

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933

Release No. 8742 / September 26, 2006

SECURITIES EXCHANGE ACT OF 1934

Release No. 54513 / September 26, 2006

ADMINISTRATIVE PROCEEDING

File No. 3-12432

In the Matter of

BISYS Fund Services, Inc.,

Respondent.

**ORDER UNDER SECTION 27A(b) OF THE
SECURITIES ACT OF 1933 AND SECTION
21E(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, GRANTING WAIVERS OF
THE DISQUALIFICATION PROVISIONS
OF SECTION 27A(b)(1)(A)(ii) OF THE
SECURITIES ACT OF 1933 AND SECTION
21E(b)(1)(A)(ii) OF THE SECURITIES
EXCHANGE ACT OF 1934**

BISYS Fund Services, Inc. (“BISYS”), a wholly-owned subsidiary of The BISYS Group, Inc., a publicly-traded Delaware corporation that files registration statements and reports with the Commission, has submitted a letter on behalf of BISYS and its affiliates, including The BISYS Group, dated August 10, 2006, requesting a waiver of the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act of 1933 (“Securities Act”) and Section 21E(b)(1)(A)(ii) of the Securities Exchange Act of 1934 (“Exchange Act”) arising from the settlement of BISYS to an administrative proceeding instituted by the Commission.

On September 26, 2006, pursuant to BISYS’ Offer of Settlement, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940 as to BISYS Fund Services, Inc. (“Order”). In the Order, the Commission found that:

(1) BISYS willfully aided and abetted and caused certain advisers’ violations of Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”), which prohibit fraudulent conduct by an investment adviser;

(2) BISYS willfully aided and abetted and caused certain advisers' violations of Section 34(b) of the Investment Company Act of 1940 ("Investment Company Act"), which prohibits the making of any untrue statement of a material fact in any registration statement; and

(3) BISYS willfully aided and abetted and caused certain mutual funds' violations of Section 12(b) and Rule 12b-1(d), prescribed by the Commission pursuant to the Investment Company Act, which provide that any person who is a party to any agreement with an open-end management investment company relating to a written plan describing all material aspects of the proposed financing of distribution of securities of which it is the issuer shall have a duty to furnish such information as may reasonably be necessary to an informed determination by the directors of such investment company of whether such plan should be implemented or continued.

The Order requires, among other things:

(1) BISYS to cease and desist from committing or causing any violations and any future violations of Sections 206(1) and 206(2) of the Advisers Act, and Sections 12(b) and 34(b) of the Investment Company Act, and Rule 12b-1(d) thereunder;

(2) BISYS to pay disgorgement in the amount of \$9,698,835 and prejudgment interest in the amount of \$1,703,981.66 (for a total amount of \$11,402,816.66) and \$10,000,000.00 in civil money penalty, for a total payment of \$21,402,816.66; and

(3) BISYS to retain an Independent Distribution Consultant, for distribution of the disgorgement, prejudgment interest and penalties, and an Independent Consultant, to conduct a comprehensive review of BISYS' current policies and procedures governing receipt of revenue and payment of expenses associated with its administrative, fund accounting, and distribution services, and a comprehensive review of the accuracy of the disclosures to mutual fund boards concerning agreements between BISYS and the funds, advisers, banks and any related entities for administrative, fund accounting, and distribution services.

The safe harbor provisions of Section 27A(c) of the Securities Act and Section 21E(c) of the Exchange Act are not available for any forward looking statement that is "made with respect to the business or operations of an issuer, if the issuer . . . during the 3-year period preceding the date on which the statement was first made . . . has been made the subject of an . . . administrative decree or order arising out of a governmental action that (I) prohibits future violations of the antifraud provisions of the federal securities laws; (II) requires that the issuer cease and desist from violating the antifraud provisions of the securities laws; or (III) determines that the issuer violated the antifraud provisions of the securities laws[.]" Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act. The disqualifications may be waived "to the extent otherwise specifically provided by rule, regulation, or order of the Commission." Section 27A(b) of the Securities Act and Section 21E(b) of the Exchange Act.

Based on the representations set forth in BISYS' request, the Commission has determined that, under the circumstances, the request for a waiver of the disqualifications resulting from the entry of the Order is appropriate and should be granted.

Accordingly, IT IS ORDERED, pursuant to Section 27A(b) of the Securities Act and Section 27E(b) of the Exchange Act, that a waiver from the disqualification provisions of Section 27A(b)(1)(A)(ii) of the Securities Act and Section 21E(b)(1)(A)(ii) of the Exchange Act as to BISYS and its affiliates resulting from the entry of the Order is hereby granted.

By the Commission.

Nancy M. Morris
Secretary