

DENISE VOIGT CRAWFORD  
SECURITIES COMMISSIONER



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## State Securities Board

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MEMBER

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SSB DOCKET NO. 00-020

IN THE MATTER OF	§	ORDER NO. SSO-1400
THE RESERVE FUND	§	
(U.S. TREASURY FUND)	§	

TO: MaryKathleen F. Gaza, Director of Compliance and Legal Affairs  
The Reserve Fund (U.S. Treasury Fund)  
1250 Broadway  
New York, NY 10001-3701

### ORDER TO PAY FEE FOR SALES OF UNREGISTERED SECURITIES

Be it remembered that The Reserve Fund (U.S. Treasury Fund) ("Respondent"), by and through MaryKathleen F. Gaza, its Director of Compliance and Legal Affairs, appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and represented that it consents to the entry of this Order and Undertaking, and the Findings of Fact and Conclusions of Law contained herein.

### FINDINGS OF FACT

1. Respondent is a business trust organized under the laws of Massachusetts. MaryKathleen F. Gaza is its Director of Compliance and Legal Affairs.
2. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2000) ("Texas Securities Act") and the Administrative Procedure Act, TEX. GOV'T CODE ANN. §§2001.001 et seq. (Vernon Supp. 2000) ("Administrative Procedure Act").
3. Respondent has sold securities in Texas in the form of shares of beneficial interest, pursuant to an offering, no part of which was registered under Sections 7 or 10 of the Act and for which the transactions or securities were not exempt under Sections 5 or 6 of the Act.

4. Pursuant to Section 35-2 of the Act, Respondent has agreed to pay a fee in the amount of One Hundred and Fifty Thousand Dollars (\$150,000.00).

UNDERTAKING

1. Respondent agrees that it will promptly furnish written notice to the Director of the Securities Registration Division of the State Securities Board of any securities sold in Texas by Respondent which are not registered under Sections 7 or 10 of the Act and for which the transactions or securities are not exempt under Sections 5 or 6 of the Act.

CONCLUSIONS OF LAW

1. A basis exists for the issuance of an Order pursuant to Section 35-2 of the Texas Securities Act assessing a fee for the sales of unregistered securities.

ORDER

1. It is therefore ORDERED that The Reserve Fund (U.S. Treasury Fund) SHALL PAY A FEE FOR THE SALES OF UNREGISTERED SECURITIES in the amount of One Hundred and Fifty Thousand Dollars (\$1 50,000.00). Payment shall be made by delivery of a cashier's check to the Securities Commissioner in the amount of One Hundred and Fifty Thousand Dollars (\$1 50,000.00), payable to the State of Texas, contemporaneously with the delivery of this Order;
2. It is further ORDERED that The Reserve Fund (U.S. Treasury Fund) SHALL COMPLY with the terms of the Undertaking contained herein.

SIGNED AND ENTERED this <sup>17th</sup> ~~13th~~ day of July, 2000.

  
DENISE VOIGT CRAWFORD  
Securities Commissioner

Respondent:

The Reserve Fund (U.S. Treasury Fund)

By:   
Mary Kathleen F. Gaza  
Director of Compliance and Legal Affairs

Approved as to Form:

Sonia M. Mayo  
Sonia M. Mayo  
Enforcement Attorney

Michael Northcutt  
Michael Northcutt, Director  
Securities Registration Division

**ACKNOWLEDGMENT**

On the 13<sup>th</sup> day of July, 2000, The Reserve Fund (U.S. Treasury Fund), Respondent, by and through MaryKathleen F. Gaza, its Director of Compliance and Legal Affairs, personally appeared before me, executed the foregoing Order and Undertaking and acknowledged that:

1. MaryKathleen F. Gaza is duly authorized to enter into the foregoing Order and Undertaking on behalf of The Reserve Fund (U.S. Treasury Fund);
2. MaryKathleen F. Gaza has read the foregoing Order and Undertaking;
3. The Reserve Fund (U.S. Treasury Fund) has been fully advised of its rights under The Securities Act and the Administrative Procedure Act;
4. The Reserve Fund (U.S. Treasury Fund) knowingly and voluntarily consents to the entry of the foregoing Order and Undertaking and the Findings of Fact and Conclusions of Law contained therein; and
5. The Reserve Fund (U.S. Treasury Fund), by consenting to the entry of the foregoing Order and Undertaking, has knowingly and voluntarily waived its rights as set forth therein.

Patricia Maldonado  
Notary Public in and for  
the State of New York  
My commission expires on:  
July 6, 2001

[affix notary seal here]  
**PATRICIA MALDONADO**  
Notary Public, State of New York  
No. 01MA5014611  
Qualified in Bronx County  
Commission Expires July 6, 2001