no attempt to influence any investment adviser selection process.

9. Accordingly, the Applicants respectfully submit that the interests of investors and the purposes of the Act are best served in this instance by allowing the Advisers and their Clients to continue their relationships uninterrupted in the absence of any intent or action by the Contributor to interfere with the Clients' merit-based process for the selection and retention of advisory services. The Applicants submit that an exemption from the two-year prohibition on compensation is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

For the Commission, by the Division of Investment Management, under delegated authority.

Secretary [or other signatory]

Exhibit D

Proposed Order of Exemption

BlackRock Advisors, LLC, BlackRock Financial Management, Inc., and BlackRock Fund Advisors (the "Advisers" or the "Applicants") filed an application on May 26, 2017, and amendments to and restatements of such application on November 21, 2017 and [Date], pursuant to Section 206A of the Investment Advisers Act of 1940 (the "Act") and Rule 206(4)-5(e) thereunder. The application requested an order granting an exemption from the provisions of Section 206(4) of the Act, and Rule 206(4)-5(a)(1) thereunder, to permit the Applicants to provide investment advisory services for compensation to government entities within the two-year period following a specified contribution to an official of such government entities by a covered associate. The order applies only to such advisers' provision of investment advisory services for compensation which would otherwise be prohibited with respect to these government entities as a result of the contribution identified in the application.

A notice of filing of the application was issued on [Date] (Investment Advisers Act Release No. [insert number]). The notice gave interested persons an opportunity to request a hearing and stated that an order disposing of the application would be issued unless a hearing should be ordered. No request for a hearing has been filed and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application, that granting the requested exemption is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Accordingly, IT IS ORDERED, pursuant to Section 206A of the Act and Rule 206(4)-5(e) thereunder, that the application for exemption from Section 206(4) of the Act, and Rule 206(4)-5(a)(1) thereunder, is hereby granted, effective forthwith.

For the Commission, by the Division of Investment Management, under delegated authority
By: _____