

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF:

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PRUDENTIAL INVESTMENTS
LLC,

File No. 2007-0177

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Respondent.

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CONSENT ORDER

WHEREAS, the Division of Securities of the Office of the Maryland Attorney General (the "Division"), pursuant to the authority granted in Section 11-701 of the Maryland Securities Act, Title 11, Corporations and Associations Article, Annotated Code of Maryland (2007 Repl. Vol., Cum. Supp. 2008) (the "Act"), undertook an investigation with regard to possible violations of the Act by Prudential Investment Portfolio, Inc. ("Prudential Fund") and Prudential Investments LLC ("Prudential Investments" or "Respondent") sometimes referred to collectively herein as "Prudential," in connection with the offer and sale in and from Maryland of Prudential Fund securities; and

WHEREAS, based on the information presented by the Division, the Maryland Securities Commissioner (the "Commissioner") has determined that Respondent has engaged in acts or practices constituting violations of §§ 11-501 and 11-503.1 of the Act and the regulations promulgated under those sections of the Act; and

WHEREAS, Prudential Investments has provided the Commissioner with a copy of its "Blue Sky Procedures," which procedures are designed to ensure compliance with Maryland's and other states' securities requirements and are incorporated by reference in this Order; and

WHEREAS, in settlement of any proceeding that could be brought based upon Respondent's violations of §§ 11-501 and 11-503.1, the Commissioner has determined that it is in the public interest to accept this Consent Order; and

WHEREAS, the securities subject to this Consent Order are issued by an investment company (Prudential Fund) that is registered under the Investment Company Act of 1940, and as federal covered securities are subject to exclusive federal registration pursuant to § 18(b)(2) of the Securities Act of 1933; and

WHEREAS, this Consent Order pertains to Maryland's notice filing requirements of §§ 11-501 and 11-503.1 of the Act and regulations promulgated under those sections of the Act; and

WHEREAS, Respondent has consented to the entry of this Consent Order as set forth below.

NOW THEREFORE, without the holding of a hearing in this matter, and upon consent of the parties hereto,

IT IS HEREBY AGREED AND ORDERED:

I. JURISDICTION

1. The Commissioner has jurisdiction in this proceeding pursuant to Section 11-701.1 of the Act.
2. Respondent voluntarily waives any right to a hearing and appeal under the Act and the rules and regulations promulgated thereunder with respect to this Consent Order.
3. In the event that judicial intervention in this matter is sought by any party, Respondent consents to the jurisdiction of the Circuit Court for Baltimore City over any such proceeding and as to Respondent.

II. PARTIES

4. Melanie Senter Lubin is the Securities Commissioner for the State of Maryland.
5. Prudential Fund, an investment company registered with the U.S. Securities & Exchange Commission under the federal Investment Company Act of 1940 offers its securities as mutual fund investments in Maryland. Prudential Investments, an investment adviser registered with the U.S. Securities & Exchange Commission under the Federal Investment Advisers Act of 1940, is the manager of the Prudential Fund.

III. FINDINGS OF FACT

The Commissioner finds the following facts:

6. Prudential operates a mutual fund company business from its principal office in Newark, New Jersey.
7. Prudential sold its securities in Maryland before it filed notices with the Division, as is required by the Maryland Securities Act. Those funds offered or sold by Prudential prior to making the required notice filings with the Division were the following: The Prudential Investment Portfolios, Inc./JennisonDryden Conservative Allocation Fund/Class A, Class B, Class C and Class Z; The Prudential Investment Portfolios, Inc./JennisonDryden Moderate

Allocation Fund/Class A, Class B, Class C and Class Z; The Prudential Investment Portfolios, Inc./JennisonDryden Growth Allocation Fund/Class A, Class B, Class C and Class Z (hereinafter "the 12 series.")

8. Prudential failed to timely file the initial notice fees and NFs for the 12 series prior to March 1, 2004 for the Division's receipt and grant of "effectiveness."

9. Prudential also failed to file renewal notice fees and NFs for the 12 series, which were due on: September 30, 2004, September 30, 2005 and September 30, 2006.

10. On October 5, 2006, the Division received NFs for the 12 series and a \$6,000 payment from Prudential to be applied as renewal notice fees for those funds. By letter to the Commissioner dated February 22, 2007, Prudential voluntarily reported the sales occurring prior to the initial notice filings and requested guidance concerning the payment of late fees.

11. The total owed by Prudential for the 12 series for back fees and interest for which Prudential failed to file notice filings and NFs is itemized on Exhibit A to this Consent Order, which is attached hereto and incorporated by reference herein.

IV. CONCLUSIONS OF LAW

The Commissioner concludes that:

12. The shares of common stock offered and sold by Prudential constitute "securities" within the definition at Section 11-101(r) of the Act.

13. Respondent failed to comply in a timely manner with Sections 11-501 and 11-503.1 of the Act by offering and selling securities in Maryland between March 1, 2004 and October 4, 2006, without in all situations first perfecting claims of an exemption under the Act or providing notice of federal preemption under the Act.

V. CONSENT TO SANCTIONS

Respondent expressly agrees and consents, and it is ordered that:

14. Respondent shall pay to the Division a civil monetary penalty pursuant to Section 11-702 of the Act, in the amount of \$15,000, payable by check to the order of the Office of the Attorney General, which penalty has been submitted to and received by the Commissioner.

15. Respondent has paid or has caused to be paid to the Division \$23,712, which represents back fees and interest due and owing from Prudential for filings that should have been made between March 1, 2004 and September 30, 2006. Of this amount, \$18,000, representing back fees, has been paid out of funds of the Prudential Fund. Respondent has paid to the Division the amount of \$5,712, representing interest on the unpaid back fees.

16. Respondent agrees to cease and desist from offering or selling securities in violation of Sections 11-501 and 11-503.1 of the Act and the regulations promulgated under those sections of the Act.

17. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commissioner, or to which the Commissioner is a party, and without admitting or denying any of the Commissioner's findings of fact or conclusions of law herein, except as to the Commissioner's jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Consent Order pursuant to Section 11-701.1 of the Act, including imposition of administrative sanctions, as set forth above.

VI. CONSEQUENCES OF VIOLATION OF CONSENT ORDER

18. If Respondent fails to comply with any term of this Consent Order, the Commissioner may declare this Consent Order to be null and void. The Commissioner may then proceed with full administrative and/or judicial proceedings to enforce this Consent Order against Respondent, or to sanction Respondent for violating an order of the Commissioner, and may take any other action authorized under the Act or any other applicable law. In any such proceeding in which, after an opportunity for a hearing, the Commissioner or the court finds that Respondent has violated this Consent Order, the facts and the violations of the Act set forth and incorporated in this Consent Order shall be deemed admitted and may be introduced into evidence against Respondent.

VII. MODIFICATION OF TERMS OF THIS CONSENT ORDER

19. The terms of this Consent Order may only be modified by a subsequent order issued by the Commissioner.

IX. JURISDICTION RETAINED

20. Jurisdiction shall be retained by the Commissioner for the purpose of enabling any party to this Consent Order to apply for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Consent Order.

The provisions of this Consent Order shall become binding when this Consent Order has been executed by each party and is issued by the Commissioner.

DATE OF THIS ORDER:

October 16, 2009

SO ORDERED:

**Commissioner's Signature is
on File with Original Document**

Melanie Senter Lubin
Securities Commissioner

CONSENTED TO:

PRUDENTIAL INVESTMENTS LLC

By: _____ /S/ _____

_____ Print name _____

Title: _____

_____ On this 23rd day of September, 2009, personally appeared _____
signer of the foregoing Consent Order, who did duly acknowledge to me that she/he was
authorized to execute the same on behalf Prudential Investments LLC, and acknowledged the
same to be her/his free act and deed.

Notary Public
My Commission Expires _____