

SECURITIES AND EXCHANGE COMMISSION**[Release No. IC-26245; 812-12963]****UBS Securities L.L.C., 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 UBS Securities L.L.C. (f/k/a UBS Warburg L.L.C.) ("UBS Securities") 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: UBS Securities; UBS Financial Services Inc.; UBS Fund Advisor, L.L.C.; UBS Aspen Management, L.L.C.; UBS Willow Management, L.L.C.; UBS Eucalyptus Management, L.L.C.; UBS Tamarack Management, L.L.C.; UBS Juniper Management, L.L.C.; UBS Redwood/Sequoia Management, L.L.C. ("UBSFS Entities"); UBS Global Asset Management (NY) Inc.; UBS Global Asset Management (US) Inc.; UBS Global Asset Management (Americas) Inc. ("American Global AM Entities"); DSI International; UBS Global Asset Management International Ltd.; GAM International Management Ltd.; GAM (USA), Inc.; and GAM Services, Inc. (together, the "Applicants").¹

FILING DATES: The application was filed 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 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: UBS Securities, 299 Park Avenue, New York, NY 10171; UBS Financial Services Inc., 1285 Avenue of the Americas, New York, NY 10019; UBSFS Entities, 1285 Avenue of the Americas, New York, NY 10019; American Global AM Entities, 51 West 52nd Street, New York, NY 10019; DSI International, 3001 Merritt 7, Suite 201, Norwalk, CT 06851; UBS Global Asset Management International, Ltd., 21 Lombard Street, London EC3V 9AH, United Kingdom; GAM International Management Ltd., 12 St. James's Place, London SW1A 1JX, United Kingdom; GAM (USA) Inc. and GAM Services, Inc., 135 East 57th Street, New York, NY 10022.

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).

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. UBS Securities, 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 principal underwriter for Funds.²

2. On October 31, 2003, the U.S. District Court for the Southern District of New York entered the Federal Injunction against UBS Securities in a matter brought by the Commission.³ The Commission alleged in the complaint ("Complaint") that UBS Securities violated section 17(b) of the Securities Act of 1933 (the "Securities Act"), and 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 UBS Securities' investment banking business over the research analysts in UBS Securities' research department. The Federal Injunction enjoined UBS Securities directly or through its officers, directors, agents and employees, from violating section 17(b) of the Securities Act and the Exchange Rules cited in the Complaint. Without admitting or denying the allegations in the Complaint, UBS Securities consented to the entry of the Federal Injunction as well as the payment of disgorgement and penalties and other equitable relief, including undertakings by UBS Securities to adopt and implement policies and procedures relating to certain research activities. Applicants state that UBS Securities 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

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

² 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.

³ *Securities and Exchange Commission v. UBS Warburg, L.L.C.*, 03 CV 2943 (WHP) (S.D.N.Y., filed April 28, 2003).