

investment adviser's or sub-adviser's clients, including Fund shareholders, from any conflict of interest that may arise between the investment adviser's or sub-adviser's portfolio managers and SSB's investment banking business as referenced in the Complaint. The Policies, which were in effect at the time of the conduct described in the Complaint, restrict communications between portfolio managers of the investment adviser or sub-adviser and other employees of SSB.

5. The Applicants will distribute written materials, including an offer to meet in person to discuss the materials, to the board of directors or trustees of each Fund (each, a "Board"), including the directors who are not "interested persons," as defined in section 2(a)(19) of the Act, of the Fund, and their independent legal counsel, if any, regarding the Federal Injunction,<sup>6</sup> any impact on the Funds, and this application.<sup>7</sup> The Applicants will provide the Boards with all information concerning the Injunctions and this application that is necessary for the Funds to fulfill their disclosure and other obligations under the federal securities laws.

6. Applicants state that the inability to continue providing advisory services to the Funds and the inability to continue serving as principal underwriter to the Funds would result in potentially severe hardships for the Funds and their shareholders. Applicants also assert that, if they were barred from providing services to the Funds, the effect on their businesses and employees would be severe. The Applicants state that they have committed substantial resources to establish an expertise in advising and distributing Funds. Certain affiliated persons of SSB previously have received exemptions under section 9(c) as the result of conduct that triggered section 9(a) as described in greater detail in the application.

#### Applicants' Condition

Applicants agree that any order granting the requested relief will be subject to the following condition:

Any temporary exemption granted pursuant to the application shall be without prejudice to, and shall not limit the Commission's rights in any manner with respect to, any Commission investigation of,

<sup>6</sup> Applicants state that they will advise the Boards of any State Injunctions that are issued.

<sup>7</sup> With respect to the Funds discussed in footnote 4 that are UITs, Applicants state that they will provide written notification to the trustee for each of these UITs concerning the Injunctions, any impact on the UITs, and this application and will provide any other related information as may be requested by a trustee.

or administrative proceedings involving or against, Applicants, including without limitation, the consideration by the Commission of a permanent exemption from section 9(a) of the Act requested pursuant to the application or the revocation or removal of any temporary exemptions granted under the Act in connection with the application.

#### Temporary Order

The Commission has considered the matter and finds that Applicants have made the necessary showing to justify granting a temporary exemption.

Accordingly,

*It Is Hereby Ordered*, pursuant to section 9(c) of the Act, that the Applicants and the other Covered Persons are granted a temporary exemption from the provisions of section 9(a), effective forthwith, solely with respect to the Injunctions, subject to the condition in the application, until the date the Commission takes final action on their application for a permanent order or, if earlier, October 31, 2005.

By the Commission.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-27987 Filed 11-5-03; 8:45 am]

**BILLING CODE 8010-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-26243; 812-12968]

#### Credit Suisse First Boston LLC, et al.; Notice of Application and Temporary Order

October 31, 2003.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Temporary order and notice of application for a permanent order under section 9(c) of the Investment Company Act of 1940 ("Act").

*Summary of Application:* Applicants have received a temporary order exempting them from section 9(a) of the Act, with respect to an injunction entered against Credit Suisse First Boston LLC ("CSFB") on October 31, 2003 by the U.S. District Court for the Southern District of New York (the "Federal Injunction"), until the earlier of the date the Commission takes action on an application for a permanent order, or two years from the date of the Federal Injunction. Applicants have requested a permanent order.

*Applicants:* CSFB; Credit Suisse Asset Management, LLC ("CSAM Americas"); Credit Suisse Asset Management Securities, Inc.; Credit Suisse Asset Management Limited, a corporation

organized under the laws of England and Wales ("CSAM London"); Credit Suisse Asset Management (Australia) Limited ("CSAM Australia"); Credit Suisse Asset Management Limited, a Japanese company ("CSAM Japan"); Merchant Capital Inc. ("Merchant"); Credit Suisse First Boston (Bermuda) Limited ("CSFB Bermuda"); and DLJ LBO Plans Management Corporation ("LBO Plans") (together, the "Applicants").<sup>1</sup>

*Filing Dates:* The application was filed on April 29, 2003. Applicants have agreed to file an amendment to the application during the notice period, the substance of which is reflected in this notice. Applicants also have agreed to file amendments to the application reflecting the issuance of each State Injunction (as defined below).

*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 November 25, 2003, and should be accompanied by proof of service on Applicants, in the form of an affidavit, or for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Applicants: CSFB, Merchant, CSFB Bermuda, and LBO Plans, Eleven Madison Avenue, New York, NY 10010-3629; CSAM Americas and Credit Suisse Asset Management Securities, Inc., 466 Lexington Avenue, New York, NY 10017-3147; CSAM London, Beaufort House, 15 St. Botolph Street, London (England), United Kingdom EC3A 7JJ; CSAM Australia, Level 32 Gateway, 1 Macquarie Place, Sydney 2001, Australia; and CSAM Japan, Shiroshima JT Trust Tower, 3-1, Toranomon 4-Chome, Minato-Ku, Tokyo 105-6025 Japan.

**FOR FURTHER INFORMATION CONTACT:** Julia Kim Gilmer, Senior Counsel, at (202) 942-0528, or Annette Capretta, Branch Chief, at 202-942-0564 (Division of Investment Management, Office of Investment Company Regulation).

<sup>1</sup> Applicants request that any relief granted pursuant to the application also apply to any other company of which CSFB is or hereafter becomes an affiliated person (included in the term Applicants).

**SUPPLEMENTARY INFORMATION:** The following is a temporary order and a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 450 Fifth Street, NW., Washington, DC 20549-0102 (telephone 202-942-8090).

### Applicants' Representations

1. CSFB, a Delaware limited liability company, is a full service investment banking firm, engaged in securities underwriting, sales and trading, investment banking, financial advisory services, and investment research services. Certain Applicants serve as investment adviser or sub-adviser for one or more registered investment companies ("Funds"). Certain Applicants act as the depositor or principal underwriter for Funds.<sup>2</sup>

2. On October 31, 2003, the U.S. District Court for the Southern District of New York entered the Federal Injunction against CSFB in a matter brought by the Commission.<sup>3</sup> The Commission alleged in the complaint ("Complaint") that CSFB violated sections 15(c) and 17(a) of the Securities Exchange Act of 1934 ("Exchange Act") and rules 15c1-2 and 17a-3 under the Exchange Act, and certain Conduct Rules of the National Association of Securities Dealers ("NASD") and Rules of the New York Stock Exchange ("NYSE") by engaging in acts and practices that created or maintained inappropriate influence by CSFB's investment banking business over the research analysts in CSFB's research department. The Federal Injunction enjoined CSFB directly or through its officers, directors, agents and employees, from violating sections 15(c) and 17(a) of the Exchange Act and the specific rules cited in the Complaint. Without admitting or denying the allegations in the Complaint, CSFB consented to the entry of the Federal Injunction as well as the payment of disgorgement and penalties and other equitable relief, including undertakings by CSFB to adopt and implement policies and procedures relating to certain research activities. Applicants state that CSFB expects to enter into settlement agreements relating to the activities referred to in the Complaint with certain state and territorial

agencies which may result in an injunction by a court of competent jurisdiction that is based on the same conduct and the same facts as the Complaint (each, a "State Injunction," and, together with the Federal Injunction, the "Injunctions"). Applicants request that this application cover any disqualifications of the Applicants under Section 9(a) resulting from the Injunctions.

### Applicants' Legal Analysis

1. Section 9(a)(2) of the Act, in relevant part, prohibits a person who has been enjoined from engaging in or continuing any conduct or practice in connection with the purchase or sale of a security from acting, among other things, as an investment adviser or depositor of any registered investment company or a principal underwriter for any registered open-end investment company, registered UIT or registered face-amount certificate company. Section 9(a)(3) of the Act makes the prohibition in section 9(a)(2) applicable to a company, any affiliated person of which has been disqualified under the provisions of section 9(a)(2). Section 2(a)(3) of the Act defines "affiliated person" to include any person directly or indirectly controlling, controlled by, or under common control with, the other person. Applicants state that CSFB is an affiliated person of each of the other Applicants within the meaning of section 2(a)(3) of the Act. Applicants further state that the entry of the Injunctions would result in Applicants being subject to the disqualification provisions of section 9(a) of the Act.

2. Section 9(c) of the Act provides that the Commission shall grant an application for exemption from the disqualification provisions of section 9(a) if it is established that these provisions, as applied to Applicants, are unduly or disproportionately severe or that the Applicants' conduct has been such as not to make it against the public interest or the protection of investors to grant the application. Applicants have filed an application pursuant to section 9(c) seeking a temporary and permanent order exempting them from the disqualification provisions of section 9(a) of the Act.

3. Applicants believe they meet the standard for exemption specified in section 9(c). Applicants state that the prohibitions of section 9(a) as applied to them would be unduly and disproportionately severe and that the conduct of Applicants has been such as not to make it against the public interest or the protection of investors to grant the exemption from section 9(a).

4. Applicants state that the conduct giving rise to the Injunctions did not involve any of the Applicants acting in the capacity of investment adviser, sub-adviser, depositor, or principal underwriter for a Fund. Applicants state that the Complaint did not expressly reference the conduct of any current or former employee of any of the Applicants who is or was involved in providing advisory, sub-advisory or underwriting services to the Funds advised or underwritten by Applicants.<sup>4</sup> While the Applicants' portfolio managers had access to research reports issued by CSFB's research analysts, there is no indication that the portfolio managers relied on these research reports more than any other data that would have been considered by the portfolio managers in making investment decisions for the Funds, except as noted in the application.<sup>5</sup> Although some of the Funds held securities in their portfolios at the time that CSFB issued research reports concerning the issuers of such securities, as far as Applicants are aware, none of the officers, portfolio managers, or any other investment personnel employed by the Applicants made any investment decisions based on any non-public information relating to the conduct underlying the Judgment. In addition, CSFB had policies regarding information barriers between CSAM Americas and other employees of CSFB that were designed to restrict communications between CSAM Americas and other employees of CSFB. These information barriers, which were in effect at the time of the complaint, together with other policies of the Applicants, are designed to protect the Funds from conflicts of interest between portfolio managers and certain employees of CSFB.

5. The Applicants will distribute written materials, including an offer to meet in person to discuss the materials, to the board of directors or trustees of each Fund (each, a "Board"), including the directors who are not "interested persons," as defined in section 2(a)(19) of the Act, of the Fund, and their independent legal counsel, if any,

<sup>4</sup> The Complaint also refers to general practices regarding the relationship between the investment banking and research departments of CSFB. It is possible that one or more current or former officers or employees of an Applicants who is or was involved in providing advisory, sub-advisory or underwriting services to the Funds was at some time an officer or employee of the investment banking or research department of CSFB.

<sup>5</sup> Applicants state that they acted as investment adviser, principal underwriter, or depositor to a Fund whose portfolio securities were selected based primarily on research conducted by equity research analysts employed by CSFB, or its predecessor.

<sup>2</sup> Any registered unit investment trusts ("UIT") or registered face amount certificate company for which Applicants may serve as principal underwriter or depositor are also included in the defined term Funds.

<sup>3</sup> *Securities and Exchange Commission v. Credit Suisse First Boston LLC, f/k/a Credit Suisse First Boston Corporation*, 03 CV 2946 (WHP) (S.D.N.Y., filed April 28, 2003).

regarding the Federal Injunction, any impact on the Funds, and this application.<sup>6</sup> The Applicants will provide the Boards with all information concerning the Injunctions and this application that is necessary for the Funds to fulfill their disclosure and other obligations under the federal securities laws.

6. Applicants state that the inability to continue providing advisory services to the Funds and the inability to continue serving as principal underwriter to the Funds would result in potentially severe hardships for the Funds and their shareholders. Applicants also assert that, if they were barred from providing services to the Funds, the effect on their businesses and employees would be severe. The Applicants state that they have committed substantial resources to establish an expertise in advising and distributing Funds. Certain affiliated persons of CSFB previously have received exemptions under section 9(c) as the result of conduct that triggered section 9(a) as described in greater detail in the application.

#### Applicants' Condition

Applicants agree that any order granting the requested relief will be subject to the following condition:

Any temporary exemption granted pursuant to the application shall be without prejudice to, and shall not limit the Commission's rights in any manner with respect to, any Commission investigation of, or administrative proceedings involving or against, Applicants, including without limitation, the consideration by the Commission of a permanent exemption from section 9(a) of the Act requested pursuant to the application or the revocation or removal of any temporary exemptions granted under the Act in connection with the application.

#### Temporary Order

The Commission has considered the matter and finds that Applicants have made the necessary showing to justify granting a temporary exemption.

Accordingly,

*It is hereby ordered*, pursuant to section 9(c) of the Act, that the Applicants are granted a temporary exemption from the provisions of section 9(a), effective forthwith, solely with respect to the Injunctions, subject to the condition in the application, until the date the Commission takes final action on their application for a permanent order or, if earlier, October 31, 2005.

<sup>6</sup> Applicants will notify the Boards of the issuance of any State Injunctions.

By the Commission.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-27982 Filed 11-5-03; 8:45 am]

**BILLING CODE 8010-01-P**

### SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-26242; 812-12958]

#### Goldman Sachs & Co., et al.; Notice of Application and Temporary Order

October 31, 2003.

**AGENCY:** Securities and Exchange Commission ("Commission").

**ACTION:** Temporary order and notice of application for a permanent order under section 9(c) of the Investment Company Act of 1940 ("Act").

**SUMMARY OF APPLICATION:** Applicants have received a temporary order exempting them from section 9(a) of the Act, with respect to an injunction entered against Goldman, Sachs & Co. ("Goldman Sachs") on October 31, 2003 by the U.S. District Court for the Southern District of New York (the "Federal Injunction"), until the earlier of the date the Commission takes action on an application for a permanent order, or two years from the date of the Federal Injunction. Applicants have requested a permanent order.

**APPLICANTS:** Goldman Sachs, Goldman Sachs Asset Management, L.P., and Goldman Sachs Asset Management International (together, the "Applicants").<sup>1</sup>

**FILING DATES:** The application was filed and amended on April 28, 2003. Applicants have agreed to file an amendment to the application during the notice period, the substance of which is reflected in this notice. Applicants also have agreed to file additional amendments to the application reflecting the issuance of each State Injunction (as defined below).

**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 November 25, 2003, and should be accompanied by proof of

<sup>1</sup> Applicants request that any relief granted pursuant to the application also apply to any other company of which Goldman Sachs is or hereafter becomes an affiliated person (included in the term Applicants).

service on Applicants, in the form of an affidavit, or for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Commission's Secretary.

**ADDRESSES:** Secretary, Commission, 450 Fifth Street NW., Washington, DC 20549-0609. Applicants: Goldman Sachs, 85 Broad Street, New York, NY 10004; Goldman Sachs Asset Management, L.P., 32 Old Slip, New York, NY 10005; Goldman Sachs Asset Management International, Christchurch Court, 10-15 Newgate Street, London, England, EC1A7HD.

**FOR FURTHER INFORMATION CONTACT:** Julia Kim Gilmer, Senior Counsel, at (202) 942-0528, or Todd Kuehl, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

**SUPPLEMENTARY INFORMATION:** The following is a temporary order and a summary of the application. The complete application may be obtained for a fee at the Commission's Public Reference Branch, 450 Fifth Street NW., Washington, DC 20549-0102, telephone: (202) 942-8090.

#### Applicants' Representations

1. Goldman Sachs, a New York limited partnership, is a full service investment banking firm, engaged in securities underwriting, sales and trading, investment banking, financial advisory services, and investment research services. The Applicants serve as investment adviser or sub-adviser for one or more registered investment companies ("Funds"). Goldman Sachs also acts as the principal underwriter for Funds.

2. On October 31, 2003, the U.S. District Court for the Southern District of New York entered the Federal Injunction against Goldman Sachs in a matter brought by the Commission.<sup>2</sup> The Commission alleged in the complaint ("Complaint") that Goldman Sachs violated certain Conduct Rules of the National Association of Securities Dealers ("NASD") and Rules of the New York Stock Exchange ("NYSE") (the NASD Conduct Rules and NYSE Rules together, the "Exchange Rules") by engaging in acts and practices that created or maintained inappropriate influence by Goldman Sachs' investment banking business (the "Investment Banking Department") over

<sup>2</sup> Securities and Exchange Commission v. Goldman, Sachs & Co., 03 Civ. 2944 (WHP) (S.D.N.Y., filed April 28, 2003).