

**COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE SECRETARY OF THE COMMONWEALTH
SECURITIES DIVISION
ONE ASHBURTON PLACE, ROOM 1701
BOSTON, MASSACHUSETTS 02108**

IN THE MATTER OF

STATE STREET BANK AND TRUST
COMPANY

RESPONDENT.

Docket No. E-2007-0084

CONSENT ORDER

I. INTRODUCTION

This Consent Order (“Order”) is entered into by the Massachusetts Securities Division (the “Division”) and State Street Bank & Trust Company (“State Street” or “Respondent”) in connection with an investigation conducted by the Division.

In October of 2007, the Division began an investigation of State Street’s Limited Duration Bond Fund’s (“LDBF”) and its substantial subprime exposure, which led to significant losses in the Summer of 2007. (“Investigation”) (*Docket No.* E-2007-0084). On February 2, 2010, State Street submitted an Offer of Settlement for the purpose of disposing of the allegations set forth in the Offer of Settlement. State Street, without admitting or denying the Statement of Facts as set out herein in Section VI and without an adjudication of any issue of law or fact, consents to the entry of this Order by the Division, consistent with the Offer of Settlement, settling the pending investigation against State Street., Docket No. 2007-0084.

II. JURISDICTION AND AUTHORITY

1. The Massachusetts Securities Division is a Division of the Office of the Secretary of the Commonwealth with jurisdiction over matters relating to securities as provided for by the Massachusetts Uniform Securities Act, M.G.L. c. 110A (the “Act”) and the regulations promulgated there under. The Act authorizes the Division to regulate: (a) the offers and/or sales of securities; (b) those individuals offering and/or selling securities within the Commonwealth; and (c) those individuals transacting business as broker-dealer agents within the Commonwealth.

2. The Division brings this action pursuant to the enforcement authority conferred upon it by Section 407A of the Act and M.G.L. c 30A, wherein the Division has the authority to conduct an adjudicatory proceeding to enforce the provisions of the Act and all regulations and rules promulgated thereunder.

III. RELEVANT TIME PERIOD

3. Except as otherwise expressly stated, the conduct described herein occurred during the approximate period of February 1, 2002 through August 30, 2007.

IV. RESPONDENT

4. State Street Bank & Trust Company is a Massachusetts state chartered bank, which is wholly-owned by State Street Corporation, a bank holding company registered with the Federal Reserve.

V. OTHER INVOLVED AND RELATED PARTIES AND ENTITIES

5. Internal Advisory Groups (“Advisory Group”) or (“Advisory Groups”) are internal business units of State Street which provide investment services such as managing asset allocation portfolios, making investment recommendations to clients, and

servicing charitable institutions which have outsourced the investment administration and tax administration of their life income gifts to State Street.

VI. STATEMENT OF FACTS

A. BACKGROUND

1. State Street's Active Fixed Income Funds

6. State Street manages a number of active fixed income bond funds for institutional investors.

7. The fixed income bond funds were offered to large institutional investors, including pension organizations, corporate and institutional accounts, and endowments.

8. Among State Street's fund offerings was the Limited Duration Bond Fund, ("LDBF") which was marketed as an enhanced cash fund.

9. The LDBF was established in February 2002 as an actively managed fixed income fund.

10. Many of State Street's other funds invested in, and utilized the LDBF to provide portable alpha, or market exposure uncorrelated with the funds' benchmarks.

11. Due to the historically consistent returns of the LDBF, State Street allowed other proprietary funds to invest up to 25% of their assets in the LDBF.

12. The LDBF sought to generate returns with little or no interest rate exposure by investing entirely in structured products.

13. The LDBF employed an asset-backed securities strategy, specializing in short-duration asset backed securities.

14. The investment objective of the LDBF was to exceed the 3-month LIBOR by 50-75 basis points.

15. State Street fact sheets indicated that “[t]he Limited Duration Bond Strategy seeks to maximize income while preserving capital by investing in a diversified portfolio of highly rated fixed income securities.” Yet to achieve its target returns the LDBF invested heavily in bonds backed by first lien mortgages of subprime borrowers.

16. From its inception until June 30, 2007, the LDBF’s quarterly fact sheet misleadingly represented the LDBF as being highly sector diversified.

The [LDBF] utilizes an expanded universe of securities that goes beyond typical money markets including: Treasuries, agencies, collateralized mortgage obligations, adjustable rate mortgages, fixed rate mortgages, corporate bonds, asset backed securities, futures, options, and swaps... When compared to a typical 2 A-7 regulated money market portfolio, the [LDBF] has better sector diversification, higher average credit quality, and higher expected returns.

In 2006 and 2007 the LDBF was not diversified by sector, as it held primarily subprime investments.

17. Through July of 2007, the LDBF fact sheets further mislead investors as its exposure to subprime investments were represented in the broad category of Asset Backed Securities, (“ABS”) not under the heading of Mortgage Backed Securities, (“MBS”) and the ABS category was not broken down in greater granularity. This representation of the LDBF’s holdings led to confusion among State Street’s own client service personal, as well as investors in the LDBF.

18. Disclosures for the LDBF further failed to notify investors of the level of leverage and derivatives used in the fund. While the leveraged exposure to subprime investments often exceeded 100% of the fund’s value, the fund composition was routinely portrayed as totaling 100% of the market value.

19. Further the standard response to investors' requests for proposal, response to the question, "Describe your use of derivatives," stated:

[a]pproximately 20-30% of the portfolio is comprised of derivative securities. These securities are used because they provide the portfolio with low risk and excellent yields. These securities also dampen the price volatility of the fund. These issues are structurally transparent. We do not maintain a leveraged exposure. Our competitive advantage at State Street is the use of our large passive funds and the returns they generate to enter into total return swaps, which provide a nice yield to our Limited Duration Bond Strategy with minimal risks. Derivative securities used include financial futures contracts, options and swaps.

Yet the LDBF's derivative holdings often exceeded 20-30% of the portfolio, and were commonly used to increase exposure in subprime investments, and leveraged exposure was maintained in the fund.

2. Market Disruptions in the Summer of 2007 Lead to Significant Losses in the Funds

20. In 2007, the LDBF made several trades against the ABX index, an index based on a basket of twenty home-equity asset backed securities.

21. In February of 2007, the BBB-rated tranche of the ABX index began to underperform, and the portfolio team began to reduce its exposure, selling roughly one third of its holdings.

22. The investment management team determined to move up the credit ladder and increased the LDBF's AAA-rated and AA-rated exposures.

23. Due to slimmer returns on the higher rated instruments, the investment team increased its notional exposure to these instruments through total return swaps and repurchase agreements.

24. The effect was to leverage the LDBF into the home-equity-related asset-backed securities ("ABS HE") sector.

25. This leveraged strategy produced short term results, but ultimately left the LDBF heavily exposed to the subprime market.
26. In the summer of 2007, the credit markets, especially those tied to home equity products experienced a liquidity crisis.
27. The LDBF experienced significant losses in 2007 due to its heavy exposure to sub-prime-linked securitized investments.
28. The LDBF had large exposures to ABS HE.
29. In June of 2007, the LDBF consisted largely of mortgage or home equity related ABS.
30. In mid-2007, mortgage-related securities suffered a liquidity crisis.
31. In June of 2007, the ABX BBB position encountered another disruption, which the investment team attributed to technical factors.
32. In late June 2007, the portfolio team implemented a hedging strategy which consisted of entering into an interest rate swap, which involved taking on significant notional exposure.
33. The hedging strategy while reducing risk in the fund also contributed to a spike in the LDBF's apparent notional leverage.
34. The LDBF's heavy weighting to the mortgage sector, and rising notional exposure was not known by all investors in the LDBF.
35. By early July 2007, the troubles with the BBB-rated ABX tranche had spread to the AAA- and AA- rated tranches.
36. On July 10, 2007, the rating agencies downgraded the senior tranches of numerous ABS HE bonds causing the market to go into free fall.

37. On July 17, 2007, following Lehman Brothers re-pricing its AAA and AA ABS HE indices, to which the LDBF had significant notional exposure through total return swaps, the decline of the LDBF's net asset value started to accelerate.

3. Communications to Clients and Internal Advisory Groups' Decisions to Exit the Funds

38. Prior to July of 2007, State Street utilized a passive system for providing clients with information regarding the Funds.

39. Between February and July 2007, State Street distributed several client-at-risk alerts ("CAR Alerts") to State Street personnel allowing them to notify clients or respond to questions as they arose.

40. In March of 2007 State Street sent a letter to investors, which described the LDBF's underperformance as resulting from a "small position" in certain subprime derivative investments, but failed to inform investors of the fund's overall exposure to subprime instruments.

41. There was no directive that State Street personnel actively reach out to clients with the information.

42. Between February and July of 2007, State Street additionally sent many clients quarterly investment commentaries, and also responded to ad hoc questions which came in from clients.

43. Toward the end of July, 2007, Advisory Groups decided to exit the LDBF.

44. The Advisory Groups had greater information than outside investors as they included, voting members of State Street's confidential Investment Committee, they had regular access to the Fixed Income Trading desk and portfolio managers, and they received internal use only subprime alerts.

45. On the morning of July 25, 2007 an Advisory Group manager attended State Street's Investment Committee meeting where subprime problems in the actively managed bond funds were discussed. At the end of the meeting the Investment Committee directed the LDBF portfolio management team to sell assets to meet anticipated redemptions of 25-50% at month end.
46. State Street lacked policies and procedures regarding Advisory Groups making investment decisions based on information learned at Investment Committee meetings.
47. On July 25, 2007, one Advisory Group decided to recommend that its clients exit the LDBF, but delayed its recommendation until July 26, 2007.
48. On July 26, 2007, State Street sent out a letter which described the actions taken by the rating agencies to downgrade some securities and expressed the opinion that,
- [w]e believe that what has occurred in June, and thus far in July, has been more driven by liquidity and leverage than long term fundamentals. These technical forces have triggered the sudden and sustained unwinding of leverage and forced sales, even as market liquidity has declined. Our experience in previous market dislocations has shown that technical forces can often drive the market to extreme valuations. However in the long term, fundamental factors reassert themselves to create a new equilibrium. Still, we are mindful of technicals in the market, that is, the downdraft in valuations and the impact on the risk profile of our various portfolios. We have been seeking to reduce risk in those portfolios where we believe it is appropriate by taking advantage of liquidity in the market when it exists, and will continue to do so, while seeking to avoid putting undue pressure on asset valuations.
49. State Street's letter of July 26, 2007, failed to disclose the level of subprime exposure to investors.
50. The July 26, 2007, letter did cause some investors to call State Street looking for additional information. In preparation for these calls State Street provided client service personnel with internal use only answers for frequently asked questions ("FAQs") which

provided greater information than the letter. The internal use only FAQs contained material information, which was only provided to investors who called in.

51. Fixed Income and Client Service personnel revealed material information to State Street's Advisory Groups and certain other investors who requested it, which was not provided to investors generally. This material information included: (1) the LDBF's total exposures to subprime investments; (2) data on LDBF's holdings; (3) the LDBF's exposure to total return swaps tied to subprime investments; (4) State Street's plan to liquidate high rated securities to meet redemptions; (5) the Fixed Income group's view of the maximum potential downside from the LDBF's exposure to subprime investments; and (6) repricing of securities to reflect market conditions.

52. On July 26, State Street sold the vast majority of the LDBF's AAA rated securities and used the cash from the sales to meet investor redemptions including those of the Advisory Groups. As a result the LDBF was left holding illiquid securities with increasingly lower average credit quality.

53. On July 27, another Advisory Group provided relationship managers with its recommendation, and instructed them to immediately reach out to all their clients.

54. The majority, but not all, of the Advisory Group's clients received the recommendation to exit the LDBF in the first part of August, and most exited the LDBF in August.

55. Some of the Advisory Group's clients did not receive the recommendation to exit.

56. In July of 2007, another Advisory Group recommended that its clients exit the LDBF.

57. On the afternoon of July 25, 2007, the Advisory Group met with members of the portfolio management team. Following that meeting, on July 26, 2007, the Advisory Group began contacting its clients who were invested in LDBF to recommend terminating the fund.

58. The investment team recommended a trade date of August 1, 2007 as certain swaps were rolling off at month end, creating natural liquidity in the fund.

59. All of the Advisory Group's clients had liquidated their positions in the LDBF by August 9, 2007.

60. On July 27, 2007, the head investment professional of another Advisory Group, decided to recommend that its clients exit the LDBF.

61. The first of these Advisory Group client redemptions took place on July 31, 2007 and all clients had redeemed from the LDBF by August 20, 2007.

62. Between July 26 and August 2, 2007, the LDBF experienced an unprecedented decline.

63. On August 2, 2007, State Street sent a second letter to clients.

64. The August 2, 2007 letter explained the LDBF's investment in the ABX index and the technical factors which were effecting that investment.

65. The August 2, 2007 letter further explained,

[t]he Limited Duration Bond Strategy experienced even more pronounced negative performance in the second quarter of 2007 which continued in July as spread widening moved up the capital structure to AAA and AA-rated securities secured by subprime mortgages.

66. The August 2, 2007 letter failed to inform clients that the acute nature of the LDBF's negative performance was attributed to its leveraged positions relative to the AAA ABX index.

67. Between August 2, 2007, and August 14, 2007, the LDBF continued to lose value.

68. On August 14, 2007, State Street sent another letter to clients, which provided the most direct description of the LDBF's exposure to ABS HE.

The strategy seeks to generate these returns without taking either interest rate or unsecured credit risk, thereby differentiating it from many other short-term strategies. Instead it is focused on securitized assets with a high average credit quality, primarily home equity loans.

69. In the August 14, 2007 letter, the LDBF management team provided the following outlook on the fund.

While recent events may have repriced the risk of these assets for the foreseeable future and it is unlikely that they will swiftly retrace to values at the turn of the year, we believe that over time liquidity will slowly re-enter the market. While we will continue to liquidate assets for our clients when they demand it, we believe that many judicious investors will hold the positions in anticipation of greater liquidity in the months to come.

70. Despite managements representations that "many judicious investors" would continue to hold their positions, three internal Advisory Groups had all advised their clients to exit the strategy.

71. Through the end of July and into August 2007, State Street experienced a substantial increase in requests for information about the Funds.

72. During this period, despite efforts by State Street to streamline the process of client communications, State Street was not able to provide uniform responses to all clients and did not get back to clients expeditiously.

73. Under the new system, all information requests where funneled through a small group of people. This system had the effect of increasing the response time to clients, who were seeking information to make informed decisions about their investments, which were rapidly losing value.

74. Outside of the information provided to all clients through the above letters, clients were provided with different amounts of information at different times.

75. The Advisory Groups, due to their access to fund management, were able to make informed investment decisions prior to other clients and consultants.

VII. LEGAL CONCLUSIONS

A. VIOLATIONS OF § 101(2)

76. Section 101(2) of the Act provides in pertinent part:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly

(2) to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading[.]

77. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1-76 above.

78. The conduct of Respondent, as described above, violated of M.G.L. c. 110A, § 101(2).

B. VIOLATIONS OF § 101(3)

79. Section 101(3) of the Act provides in pertinent part:

It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly

(3) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

80. The Division herein re-alleges and restates the allegations and facts set forth in paragraphs 1-79 above.

81. The conduct of Respondent, as described above, constituted a violation of M.G.L. c.110A, § 101(3).

VIII. ORDER

On the basis of the Findings of Fact, Legal Conclusions, and State Street's consent to the entry of this Order

IT IS HEREBY ORDERED:

- (a) Respondent shall permanently cease and desist from violations of the Act;
- (b) Respondent shall be censured by the Division;
- (c) Within 14 days of the entry of this Order Respondent shall pay a civil penalty in the amount of \$10,000,000 to the Secretary of the Commonwealth. Payment shall be made by United States postal money order, certified check, bank cashiers check, bank money order, or wire made payable to The Commonwealth of Massachusetts; and either hand-delivered or mailed to One Ashburton Place, Room 1701, Boston, MA 02108; or wired per Division instructions, and submitted under cover letter that identifies the Respondent making the payment and the docket number of the proceedings.
- (d) Respondent shall make within 14 calendar days of the entry of the Consent Order, the following payments, to the Fair Fund established pursuant to an order issued in a related enforcement action brought by the SEC:
 - (i) Disgorgement in the amount of \$7,331,020, plus prejudgment interest thereon in the amount of \$1,019,161;
 - (ii) A payment in the amount of \$255,240,472 to compensate the Injured Investors; and
 - (iii) A civil penalty in the amount of \$50,000,000.

(e) Respondent shall make an additional payment of \$78,589,155.91 to the Fair Fund established pursuant to an Order issued in a related enforcement action brought by the SEC by March 31, 2010 to Injured Investors in the event that the United States District Court of the Southern District of New York in the case titled In re State Street And Trust Co. ERISA Litigation, Case 07 Civ. 8488 (RJH) (“the ERISA class action”) does not grant final approval by March 17, 2010 to the settlement that Court preliminarily approved on October 28, 2009.

(f) Respondent shall bear the costs of distributing the Fair Fund and shall retain the services of, and be exclusively responsible for the compensation and expenses of, an independent third party not unacceptable to the Division (“the Independent Third Party”) to submit a quarterly accounting, a final accounting, and a certification of the payment of funds.

(i) Respondent shall be responsible for self administering the distribution of the Fair Fund.

(ii) Respondent shall cause, within 14 days of the entry of the Consent Order, the distribution of the Fair Fund to be made according to the schedule of payments in Attachment A to this Offer, which is incorporated herein.

(iii) In the event that the settlement of the ERISA class action is not granted final approval by March 17, 2010, Respondent shall, by March 31, 2010, cause the distribution of the Fair Fund to be made to the Injured Investors in the Additional Payment to ERISA Investor amounts set forth in the schedule of payments in Attachment A to this Offer, which is incorporated herein.

(iv) When making payments to Injured Investors described in items d.ii and d.iii above, Respondent shall retain photocopies of such payments, or other proof of electronic payment, and copies of the letters sent to investors and any instructions received, for submission to the Division as part of the quarterly reports or final accounting as appropriate.

(v) All distribution checks shall bear a stale date of 90 days and shall be voided thereafter.

(vi) Respondent shall make all reasonable efforts to locate and distribute all payments to Injured Investors, and shall not cease such efforts without prior approval from the Division.

(vii) Respondent shall pay for any tax liabilities of the Fair Fund from the Fair Fund. Respondent agrees to be responsible for all tax compliance responsibilities associated with the Fair Fund, and may retain any professional services necessary. The cost and expenses of any such professional services shall be borne by Respondent and shall not be paid out of the Fair Fund.

(viii) If applicable, within 10 days of the end of each quarter, Respondent shall file with the Division a copy of quarterly accounting reports completed by the Independent Third Party. Even if quarterly reports are not required, within 20 days of the date Respondent completes the distribution described above, Respondents shall file with the Division a final accounting of all assets of the Fair Fund completed by the Independent Third Party. Any supporting documentation for the accounting shall be provided to the Division

upon request. Respondent shall cooperate with reasonable requests for information in connection with the final accounting.

(g) Respondent shall retain, within 30 days of the date of entry of this Order, the services of an Independent Compliance Consultant (“Consultant”) no unacceptable to the Division.

(i.) Respondent shall retain the Consultant to conduct a comprehensive review of State Street’s disclosure, compliance and other policies and procedures for State Street’s pooled investment strategies designed to prevent and detect securities violations of the nature alleged in this matter. Respondent will require the Consultant, where the Consultant deems appropriate, to propose procedures designed: (1) to prevent the disclosure of material information concerning each pooled investment strategy offered by State Street to State Street’s internal advisory groups unless such information is simultaneously disseminated to other investors; (2) to provide enhanced disclosure about the investment objectives and policies, and related risks (including, but not limited to, the use of derivative instruments, the use of leverage, the ability to concentrate in a particular industry or sector, and potential conflicts of interest with other State Street strategies or products), of each pooled investment strategy offered by

State Street; (3) to standardize the reporting of holdings and characteristics for State Street's pooled investment strategies; and (4) to ensure that State Street's disclosures of material information to investors comply with applicable securities laws. Respondent will cooperate fully with the Consultant and will provide the Consultant with access to its files, books, records, and personnel as reasonably requested for the review. The Consultant's compensation and expenses will be borne by Respondent;

(ii.) Upon the conclusion of the review, which shall not be more than 90 days after the Consultant's retention is finalized; Respondent will require the Consultant to submit a Report to Respondent and the Division. The Report will include a description of the review performed, the conclusions reached, the Consultant's recommendations, if any, for changes in or improvements to policies and procedures of Respondent and a procedure for implementing the recommended changes in or improvements to Respondent's policies and procedures, if any;

(iii.) Respondent shall adopt all recommendations contained in the Consultant's Report, if any; provided, however, that within 30 days after delivery of the Consultant's Report,

Respondent will in writing advise the Consultant and the staff of the Commission of any recommendations that it considers to be unnecessary or inappropriate. With respect to any recommendation that Respondent considers unnecessary or inappropriate, Respondent need not adopt that recommendation at that time but shall propose in writing an alternative policy, procedure or system designed to achieve the same objective or purpose or explain in writing why it considers any recommendation or alternative to be unnecessary or inappropriate. As to any recommendation with respect to Respondent's policies and procedures on which Respondent and the Consultant do not agree, such parties shall attempt in good faith to reach an agreement within 60 days after delivery of the Consultant's Report. In the event Respondent and the Consultant are unable to agree on an alternative proposal acceptable to the Division, Respondent will abide by the determinations of the Consultant;

(iv.) Respondent (1) shall not have the authority to terminate the Consultant, without the prior written approval of the Division; (2) shall compensate the Consultant, and persons engaged to assist the Consultant, for services rendered pursuant to this Final Judgment at their reasonable

and customary rates; and (3) shall not be in and will not have an attorney-client relationship with the Consultant and will not seek to invoke the attorney-client or any other doctrine or privilege to prevent the Consultant from transmitting any information, reports, or documents to the Division;

- (v.) Respondent shall require that the Consultant, for the period of the engagement and for a period of two years from completion of the engagement, shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Respondent, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such. Respondent shall require that any firm with which the Consultant is affiliated in performance of his or her duties under this Final Judgment shall not, without prior written consent of the Division, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Respondent, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement;

(vi.) Within nine months from the issuance of this Final Judgment, Respondent shall provide an affidavit via certified mail to Bryan Lantagne, Director, Massachusetts Securities Division, One Ashburton Place, Room 1701, Boston, MA 02108, that it has complied with the provisions of this undertaking (item g). Such affidavit shall contain a statement describing the procedures adopted and implemented in compliance with this undertaking. Such letter shall be submitted under cover letter which identifies Respondent as a Respondent in this matter; and

(vii.) The staff of the Division may extend any of the deadlines contained in this undertaking (item c. for good cause shown).

(h) Respondent shall preserve for a period not less than six years from the end of the fiscal year last used, the first two years in an easily accessible place, any record of Respondent's compliance with the undertakings set forth herein.

(i) No later than twenty-four months after the date of entry of the Order, the chief executive officer of Respondent shall certify to the Division, in writing that Respondent has fully adopted and complied in all material respects with the undertakings set forth in this section and with the recommendations of the Independent Compliance Consultant, or, in the event of material non-adoption or non-compliance, shall describe such material non-adoption and non-compliance.

(j) Respondent shall preserve for a period not less than six years from the end of the fiscal year last used, the first two years in an easily accessible place, any record of Respondent's compliance with the undertakings set forth above.

(k) For good cause shown, the Division's staff may extend any of the procedural dates set forth above.

(l) Respondent agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to any payments made pursuant to any insurance policy, with regard to all amounts that Respondent shall pay to the Division pursuant to the Division's Consent Order.

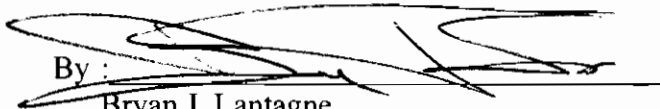
(m) Respondent further agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal or local tax for any amounts that Respondent shall pay to the Division pursuant to the Division's Consent Order; and

(n) If Respondent fails to comply with any of the terms set forth in this Order, the Enforcement Section may institute an action to have this agreement declared null and void. Upon issuance of an appropriate order, after a fair hearing, the Enforcement Section may re-institute the actions and investigations that had been brought against the Respondent.

IX. WAIVER

Respondent hereby waives any right to file an answer in response to this Order, any right to hearing, to written findings of fact, conclusions of law, to any other process provided by statute or otherwise, and to judicial review of this Order. Nothing herein shall bind State Street in any proceeding in which the Division is not a party.

WILLIAM FRANCIS GALVIN
SECRETARY OF THE COMMONWEALTH

By : 

Bryan J. Lantagne
Director
Massachusetts Securities Division
One Ashburton Place, 17th Floor
Boston, Massachusetts 02108

Issued: February 4th, 2010

Attachment A

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
1	\$2,042,298.79	\$1,500,116.00	\$542,182.79	\$1,500,116.00
2	\$1,218,011.87	\$0.00	\$1,218,011.87	
3	\$146,234.41	\$146,234.41	\$0.00	\$146,234.41
4	\$41,979.17	\$30,967.13	\$11,012.04	\$30,967.13
5	\$97,692.87	\$97,692.87	\$0.00	\$97,692.87
6	\$212,247.44	\$212,247.44	\$0.00	\$212,247.44
7	\$843,383.66	\$684,755.00	\$158,628.66	
8	\$3,049,214.66	\$1,584,188.00	\$1,465,026.66	\$1,584,188.00
9	\$3,962,993.72	\$3,962,993.72	\$0.00	
10	\$4,678,565.46	\$3,566,992.00	\$1,111,573.46	\$3,566,992.00
11	\$344,769.09	\$258,000.00	\$86,769.09	
12	\$1,471,084.14	\$0.00	\$1,471,084.14	
13	\$252,690.10	\$0.00	\$252,690.10	
14	\$29,855.82	\$0.00	\$29,855.82	
15	\$36,744.24	\$0.00	\$36,744.24	
16	\$133,473.04	\$108,434.57	\$25,038.47	\$108,434.57

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
17	\$193,196.65	\$134,202.00	\$58,994.65	\$134,202.00
18	\$121,922.89	\$84,693.00	\$37,229.89	\$84,693.00
19	\$390,664.81	\$288,697.00	\$101,967.81	\$288,697.00
20	\$46,167.05	\$0.00	\$46,167.05	
21	\$3,486,351.33	\$0.00	\$3,486,351.33	
22	\$673,082.05	\$0.00	\$673,082.05	
23	\$109,088.15	\$75,777.00	\$33,311.15	\$75,777.00
24	\$39,380.82	\$39,380.82	\$0.00	\$39,380.82
25	\$180,706.54	\$126,300.00	\$54,406.54	
26	\$25,136,987.05	\$18,961,005.00	\$6,175,982.05	\$18,961,005.00
27	\$285,396.62	\$209,272.00	\$76,124.62	\$209,272.00
28	\$5,016,205.22	\$3,790,819.00	\$1,225,386.22	\$3,790,819.00
29	\$62,245.41	\$0.00	\$62,245.41	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
30	\$157,363.79	\$117,182.00	\$40,181.79	\$117,182.00
31	\$1,864,005.90	\$1,513,411.00	\$350,594.90	
32	\$268,368.22	\$0.00	\$268,368.22	
33	\$558,504.49	\$558,504.49	\$0.00	\$558,504.49
34	\$65,551.43	\$61,855.46	\$3,695.97	\$61,855.46
35	\$18,152,664.69	\$16,873,000.00	\$1,279,664.69	
36	\$46,547.51	\$0.00	\$46,547.51	
37	\$61,230.71	\$0.00	\$61,230.71	
38	\$38,473.19	\$38,473.19	\$0.00	\$38,473.19
39	\$41,999.80	\$0.00	\$41,999.80	
40	\$94,231.47	\$50,000.00	\$44,231.47	
41	\$4,883,167.78	\$4,883,167.78	\$0.00	\$4,883,167.78
42	\$150,092.33	\$58,000.00	\$92,092.33	
43	\$202,177.99	\$202,177.99	\$0.00	\$202,177.99

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
44	\$29,807.29	\$0.00	\$29,807.29	
45	\$602.07	\$0.00	\$602.07	
46	\$224,096.79	\$141,000.00	\$83,096.79	
47	\$1,111,171.61	\$700,000.00	\$411,171.61	
48	\$1,171,870.58	\$630,000.00	\$541,870.58	
49	\$373,439.13	\$40,704.00	\$332,735.13	\$40,704.00
50	\$39,288.61	\$0.00	\$39,288.61	
51	\$11,077,649.23	\$7,250,000.00	\$3,827,649.23	
52	\$4,132,179.83	\$2,500,000.00	\$1,632,179.83	
53	\$87,122.32	\$87,122.32	\$0.00	\$87,122.32
54	\$55,142.14	\$0.00	\$55,142.14	
55	\$1,620,816.17	\$1,070,356.00	\$550,460.17	\$1,070,356.00
56	\$1,745,860.62	\$1,200,000.00	\$545,860.62	
57	\$538,237.97	\$394,363.00	\$143,874.97	\$394,363.00
58	\$897,608.91	\$0.00	\$897,608.91	
59	\$43,739.82	\$0.00	\$43,739.82	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
60	\$13,402.21	\$0.00	\$13,402.21	
61	\$642,315.97	\$453,410.00	\$188,905.97	\$453,410.00
62	\$520,894.07	\$520,894.07	\$0.00	\$520,894.07
63	\$144,003.62	\$110,340.00	\$33,663.62	\$110,340.00
64	\$1,116,803.29	\$907,388.00	\$209,415.29	
65	\$229,906.48	\$168,741.30	\$61,165.17	
66	\$1,461,333.77	\$1,072,742.26	\$388,591.51	
67	\$13,940,850.73	\$10,262,124.04	\$3,678,726.69	
68	\$1,919,361.00	\$1,400,553.22	\$518,807.78	
69	\$75,199.16	\$54,759.44	\$20,439.72	
70	\$57,914.73	\$41,855.67	\$16,059.07	
71	\$441,732.10	\$0.00	\$441,732.10	
72	\$10,742.08	\$0.00	\$10,742.08	
73	\$19,401,380.44	\$12,500,000.00	\$6,901,380.44	
74	\$77,868.36	\$58,753.08	\$19,115.28	\$58,753.08

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
75	\$66,283.25	\$50,000.00	\$16,283.25	
76	\$160,226.80	\$0.00	\$160,226.80	
77	\$357,933.50	\$214,000.00	\$143,933.50	
78	\$997,593.09	\$997,593.09	\$0.00	
79	\$4,166,398.42	\$3,299,209.00	\$867,189.42	\$3,299,209.00
80	\$109,388.57	\$109,388.57	\$0.00	\$109,388.57
81	\$895,949.26	\$0.00	\$895,949.26	
82	\$8,653,341.68	\$0.00	\$8,653,341.68	
83	\$27,849.71	\$0.00	\$27,849.71	
84	\$261,876.41	\$261,876.41	\$0.00	\$261,876.41
85	\$559,149.47	\$0.00	\$559,149.47	
86	\$46,443.38	\$34,600.55	\$11,842.83	\$34,600.55
87	\$753.99	\$0.00	\$753.99	
88	\$10,194,346.91	\$0.00	\$10,194,346.91	
89	\$223,287.32	\$213,457.09	\$9,830.23	\$213,457.09
90	\$11,375.82	\$0.00	\$11,375.82	
91	\$14,234.64	\$0.00	\$14,234.64	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
92	\$69,839.32	\$69,839.32	\$0.00	\$69,839.32
93	\$142,888.82	\$108,953.11	\$33,935.71	\$108,953.11
94	\$172,879.97	\$132,106.31	\$40,773.66	\$132,106.31
95	\$3,280,192.79	\$2,501,000.30	\$779,192.49	\$2,501,000.30
96	\$25,970.79	\$0.00	\$25,970.79	
97	\$296,665.01	\$225,875.00	\$70,790.01	\$225,875.00
98	\$1,145,404.15	\$0.00	\$1,145,404.15	
99	\$93,801.34	\$0.00	\$93,801.34	
100	\$254,484.63	\$0.00	\$254,484.63	
101	\$17,174.56	\$16,482.96	\$691.60	\$16,482.96
102	\$2,824,440.40	\$1,870,000.00	\$954,440.40	
103	\$29,008,700.54	\$18,541,961.00	\$10,466,739.54	
104	\$5,108.59	\$0.00	\$5,108.59	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
105	\$99,321.89	\$70,000.00	\$29,321.89	
106	\$4,374,414.21	\$4,374,414.21	\$0.00	
107	\$4,145,064.55	\$2,395,182.00	\$1,749,882.55	
108	\$24,629.61	\$0.00	\$24,629.61	
109	\$70,223.37	\$0.00	\$70,223.37	
110	\$33,205.42	\$0.00	\$33,205.42	
111	\$607,718.35	\$300,000.00	\$307,718.35	
112	\$123,856.61	\$90,000.00	\$33,856.61	
113	\$1,791,947.83	\$1,301,203.00	\$490,744.83	\$1,301,203.00
114	\$4,138,760.10	\$4,138,760.10	\$0.00	
115	\$5,880,871.37	\$0.00	\$5,880,871.37	
116	\$21,034,629.35	\$9,224,211.00	\$11,810,418.35	
117	\$142,024.23	\$25,058.16	\$116,966.07	\$25,058.16
118	\$1,418,434.07	\$1,000,000.00	\$418,434.07	
119	\$21,649,660.81	\$0.00	\$21,649,660.81	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
120	\$288,678.33	\$211,734.00	\$76,944.33	\$211,734.00
121	\$1,775,235.24	\$825,000.00	\$950,235.24	
122	\$10,018,174.55	\$8,600,000.00	\$1,418,174.55	
123	\$123,550.70	\$65,000.00	\$58,550.70	
124	\$13,361.63	\$11,690.00	\$1,671.63	\$11,690.00
125	\$290,438.19	\$277,038.00	\$13,400.19	\$277,038.00
126	\$27,345.49	\$26,166.00	\$1,179.49	\$26,166.00
127	\$172.89	\$0.00	\$172.89	
128	\$125,401.47	\$100,000.00	\$25,401.47	
129	\$38,788.68	\$29,020.00	\$9,768.68	
130	\$193,567.53	\$0.00	\$193,567.53	
131	\$952,583.14	\$0.00	\$952,583.14	
132	\$783,736.42	\$452,874.00	\$330,862.42	
133	\$7,611,592.69	\$4,350,000.00	\$3,261,592.69	
134	\$201,745.46	\$0.00	\$201,745.46	
135	\$478,924.26	\$205,100.00	\$273,824.26	
136	\$70,759.32	\$42,500.00	\$28,259.32	
137	\$23,447,955.95	\$23,447,955.95	\$0.00	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
138	\$1,119,236.37	\$0.00	\$1,119,236.37	
139	\$41,520.28	\$0.00	\$41,520.28	
140	\$1,418,742.38	\$1,025,489.00	\$393,253.38	\$1,025,489.00
141	\$2,507,485.35	\$1,857,833.00	\$649,652.35	\$1,857,833.00
142	\$419,691.47	\$419,691.47	\$0.00	
143	\$274.16	\$0.00	\$274.16	
144	\$2,803.70	\$0.00	\$2,803.70	
145	\$21,580.24	\$8,000.00	\$13,580.24	
146	\$179,647.94	\$140,000.00	\$39,647.94	
147	\$88,023.57	\$65,252.58	\$22,770.99	\$65,252.58
148	\$1,259,094.40	\$490,000.00	\$769,094.40	
149	\$7,235,189.52	\$0.00	\$7,235,189.52	
150	\$34,197,945.64	\$0.00	\$34,197,945.64	
151	\$1,653,577.96	\$1,231,933.00	\$421,644.96	\$1,231,933.00
152	\$552,961.58	\$155,358.00	\$397,603.58	\$155,358.00
153	\$793,724.04	\$450,000.00	\$343,724.04	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
154	\$303,256.81	\$225,417.03	\$77,839.78	\$225,417.03
155	\$139,920.89	\$98,770.00	\$41,150.89	\$98,770.00
156	\$25,736.32	\$0.00	\$25,736.32	
157	\$49,083.14	\$0.00	\$49,083.14	
158	\$393,691.00	\$0.00	\$393,691.00	
159	\$1,875,681.60	\$1,875,681.60	\$0.00	
160	\$349,740.80	\$349,239.00	\$501.80	\$349,239.00
161	\$19,156,429.11	\$0.00	\$19,156,429.11	
162	\$1,929,397.51	\$1,764,098.00	\$165,299.51	
163	\$391,437.94	\$300,000.00	\$91,437.94	
164	\$823,872.44	\$539,000.00	\$284,872.44	
165	\$4,995,210.77	\$3,672,101.00	\$1,323,109.77	\$3,672,101.00
166	\$233,520.26	\$0.00	\$233,520.26	
167	\$205,088.89	\$0.00	\$205,088.89	
168	\$234,457.82	\$0.00	\$234,457.82	
169	\$40,697.53	\$0.00	\$40,697.53	
170	\$3,254,447.12	\$2,500,000.00	\$754,447.12	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
171	\$48,465.65	\$36,656.64	\$11,809.01	\$36,656.64
172	\$465,016.64	\$371,908.00	\$93,108.64	\$371,908.00
173	\$835,920.63	\$602,645.00	\$233,275.63	\$602,645.00
174	\$1,033,914.56	\$900,000.00	\$133,914.56	
175	\$796,594.80	\$667,364.00	\$129,230.80	\$667,364.00
176	\$418,206.88	\$0.00	\$418,206.88	
177	\$12,687.44	\$11,022.02	\$1,665.42	\$11,022.02
178	\$1,381,407.14	\$750,000.00	\$631,407.14	
179	\$54,543.51	\$0.00	\$54,543.51	
180	\$10,980.64	\$0.00	\$10,980.64	
181	\$878,627.08	\$0.00	\$878,627.08	
182	\$11,989,350.23	\$0.00	\$11,989,350.23	
183	\$3,783.66	\$0.00	\$3,783.66	
184	\$106,506.67	\$0.00	\$106,506.67	
185	\$162,435.64	\$162,435.64	\$0.00	\$162,435.64
186	\$414,992.30	\$325,000.00	\$89,992.30	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
187	\$188,463.82	\$177,837.22	\$10,626.60	\$177,837.22
188	\$15,668,324.34	\$15,668,324.34	\$0.00	
189	\$4,584,366.18	\$3,250,000.00	\$1,334,366.18	
190	\$7,277,248.54	\$7,000,000.00	\$277,248.54	
191	\$1,434,566.29	\$812,814.00	\$621,752.29	
192	\$2,862,599.73	\$1,390,000.00	\$1,472,599.73	
193	\$1,659,005.92	\$1,193,850.00	\$465,155.92	\$1,193,850.00
194	\$530,758.91	\$530,758.91	\$0.00	\$530,758.91
195	\$9,829,528.60	\$5,450,000.00	\$4,379,528.60	
196	\$76,074.30	\$0.00	\$76,074.30	
197	\$52,552,696.77	\$0.00	\$52,552,696.77	
198	\$4,133,934.29	\$2,367,475.00	\$1,766,459.29	
199	\$114,871.71	\$0.00	\$114,871.71	
200	\$120,930.03	\$0.00	\$120,930.03	
201	\$2,632,284.49	\$2,060,448.00	\$571,836.49	\$2,060,448.00
202	\$373,356.81	\$87,661.00	\$285,695.81	
203	\$341,232.08	\$84,803.00	\$256,429.08	
204	\$8,186,282.14	\$6,334,184.00	\$1,852,098.14	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
205	\$3,361,374.98	\$3,200,000.00	\$161,374.98	
206	\$1,741,406.03	\$1,000,000.00	\$741,406.03	
207	\$142,951.54	\$0.00	\$142,951.54	
208	\$870,489.94	\$0.00	\$870,489.94	
209	\$90,795.64	\$74,530.00	\$16,265.64	\$74,530.00
210	\$6,978.87	\$0.00	\$6,978.87	
211	\$13,963,763.09	\$10,773,488.00	\$3,190,275.09	
212	\$680,738.83	\$0.00	\$680,738.83	
213	\$257,234.35	\$0.00	\$257,234.35	
214	\$735,474.75	\$0.00	\$735,474.75	
215	\$46,793.89	\$0.00	\$46,793.89	
216	\$338,972.70	\$48,598.65	\$290,374.05	\$48,598.65
217	\$58,482.87	\$0.00	\$58,482.87	
218	\$1,293,933.29	\$1,293,933.29	\$0.00	\$1,293,933.29
219	\$1,214,834.70	\$1,000,000.00	\$214,834.70	
220	\$34,337.38	\$0.00	\$34,337.38	
221	\$943,178.76	\$365,000.00	\$578,178.76	
222	\$5,320.58	\$0.00	\$5,320.58	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
223	\$85,568.53	\$0.00	\$85,568.53	
224	\$310.34	\$0.00	\$310.34	
225	\$272.84	\$0.00	\$272.84	
226	\$6,561,074.75	\$0.00	\$6,561,074.75	
227	\$2,320,964.17	\$1,800,000.00	\$520,964.17	
228	\$70,869.75	\$0.00	\$70,869.75	
229	\$292,381.91	\$292,381.91	\$0.00	
230	\$1,288,420.88	\$700,000.00	\$588,420.88	
231	\$277,828.43	\$253,720.00	\$24,108.43	
232	\$674,310.39	\$0.00	\$674,310.39	
233	\$2,002,625.55	\$2,002,625.55	\$0.00	
234	\$5,064,561.42	\$2,925,000.00	\$2,139,561.42	
235	\$6,496,030.43	\$6,420,293.00	\$75,737.43	\$6,420,293.00
236	\$7,667,151.37	\$5,100,000.00	\$2,567,151.37	
237	\$3,585,305.60	\$2,400,000.00	\$1,185,305.60	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
238	\$290,847.02	\$0.00	\$290,847.02	
239	\$109,601.75	\$0.00	\$109,601.75	
240	\$66,840.56	\$0.00	\$66,840.56	
241	\$14,142.75	\$0.00	\$14,142.75	
242	\$1,196,276.55	\$275,000.00	\$921,276.55	
243	\$1,399,278.58	\$900,000.00	\$499,278.58	
244	\$8,655.52	\$8,406.97	\$248.55	\$8,406.97
245	\$37,973.20	\$37,535.73	\$437.47	\$37,535.73
246	\$2,391,610.74	\$1,900,000.00	\$491,610.74	
247	\$120,508.64	\$89,102.31	\$31,406.33	\$89,102.31
248	\$771,956.70	\$771,956.70	\$0.00	
249	\$598,399.05	\$350,000.00	\$248,399.05	
250	\$698,127.97	\$0.00	\$698,127.97	
251	\$82,301.63	\$66,795.44	\$15,506.19	\$66,795.44
252	\$770,940.75	\$400,000.00	\$370,940.75	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
253	\$180,270.40	\$0.00	\$180,270.40	
254	\$9,663.88	\$0.00	\$9,663.88	
255	\$3,310,219.63	\$2,300,000.00	\$1,010,219.63	
256	\$1,288,212.47	\$600,000.00	\$688,212.47	
257	\$370,208.33	\$0.00	\$370,208.33	
258	\$79,672.37	\$0.00	\$79,672.37	
259	\$14,704,594.13	\$13,160,000.00	\$1,544,594.13	
260	\$23,054,041.17	\$20,436,632.00	\$2,617,409.17	
261	\$1,083,129.99	\$221,934.00	\$861,195.99	\$221,934.00
262	\$859,769.11	\$700,000.00	\$159,769.11	
263	\$7,672,711.87	\$6,803,320.00	\$869,391.87	\$6,803,320.00
264	\$172,695.22	\$0.00	\$172,695.22	
265	\$885,217.41	\$760,000	\$125,217.41	
266	\$142,497.47	\$0.00	\$142,497.47	
267	\$115,799.25	\$42,755.28	\$73,043.97	\$42,755.28
268	\$128,468.93	\$0.00	\$128,468.93	

ID	Losses	Settlement Credit	Payment	ERISA Investors Settlement Amount
269	\$291,200.26	\$0.00	\$291,200.26	
270	\$36,288.29	\$0.00	\$36,288.29	
271	\$80,349.23	\$78,784.80	\$1,564.43	\$78,784.80
272	\$78,915.33	\$0.00	\$78,915.33	
273	\$692,178.05	\$653,149.00	\$39,029.05	\$653,149.00