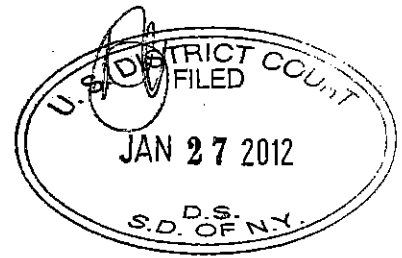


10/31/03

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ORIGINAL



-----X
SECURITIES AND EXCHANGE COMMISSION, :
 :
 Plaintiff, :
 :
 - against - :
 :
 BEAR, STEARNS & CO. INC., :
 :
 Defendant. :
-----X

Civil Action No. #323
03 Civ. 2937 (WHP)

**PLAINTIFF SEC'S NOTICE
OF FILING OF REPORT
FROM THE FINRA INVESTOR
EDUCATION FOUNDATION
(THIRD QUARTER 2011)**

-----X
SECURITIES AND EXCHANGE COMMISSION, :
 :
 Plaintiff, :
 :
 - against - :
 :
 JACK BENJAMIN GRUBMAN, :
 :
 Defendant. :
-----X

Civil Action No.
03 Civ. 2938 (WHP)

-----X
SECURITIES AND EXCHANGE COMMISSION, :
 :
 Plaintiff, :
 :
 - against - :
 :
 J.P. MORGAN SECURITIES INC., :
 :
 Defendant. :
-----X

Civil Action No.
03 Civ. 2939 (WHP)

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

LEHMAN BROTHERS, INC., :

Defendant. :

Civil Action No.

03 Civ. 2940 (WHP)

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED, :

Defendant. :

Civil Action No.

03 Civ. 2941 (WHP)

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

U.S. BANCORP PIPER JAFFRAY, INC., :

Defendant. :

Civil Action No.

03 Civ. 2942 (WHP)

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

UBS WARBURG LLC, :

Defendant. :

Civil Action No. :

03 Civ. 2943 (WHP) :

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

GOLDMAN, SACHS & CO., :

Defendant. :

Civil Action No. :

03 Civ. 2944 (WHP) :

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

CITIGROUP GLOBAL MARKETS, INC., F/K/A :
SALOMON SMITH BARNEY INC., :

Defendant. :

Civil Action No. :

03 Civ. 2945 (WHP) :

-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

CREDIT SUISSE FIRST BOSTON LLC, :
F/K/A CREDIT SUISSE FIRST BOSTON :
CORPORATION, :

Defendant. :

Civil Action No. :

03 Civ. 2946 (WHP) :

-----X
-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

HENRY McKELVEY BLODGET, :

Defendant. :

Civil Action No. :

03 Civ. 2947 (WHP) :

-----X
-----X
SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

- against - :

MORGAN STANLEY & CO. INCORPORATED, :

Defendant. :
-----X

Civil Action No. :

03 Civ. 2948 (WHP) :

-----X
SECURITIES AND EXCHANGE COMMISSION, :
Plaintiff, : Civil Action No:
- against - : 04 Civ. 6909 (WHP)
DEUTSCHE BANK SECURITIES INC., :
Defendant. :

-----X
-----X
SECURITIES AND EXCHANGE COMMISSION, :
Plaintiff, : Civil Action No.
- against - : 04 Civ. 6910 (WHP)
THOMAS WEISEL PARTNERS LLC, :
Defendant. :

Paragraph 8 of the Order Regarding Investor Education entered September 2, 2005 required that, among other things, the FINRA Investor Education Foundation (the "Foundation") provide the SEC with quarterly reports, that such reports contain certain information, and that the SEC file such reports with the Court.

Attached is the Foundation's report for the quarter ended September 30, 2011. The SEC has reviewed the report and it conforms with the Court's Order of September 2, 2005.

Date: January 26, 2012

Respectfully submitted,



M. Alexander Koch
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549-5041
Telephone: (202) 551-4762
Fax: (202) 772-9442
kocha@sec.gov
Attorney for Plaintiff

CERTIFICATE OF SERVICE

I hereby certify that, on January 26, 2012, I caused the foregoing Notice of Plaintiff Securities and Exchange Commission to be served on the following by e-mail transmission pursuant to agreement among the parties:

Dennis J. Block, Esquire Cadwalader, Wickersham & Taft One World Financial Center New York, New York 10281 dennis.block@cwt.com Attorneys for Bear, Stearns & Co. Inc.	Mark G. Cunha, Esquire Simpson Thacher & Bartlett 425 Lexington Ave. New York, New York 10017-3954 mcunha@stblaw.com Attorneys for J.P. Morgan Securities Inc.
Samuel J. Winer, Esquire Marc Dorfman, Esquire Foley & Lardner 3000 K Street, NW, Suite 500 Washington, D.C. 20007-5143 swiner@foley.com mdorfman@foley.com Attorneys for Henry McKelvey Blodget	Sarah Loomis Cave Hughes Hubbard & Reed LLP One Battery Park Plaza New York, New York 10004 cave@hugheshubbard.com Attorneys for James W. Giddens, as Trustee for the Liquidation of Lehman Brothers Inc.
Juanita A. Crowley, Esquire Wilmer Cutler Pickering Hale & Dorr LLP 1875 Pennsylvania Ave., NW Washington, DC 20006 Juanita.Crowley@wilmerhale.com Attorneys for Citigroup Global Markets Inc.	Dixie L. Johnson, Esquire Fried Frank Harris Shriver & Jacobson 1001 Pennsylvania Avenue, N.W., Suite 800 Washington, D.C. 20004 dixie_johnson@ffhsj.com Attorneys for Merrill Lynch, Pierce, Fenner & Smith Incorporated
Carey R. Dunne, Esquire Davis Polk & Wardwell 450 Lexington Avenue New York, New York 10017 carey.dunne@dpw.com Attorneys for Credit Suisse First Boston LLC	Maria Ginzburg, Esquire Quinn Emanuel Urquhart & Sullivan, LLP 51 Madison Avenue, 22 nd Floor New York, NY 10010 mariaginzburg@quinnemanuel.com Attorneys for Morgan Stanley & Co. Inc.
Stephanie Wheeler, Esquire Sullivan & Cromwell 125 Broad Street New York, New York 10004-2498 wheelers@sullcrom.com Attorneys for Goldman, Sachs & Co.	Mitchell A. Lowenthal, Esquire Cara A. Chambers, Esquire Cleary, Gottlieb, Steen & Hamilton One Liberty Plaza New York, New York 10006 mloventhal@cgsh.com Attorneys for UBS Warburg LLC

<p>Arthur S. Greenspan, Esquire Richards Kibbe & Orbe One World Financial Center New York, New York 10281-1003 agreenspan@rkollp.com Attorneys for Jack Benjamin Grubman</p>	<p>Dean M. Jeske, Esquire Foley & Lardner 321 North Clark Street Suite 2800 Chicago, Illinois 60610-4764 djeske@foley.com Attorneys for U.S. Bancorp Piper Jaffray, Inc.</p>
<p>Carmen J. Lawrence, Esquire David B. Hennes, Esquire Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, New York 10004 carmen_lawrence@ffhsj.com heeneda@ffhsj.com Attorneys for Deutsche Bank Securities Inc.</p>	<p>Robert A. Sacks, Esquire Sullivan & Cromwell 1888 Century Park East Los Angeles, CA 90067 sacksr@sullcrom.com Attorneys for Thomas Weisel Partners LLC</p>
<p>Geraldine M. Walsh President FINRA Investor Education Foundation 1735 K Street, NW Washington, DC 20006 Geraldine.Walsh@finra.org</p>	<p>Christine N. Kieffer FINRA Investor Education Foundation 1735 K St., NW Washington, D.C. 20006 Christine.kieffer@finra.org</p>

Date: January 26, 2012


M. Alexander Koch



January 23, 2012

Alexander Koch
Branch Chief
Division of Enforcement
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: FINRA Investor Education Foundation's Third Quarter 2011 Report

Dear Mr. Koch:

Enclosed please find the FINRA Investor Education Foundation's quarterly report for the quarter ended September 30, 2011. The report discusses changes the FINRA Foundation recently made to its bylaws and certificate of incorporation, implementing term limits and allowing for different classes with staggered terms. It also references my consultation with you regarding three potential new Board members—Jayne Barnard, John Dooley and Donald Steel—and the Securities and Exchange Commission's subsequent determination that all three were acceptable, as required by the September 2, 2005 Court Order. On December 21, 2011, FINRA (acting as the sole member of the Foundation) adopted a resolution electing Barnard, Dooley and Steel to the FINRA Foundation Board. These individuals replaced Bonnie Hill, David Hunter and Dallas Salisbury, whose terms ended on December 21st.


As described more fully in the report, the FINRA Foundation Board approved \$4.0 million in funding during the third quarter. While we will provide greater detail in our report for the fourth quarter of 2011, I wanted to draw attention to the \$8.0 million in funding the FINRA Foundation Board approved at its December meeting. Specifically, on December 13, 2011, the FINRA Foundation Board approved:

- \$5.1 million to fund the Investor Protection Campaign in 2012
- \$1.4 million to fund 12 new Financial Education in Your Community grants
- \$1.3 million to fund 17 Smart Investing @ Your Library grants
- \$0.2 million to fund a new general grant

Including these figures, the FINRA Foundation has approved and/or committed approximately \$44 million (80 percent) of the Global Settlement Funds. The Foundation is committed to spending the Global Settlement Funds within the time frame required by the September 2, 2005 Court Order and is on target to do so.

If you have any questions or concerns about the report, please call me at (202) 728-8348.

Sincerely,

A handwritten signature in cursive script that reads "G M Walsh".

Geraldine M. Walsh
President

Attachment (as stated above)

cc: Lori J. Schock
Yuri Zelinsky

FINRA Investor Education Foundation®

Report to the SEC of the Global Settlement Funds

For the Quarter Ended September 30, 2011

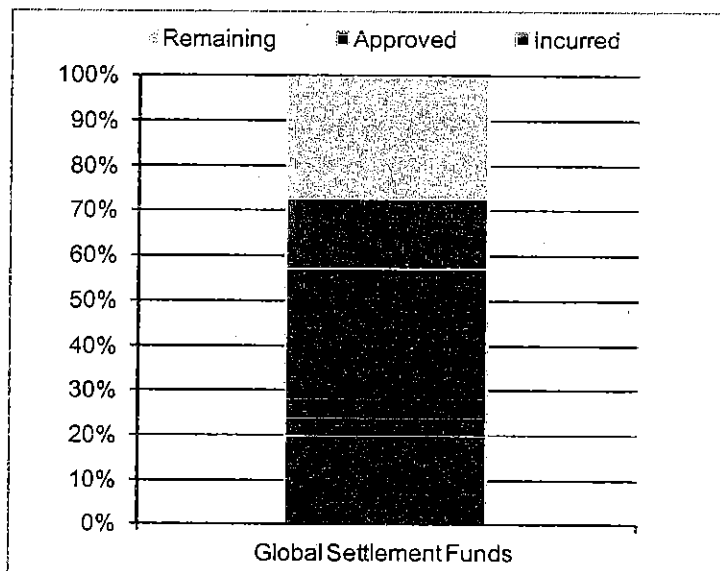
Final 01.23.12

The FINRA Investor Education Foundation supports innovative research and educational projects that give investors the tools and information they need to better understand the markets and the basic principles of saving and investing.

Executive Summary

During the third quarter of 2011, the FINRA Investor Education Foundation (Foundation) continued to support grant programs and targeted projects. The Foundation's Board of Directors (Board) met during September and approved additional targeted project spending in the amount \$4.0 million, \$2.8 million of which is eligible for Global Settlement Funds (Funds). The Foundation continued to distribute funds related to previously approved grants and targeted projects. In the third quarter of 2011, the Foundation incurred \$1.4 million in grant and targeted project expenses and \$0.1 million in general and administrative expenses payable from the Funds.

Since the receipt of the Funds by the Foundation, the Board has approved and/or committed \$40.0 million of the \$55.0 million, excluding interest, in total Funds. Of this amount, \$29.2 million has been disbursed from the Funds to pay grantees and project partners and \$2.3 million has been disbursed to pay general and administrative expenses, which consist of program related (e.g., grant administration, symposia, etc.) and other costs of operating the Foundation. A balance of \$8.6 million remains currently approved and committed by the Board. Additional general and administrative expenses will be incurred on an ongoing basis each quarter.



Cumulative Expenses and Commitments from Global Settlement Funds

September 30, 2011	Expenses Incurred	Remaining Approved	Total Expenses and Commitments
	<i>(Dollars in thousands)</i>		
Grant Programs ¹	\$ 13,713	\$ 2,824	\$ 16,537
Targeted Projects ²	15,478	5,726	21,204
General & Administrative	2,270	-	2,270
Total	\$ 31,461	\$ 8,550	\$ 40,011

¹ Grant Programs - Remaining Approved reflects the adjustment for either early termination of a grant or successful completion of a project for less than the original approved grant.

² Targeted Projects include the following: the Military Financial Education Project, the Investor Protection Campaign, Teen Financial Literacy Project and the College Student Debt Project.

FINRA's letter to the Court dated September 12, 2005, stated that FINRA would continue to fund the Foundation in the same proportion (1.9 percent) used in relation to FINRA's 2004 overall operating budget. To ensure compliance with this requirement, FINRA management, on at least an annual basis, reviews the balance of the FINRA-contributed funds as a percentage of FINRA's operating budget for a given year and determines whether the percentage continues to be at least 1.9 percent. Upon performing this review as of December 31, 2010, management determined that the balance of the FINRA contributed-funds as a percentage of FINRA's operating budget exceeded the minimum requirement.

I. Summary of Activity in Preceding Quarter

The Foundation accepts and evaluates project concepts and grant applications to recommend to the Board throughout the year. The Foundation Board convened on September 27 to consider grants and projects for funding. In addition, the Board renewed the Foundation's strategic plan through 2015. The renewed and updated plan:

- Retains the Foundation's existing overall programmatic and grantmaking structure and priorities, while gradually scaling back expenditures over the next four years;
- Leverages prior investments made by the Foundation by ensuring that previously supported resources are used to maximum benefit and scale;
- Encourages greater collaboration among the Foundation's program partners and grantees and builds their capacity to reach and engage audiences;
- Continues to measure and explicate the financial capability of Americans;
- Continues to evaluate Foundation-supported work to understand its effectiveness and to optimize marketing and dissemination efforts;
- Retains existing limits on undertaking public policy initiatives; and
- Gives priority to established rather than new programs, until such a time that future Board members agree that changes are appropriate.

As with the legacy plan, the revised plan aspires to keep the Foundation flexible and responsive to a changing economic climate that will require Americans to reexamine their financial behaviors and knowledge frequently.

Grant Programs

Throughout the third quarter, the Foundation closely managed more than 85 active grant projects, seven of which reached completion during the quarter. Resources and research resulting from Foundation-funded projects are publicly available on the Foundation website, www.finrafoundation.org. The Board did not approve any additional grants in the third quarter of 2011; however, staff continued to review proposals to bring before the Board in December. Project concepts and proposals declined in the third quarter are listed in Exhibit B. Activities are summarized below:

- **General Grant Program** – Through the General Grant Program, the Foundation funds research and educational projects that support its mission of providing underserved Americans with the knowledge, skills and tools necessary for financial success throughout life. We offer rolling deadlines for submission of Project Concept Forms. Applicants whose projects most closely align with the Foundation's priorities are invited to submit a full grant proposal for consideration at one of the Foundation's Board meetings.

Two full proposals were received in time for September consideration. After eligibility and content review, neither was recommended for funding. Foundation staff also invited three additional full proposals from a pool of 33 project concepts. These will be considered at future Board meetings. Of the requests not recommended for funding, 18 percent were ineligible, 33 percent did not demonstrate a core focus on financial/investor education or protection and 72 percent sought funding for local or regional projects that had little or no potential for broad distribution or replication. Applications were otherwise declined because the proposed project duplicated education or research already available, or the applicant organization appeared to lack the experience or qualifications to undertake the proposed work successfully. Additional project

concepts were accepted and reviewed during the third quarter for consideration at the December meeting.

Meanwhile, staff continued to provide ongoing assistance and oversight for 13 existing education and research projects previously approved under the General Grant Program and specific Requests for Proposals, including three projects which completed in the quarter.

- **Smart investing@your library** – The Foundation's grantmaking collaboration with the American Library Association (ALA) is designed to support community-level investor education and assistance through public libraries and library networks nationwide. The ALA partnership enables technical assistance in the areas of project management, communications, evaluation and marketing for all participating sites. Throughout the quarter, Foundation and ALA staff continued to conduct site visits and provide regular assistance to 39 active, participating libraries. Four library projects reached a successful conclusion during the period. The proposal solicitation process for round five of grantmaking yielded 44 new proposals. ALA and Foundation staff conducted an initial review of proposals in July and August and requested revisions from the applicants. Following review of the revised proposals, 26 applications were forwarded to the program's peer advisory committee, which convened at ALA headquarters in Chicago in September to make recommendations to the Board for action in December.
- **Financial Education in Your Community** – The Foundation's partnership with United Way Worldwide (UWW) is designed to build the capacity of regional and local community-based organizations to meet the financial education needs of underserved working individuals and families. Throughout the quarter, Foundation and UWW staff provided project oversight and ongoing technical assistance to the 27 organizations receiving grants since the program launched in 2009. An effort to evaluate overall program effectiveness and to gain an understanding of the impact of the partnership at both the national and local levels launched earlier in the year and is ongoing. Invitations to 150 nonprofit organizations for round three funding yielded 36 proposals by the application deadline. After eligibility review and initial revisions to the proposals, 20 applications were forwarded to the program advisory committee for full review. The committee convened in September at United Way Worldwide headquarters in Alexandria, Virginia, to review the proposed projects, offer recommendations for further revisions and make recommendations for the Board's consideration in December.
- **Investor Advocacy Clinic Program** – The Investor Advocacy Clinic Program provides start-up funding and assistance to law schools that are well positioned to establish clinics offering legal advice and other help for underserved investors. Six law schools have now received grants to open clinics across the country. The 2009 grantees—Florida International University (FIU), Howard University, Pepperdine University and Suffolk University—continued receiving inquiries and managing pending cases over the summer. One of the 2010 grantees, Seton Hall, recruited students for the inaugural class to be offered in the fall 2011. The University of Miami hired a clinic director and will open its clinic in January 2012 as planned.

The five operating clinics have received approximately 162 inquiries as of the third quarter of 2011. Two of the clinics, Suffolk and Howard, settled cases over the summer. Suffolk obtained settlements amounting to \$50,000 for two investors. Howard, in turn, recovered \$35,000 for the two investors it represented. Florida International filed its first arbitration claim in June 2011. Pepperdine continued managing two arbitration claims through the hearing process and agreed to step into a third arbitration to represent an investor who had already filed a claim. Seton Hall agreed to represent two investors even before the clinic class officially started. In addition, the

clinics continued to attract student interest at all the schools. Pepperdine reports that a special dispensation was obtained to double the size of this fall's clinical seminar to 28 students. With respect to community outreach, all of the clinics continued to work with civic organizations in their respective states to schedule investor education events.

Targeted Projects

The Foundation supports five previously-approved targeted projects: the Military Financial Education Project; the Investor Protection Campaign; the National Financial Capability Study; the Teen Financial Literacy Project; and the College Student Debt Project. On September 27, the Board approved an additional \$4.0 million to support these projects, as follows:

- **Military Financial Education Project** – We continue using research, partnerships and outreach to deliver high-quality information and tools to the military. In July, staff met with the leadership of the White House *Joining Forces* initiative (spearheaded by First Lady Michelle Obama and Dr. Jill Biden) to explore how best to work together to raise awareness about the financial education needs of the military community. We received positive feedback about the various components of this project and will further develop this new relationship. With respect to our partnership with BBB Military Line, we completed a co-branded module—"Scams: What They Are and How to Avoid Them"—for presentation through BBB offices nationwide, which we tested with an audience of uniformed military personnel in September at Fort Myer (VA). Also in September, we conducted a military financial education forum in the Norfolk, VA, area. Staff continued to work with the National Guard Bureau (NGB), including briefing attendees at the NGB's 2011 National Volunteer Workshops and moving forward with development and production of educational videos for distribution to and by the NGB. The first video will adapt material created for the Foundation's Investor Protection Campaign. As of quarter end, approximately 300 participants in the Foundation's Military Spouse Fellowship Program had earned Accredited Financial Counselor status. Program fellows have logged more than 271,000 practicum hours in their communities. Graduates continue to serve in significant positions throughout the military community. The myFICO® credit score and report management tool is now being used by financial educators worldwide, both in face-to-face counseling and for classroom instruction. We are expanding our reach by offering the tool to counselors in the military relief societies (for example, the Navy-Marine Corps Relief Society) to use in their daily counseling work. During the quarter, the Foundation received three additional citations and letters of appreciation for its various outreach activities, including work in Japan and California earlier in the year.

The Board approved on September 27 the continuation of the project through 2012 with a budget of \$2,730,810. The 2012 plan is summarized in Exhibit A and will be further detailed in the 2012 strategic plan included in the fourth quarter report.

- **Investor Protection Campaign** – The Foundation's research-based campaign is intended to help investors understand how they might be susceptible to investment fraud and to replace risky investment behaviors with fraud detection and prevention behaviors. On August 10, the Research Center on the Prevention of Financial Fraud (Research Center) at the Stanford Center on Longevity was publicly launched with the issuance of a press release and e-newsletter. The Research Center, a joint initiative of the FINRA Foundation and Stanford, will serve as a clearinghouse for news and research about financial fraud, promoting the distribution, understanding and application of information, while facilitating further investigative study. We aim to play a unique role as an interdisciplinary resource for law enforcement, government and research groups engaged in the study, detection, or prevention of financial fraud. A variety of investor events, new partnership meetings and trainings were held during the quarter. Foundation

staff hosted or otherwise participated in five *Outsmarting Investment Fraud* events with state securities regulators, AARP, the SEC and others, reaching hundreds of investors. This includes a forum in Tuscaloosa, Alabama focused on disaster-relief scams, in response to concerns about recovery from the devastating tornado last spring. We were joined by Alabama Securities Director Joseph P. Borg, as well as representatives from FEMA, the Tuscaloosa District Attorney's and Sheriff's Offices and the Postal Inspection Service. Our partners around the country delivered the *Outsmarting Investment Fraud* curriculum to more than 2,000 investors at 63 events in the quarter. We also held a train-the-trainer session for victim advocates and fraud fighters in Pennsylvania. In addition, we distributed *Trick\$ of the Trade* DVDs and print resources, published a series of fraud prevention articles and pursued media opportunities. Advertising campaigns included a mix of radio "fraud flag" public service announcements, television consumer protection sponsorships, online placements and print advertorials. Finally, staff and management convened in August for a strategy session to discuss how best to amplify our field-tested messages to more consumers through additional partnerships and distribution channels. The outcomes of this meeting and those that follow will inform the 2012 investor protection campaign plan to be presented at the December meeting.

- **National Financial Capability Study** – With the Board's approval in January 2008, the Foundation embarked on the inaugural National Financial Capability Study (Study) to fill a noted gap in measuring the financial capability of U.S. adults. The Study was fielded in the second and third quarters of 2009 and consisted of three linked surveys: the National Survey, the State-by-State Survey and the Military Survey. Results were released between December 2009 and December 2010. Each of the three surveys comprising the Study garnered significant media coverage on release and all three have since continued to earn public attention and comment. In addition, Study results have been quoted or otherwise reported at a variety of financial education events and policymaker gatherings. The Board had requested that no Global Settlement Funds be used to support the inaugural Study. At the meeting of September 27, the Board approved \$670,000 to field a second wave of the National Financial Capability Study in 2012, as well as to mine the existing 2009 Study data for additional publications and to convene a roundtable of leading researchers in the fields of behavioral economics, financial decision-making and financial education. The Board did not request that only FINRA-contributed funds be used for the second Study or for the continued work using the 2009 data. Therefore, Global Settlement Funds will be used to support the renewed project at the same ratio as established for all other activities of the Foundation.
- **Teen Financial Literacy Project** – *Generation Money: Improving the Financial Literacy of America's Teens* is a collaborative effort among the Foundation, the Consumer Federation of America and Channel One, which serves as the chief communications provider. The project addresses the personal finance topics that are most important for teens to understand and use in everyday situations as they begin to assume financial responsibility in their lives. This campaign includes several, integrated components: classroom materials for display and instruction; public service announcements; broadcast news segments; on-demand video; web-based interactive; and learning resources for students and teachers. On September 27, the Board approved \$629,025 to continue the project for a fourth academic year through the second quarter of 2012.
- **College Student Debt Project** – The Institute for College Access and Success (TICAS) published its report on college and university practices related to private student loans, with emphasis on upstream, proactive steps to rein in risky student borrowing. A copy of the report—*Critical Choices: How Colleges Can Help Students and Families Make Better Decisions about Private Loans*—is available on the Foundation website. The report received detailed coverage from *The Huffington Post*, *Education Week*, *Chicago Tribune* and *The Chronicle of Higher Education*, among others.

TICAS staff conducted a well-received presentation about the report at the July annual conference of the National Association of Student Financial Aid Administrators, a key audience for the report. The Foundation otherwise continued conversations with TICAS about cost-effective strategies for improving student loan counseling and methods to promote adoption of the promising practices identified in the report.

Administrative Matters

- **Staff Update** – Following the Board meeting of September 27, FINRA appointed then-interim president, Geraldine M. Walsh, as president of the Foundation.
- **Grants Administration** – In August, the National Endowment for Financial Education (NEFE) communicated to the Foundation that it wished to discontinue its involvement in the review of the Foundation's general grant proposals. The Foundation initiated a partnership with NEFE in 2004 for assistance in developing and implementing a grant program. As the Foundation has matured, the necessity for this grantmaking partnership has waned. As of September 30, 2011, NEFE is no longer involved in the review of grants considered by the Foundation. The Foundation's procedures have been updated accordingly.
- **Terms of Service for Board Directors** – Also in August, the Board approved via unanimous written consent changes to the Foundation's Bylaws and Certificate of Incorporation to implement staggered Board terms and establish term limits for Foundation Board members. Under the revised Bylaws and Certificate, the term of service for Directors was extended from one to three years and the number of consecutive terms a Director may serve was limited to two. To ensure orderly and regular departures from the Board and take into consideration time already served by current Directors, the revised Bylaws and Certificate also established classes of Directors with staggered election cycles. In September, FINRA, as sole member of the Foundation, adopted the resolutions.
- **Internal Audit** – FINRA's Internal Audit initiated a review of the Foundation's grantmaking procedures and project oversight, as a follow up to the 2010 review. Internal Audit seeks to ensure all recommendations and procedures resulting from the 2010 analysis have been appropriately implemented. The final report is expected in the fourth quarter.
- **Board Update** – The Foundation forwarded three candidates for Board service to the SEC for review:
 - Jayne W. Barnard, The College of William & Mary
 - John T. Dooley, United Service Organization (USO) San Diego
 - G. Donald Steel, Planned Investment Co., Inc.

We learned in September that the SEC deemed the candidates acceptable. With this notice, FINRA, in its capacity as sole member of the Foundation is free to appoint these candidates to the Board.

See "Exhibit A" for a summary of "Approved Grants and Targeted Projects" and "Exhibit B" for a summary of "Grant Proposals and Project Concepts Declined."

II. Strategic Plan for Upcoming Quarter

The Foundation will continue its efforts to support existing and new grants and targeted projects. The Board will meet again on December 13, 2011.

Grant Programs

Due diligence review of applications to the Smart Investing@your library and Financial Education in Your Community grant programs will continue into the fourth quarter. Staff will prepare a slate of recommendations from each program for the Board's consideration at the December meeting. Also in December, the Board will consider a proposal submitted to the General Grant Program.

Staff will also provide oversight and assistance to more than 80 active grant projects. An effort to evaluate overall program effectiveness and to gain an understanding of the impact of the American Library Association and United Way partnerships at both the national and local levels is ongoing. Throughout the year, Foundation and partner staff will conduct site visits, focus groups and in-depth telephone interviews with grantees and their clients. In addition, the five law schools operating clinics across the country will continue to serve the investing public through active counseling, representation and education of investors. Pepperdine will host a public education event in October. Howard, Seton Hall and Florida International Universities are also planning various events and outreach in the final quarter of the year.

Targeted Projects

- **Military Financial Education Project** – In the fourth quarter, we will continue to explore and define our new partnership with the White House's *Joining Forces* initiative. We will issue our first dedicated newsletter for Spouse Fellows—and during November and December, we will host regional gatherings of Spouse Fellows in Jacksonville, FL and Washington, DC. We also expect to release the first in a series of six "how-to" personal finance videos produced for our partnership with the National Guard Bureau. In addition, we will launch the new SaveAndInvest.org website, offer the MyFICO tool through personal finance managers and counselors and begin to roll out our BBB Military Line program.
- **Investor Protection Campaign** – The Foundation will organize and participate in events, training new fraud fighters and distributing DVDs and other IPC resources. The Research Center on the Prevention of Financial Fraud, a joint initiative of the Foundation and the Stanford Center on Longevity, will host its first conference—"The State and Future of Financial Fraud"—in Washington, DC, in early November. As the inaugural conference of the Fraud Research Center, this event seeks to share the latest interdisciplinary research on understanding, detecting and preventing financial fraud and connect financial fraud researchers with prevention and detection professionals. On completion of the new SaveAndInvest.org website, we will launch a multifaceted national advertising effort promoting both the new website and the *Trick\$ of the Trade* documentary. Finally, we will prepare a comprehensive strategy focusing on key partnerships and distribution channels for 2012. A plan to continue the project into 2012 will come before the Board in December.
- **National Financial Capability Study** – The Foundation will begin to assemble a diverse group of financial literacy and survey experts from a variety of organizations and agencies to consult on the 2012 fielding of the study. In the coming months, the Foundation will meet with the study working group to begin updating the survey instrument. Researchers throughout the country are still using data from the 2009 study and we expect this trend to continue. In the next several months, the

Foundation will publish a research brief using the data. We have also contracted with George Washington University Professor Annamaria Lusardi to produce two additional research briefs and an academic working paper using the 2009 data.

- **Teen Financial Literacy Project** – During the fourth quarter, the project partners will broadcast new feature stories, script and test a new public service announcement, air existing public service announcements and prepare additional lesson plans for a series on the mathematics of personal finance. Further, the team will repurpose project materials for use with military families and continue evaluation efforts to measure program impact. The project website (channelone.com/generationmoney) provides access to all deliverables—print, video and interactive—created in the three years of the project.
- **College Student Debt Project** – With the report released, this project has now concluded. However, the Foundation will continue conversations with TICAS about cost-effective strategies for improving student loan counseling and methods to promote adoption of the promising practices identified in the report.

Administrative Matters

- **Board Changes** – Following the meeting of December 13, three current Board members (Salisbury, Hunter and Hill) are expected to step down from their positions. This is in keeping with the term limits adopted by the Board in August. Thereafter, we will appoint three new Board members, each having been vetted by the SEC, to fill the newly vacated public (2) and non-public (1) positions. The Board will remain, as required, a majority public members.
- **Internal Audit** – A final report on the Foundation's grantmaking procedures and project communications, a follow up to the 2010 review, is expected in the fourth quarter.

III. Summary of Receipts and Uses of Global Settlement Funds

The Foundation has received a cumulative total of approximately \$55.0 million, excluding interest, in Global Settlement Funds. The following summary table presents the receipts and receivables and expenses and commitments of the Global Settlement Funds as of September 30, 2011. The 30 percent Foundation allocation (from funds contributed by FINRA) is not included in this summary table.

September 30, 2011	Quarter Ended	Year to Date	Cumulative to Date
	<i>(Dollars in thousands)</i>		
Receipts and Receivables:			
Contributions Received	\$ -	\$ -	\$ 55,660
Dividend Income	1	2	4,288
Total Receipts and Receivables	1	2	59,948
Expenses and Commitments:			
Grant Approvals	-	232	16,914
Grants Cancelled	-	(99)	(377)
Grant Expenses	440	3,128	13,713
Reduction of Grant Commitments	(440)	(3,128)	(13,713)
Net Grant Commitments¹	-	133	16,537
Targeted Project Approvals	2,821	2,821	23,168
Targeted Project Prior Periods Budget Displacement	(5)	(5)	(1,964)
Targeted Project Expenses	1,007	2,464	15,478
Reduction of Targeted Project Commitments	(1,007)	(2,464)	(15,478)
Net Targeted Project Commitments²	2,816	2,816	21,204
General & Administrative Expenses	100	400	2,270
Total Expenses and Commitments	2,916	3,349	40,011
Net (Decrease) Increase	\$ (2,915)	\$ (3,347)	

¹ Net Grant Commitments reflect adjustments for either early termination of a grant or successful completion of a grant for less than the original approved amount. Quarter ended and year to date amounts represent the net amount of grants approved and cancelled during the current period. The cumulative to date amount includes both approved expenses where the grantee has fulfilled specific conditions or milestones of the grant of \$13.7 million, plus remaining approved grant commitments of \$2.8 million.

² Net Targeted Project Commitments consist of amounts approved by the Board for targeted project spending with adjustments for completion of a project for less than the original approved amount. Project budgets are approved on a calendar year basis; unused, approved project budgets do not carry over into subsequent years. Quarter ended and year to date amounts reflect either additional Board approved spending or the release of unused project commitments at the end of the year. The cumulative to date amount consists of targeted project spending already incurred of \$15.5 million and the remaining Board approved spending of \$5.7 million.

Receipts and Receivables

For the quarter ended September 30, 2011, the Foundation received approximately \$742 in dividend income on the Global Settlement Funds. The Funds collected to date are invested in a U.S. Treasury money market fund consistent with the Settlement order.

Since inception, FINRA has contributed \$35.0 million in cash and has directed \$7.2 million in fines from FINRA settlements. In addition, FINRA has made non-cash contributions of media advertising for \$0.8 million and contributed services totaling \$15.2 million.

Grant Commitments

The Board approves grants under various grant programs aimed at accomplishing its mission. These programs are subject to the grantee fulfilling certain conditions or milestones over the course of the grant project term and are included as grant commitments upon approval by the Board. At its September meeting, the Board did not approve additional grant spending.

Since receipt of the Global Settlement Funds in 2006, the Board has approved 131 grants totaling \$24.1 million. Of this amount, \$16.9 million (70 percent) was allocated to the Global Settlement Funds and \$7.2 million (30 percent) to Other Foundation Funds. There were 27 grants approved prior to 2006 totaling \$4.9 million, which are allocated 100 percent to Other Foundation Funds.

The following table summarizes the activity related to all grants approved and committed as of September 30, 2011.

September 30, 2011 (Approved 2006 or later)	Approved Grants		Grant Program Expense				Committed Balance
	No.	Amount	Quarter Ended	Year to Date	Prior Years	Other ¹	
	<i>(Dollars in thousands)</i>						
<u>(70%) Global Settlement Funds:</u>							
General Grant Program	34	\$ 8,878	\$ (240)	\$ (1,015)	\$ (6,460)	\$ (43)	\$ 1,360
Improving Disclosure to Investors	3	762	-	-	(674)	(88)	-
Life-Cycle Investing Program	2	620	-	-	(429)	(191)	-
Library Grant Program	64	3,284	(164)	(748)	(2,147)	(55)	334
United Way Grant Program	22	2,320	(36)	(1,121)	(524)	-	675
Investor Advocacy Clinic	6	1,050	-	(245)	(350)	-	455
Total	131	16,914	(440)	(3,129)	(10,584)	(377)	2,824
<u>(30%) Other Foundation Funds:</u>							
General Grant Program		3,805	(103)	(435)	(2,767)	(18)	585
Improving Disclosure to Investors		326	-	-	(288)	(38)	-
Life-Cycle Investing Program		266	-	-	(184)	(82)	-
Library Grant Program		1,407	(70)	(320)	(920)	(23)	144
United Way Grant Program		994	(16)	(480)	(225)	-	289
Investor Advocacy Clinic		450	-	(105)	(150)	-	195
Total		7,248	(189)	(1,340)	(4,534)	(161)	1,213
<u>(100%) Other Foundation Funds:</u>							
General Grant Program	19	3,504	-	-	(2,965)	(539)	-
Improving Disclosure to Investors	2	407	-	-	(367)	(40)	-
Young Adults Program	6	993	(20)	(30)	(908)	(48)	7
Total	27	4,904	(20)	(30)	(4,240)	(627)	7
Grand Total	158	\$ 29,066	\$ (649)	\$ (4,499)	\$ (19,358)	\$(1,165)	\$ 4,044

¹ Other reflects the adjustment for either early termination of a grant or successful completion of a project for less than the original approved grant.

Targeted Projects

To date, the Board has approved funding to support the following targeted projects: (1) the Military Financial Education Project, (2) the Investor Protection Campaign, (3) the National Financial Capability Study, (4) the Teen Financial Literacy Project and (5) the College Student Debt Project. During its September meeting, the Board approved additional spending for the Military Financial Education Project (\$2.7 million), the National Financial Capability Study (\$0.7 million) and the Teen Financial Literacy Project (\$0.6 million). Of this approved amount, \$2.8 million is eligible to draw Global Settlement funds.

- **Military Financial Education Project** – During the quarter ended September 30, 2011, the Foundation incurred \$0.4 million on initiatives related to the Military Financial Education Project qualified for the Global Settlement Fund allocation, which includes the Foundation's ongoing outreach to deliver financial education tools and training to military service members and their families through a variety of programs and initiatives.
- **Investor Protection Campaign** – During the quarter ended September 30, 2011, the Foundation incurred \$0.5 million on initiatives related to the Investor Protection Campaign qualified for the Global Settlement Fund allocation. The Investor Protection Campaign aims to reduce the incidence of investment fraud among older investors.
- **National Financial Capability Study** – During the quarter ended September 30, 2011, the Foundation incurred minimal expenditures for initiatives related to the National Financial Capability Study, which is a baseline study measuring the ability of Americans to manage their money. Historically, per the Board's direction, expenses related to this project were not allocated to the Global Settlement Funds. During its September meeting, the Board approved an additional \$0.7 million "without restriction" and, therefore, \$0.5 million is eligible for the Global Settlement Fund allocation.
- **Teen Financial Literacy Project** – During the quarter ended September 30, 2011, the Foundation incurred \$0.2 million in expenses on initiatives qualified for the Global Settlement Fund allocation related to *Generation Money: Improving the Financial Literacy of America's Teens*.
- **College Student Debt Project** – During the quarter ended September 30, 2011, the Foundation incurred the final expenditures, which completely drew down the remaining approved balance of the College Student Debt Project. This project focused on identifying ways to help students make better borrowing decisions to meet college expenses.

Targeted Projects (continued)

The following table summarizes targeted project spending qualified for the Global Settlement Fund allocation as of September 30, 2011.

September 30, 2011	Quarter Ended	Year to Date	Prior Periods	Total
	<i>(Dollars in thousands)</i>			
<u>(70%) Global Settlement Funds</u>				
Military Financial Education Project	\$ 358	\$ 893	\$ 6,172	\$ 7,065
Investor Protection Campaign	478	1,293	5,835	7,128
National Financial Capability Study	-	-	-	-
Teen Financial Literacy Project	150	257	986	1,243
College Student Debt Project	21	21	21	42
Total	1,007	2,464	13,014	15,478
<u>(30%) Other Foundation Funds</u>				
Military Financial Education Project	153	382	2,637	3,019
Investor Protection Campaign	205	554	2,484	3,038
National Financial Capability Study	-	-	-	-
Teen Financial Literacy Project	64	109	422	531
College Student Debt Project	9	9	9	18
Total	431	1,054	5,552	6,606
<u>(100%) Other Foundation Funds:</u>				
Military Financial Education Project	-	-	8,156	8,156
National Financial Capability Study	-	1	1,073	1,074
Total	-	1	9,229	9,230
Grand Total	\$ 1,438	\$ 3,519	\$ 27,795	\$ 31,314

The following table summarizes net remaining approved spending qualified for the Global Settlement Fund allocation for targeted projects as of September 30, 2011.

September 30, 2011	Net approved for Quarter Ended ¹	Net Year to Date ¹	Net Prior Periods ¹	Remaining Approved Balance
	<i>(Dollars in thousands)</i>			
<u>(70%) Global Settlement Funds</u>				
Military Financial Education Project	\$ 1,912	\$ 1,912	\$ 1,223	\$ 3,135
Investor Protection Campaign	-	-	1,682	1,682
National Financial Capability Study	469	469	-	469
Teen Financial Literacy Project ²	440	440	-	440
Total	\$ 2,821	\$ 2,821	\$ 2,905	\$ 5,726

¹ Net amounts include the original amount approved less spending incurred to date.

² The Remaining Approved Balance for the Teen Financial Literacy Project, after the quarter ended spending, has been superseded by the September Board approved amount of \$440 thousand.

General and Administrative Expenses

General and Administrative Expenses, which consist of program related and other costs of operating the Foundation, are allocated between the Global Settlement Funds and Other Foundation Funds using the above referenced 70 percent / 30 percent allocation, after excluding expenses that are 100 percent related to FINRA-contributed funds.

The following table shows the general and administrative expenses that have been allocated to the Global Settlement Funds by classification through September 30, 2011.

September 30, 2011	Quarter Ended	Year to Date	Cumulative to Date
	<i>(Dollars in thousands)</i>		
General and Administrative Expenses:			
Program related:			
Grant Administration ¹	\$ 43	\$ 257	\$ 1,292
Symposia ²	-	-	265
Marketing and Advertising ³	-	-	70
Program Evaluation and Strategy ⁴	-	-	42
Subtotal	43	257	1,669
Other:			
Contract Services ⁵	15	41	227
Travel and Meetings ⁶	4	25	158
Postage, Printing and Other ⁷	38	77	216
Subtotal	57	143	601
Total	\$ 100	\$ 400	\$ 2,270

¹ Grant Administration expenses consist of incurred and accrued costs for the United Way, the American Library Association and the National Endowment for Financial Education for support services provided to the Foundation in developing, administering and maintaining grant programs. This includes providing day to day administrative support to Foundation staff, as well as reviewing and preparing overviews of grant proposals.

² Symposia consist of costs related to the social marketing symposium, excluding travel.

³ Marketing and Advertising consist of fees for advertisements publicizing the Foundation's grant opportunities to prospective applicants.

⁴ Program Evaluation and Strategy consist of costs for developing the Foundation evaluation plan and advancing strategic planning.

⁵ Contract Services consist of recurring legal, audit and consulting costs.

⁶ Travel and Meetings consist of related expenses incurred in managing active grant projects, attending symposia and meeting with prospective grant applicants as well as Board member travel.

⁷ Postage, Printing and Other consist of administrative postage, storage and shipping costs, printing and publications cost, investment custody fees and miscellaneous expenses.

In addition, FINRA provides management oversight, program staff and certain administrative services including legal, communications, financial, tax and treasury, to the Foundation at no cost. For the quarter ended September 30, 2011, FINRA contributed services of approximately \$0.8 million.

FINRA Investor Education Foundation
Report to the SEC of the Global Settlement Funds
For the Quarter Ended September 30, 2011

Exhibit A, Approved Grants and Targeted Projects

Targeted Projects Approved					
Project Title	Target Audience	Amount Approved	Project Overview	Key Priorities Addressed	Date Approved by Board
Military Financial Education Project	U.S. military servicemembers and their families	Additional \$2,730,810	<p>The Foundation will continue implementing a three-pronged model comprising research, partnerships and outreach to deliver high-quality information and tools to U.S. military servicemembers and families. Planned research activities include completion of debt causation research and coordination of the 2012 Military Financial Capability Study. With respect to partnerships, we will continue equipping military financial educators with existing, much-needed tools and resources while simultaneously leveraging other Foundation-funded materials (such as those developed by grantees and for other Foundation targeted projects). Finally, we will continue building awareness of the campaign primarily through outreach to leadership and servicemembers at face-to-face forums, earned media and narrowly targeted paid advertising.</p>	Meet the financial and investor education needs of underserved audiences	September 27, 2011
National Financial Capability Study	U.S. adults age 18 and over	Additional \$670,000	<p>The Foundation will field a second wave of the National Financial Capability Study in 2012, to be released in early 2013. In the meantime, to continue the forward momentum of the initial Study, we will also mine the existing 2009 Study data for additional publications and convene a roundtable of leading researchers in the fields of behavioral economics, financial decision-making and financial education. Pursuing these three strategies will help establish the Study as a high-quality, longitudinal data source for publications, foster further use of the data and extend research available to the field of financial education.</p> <p><i>NOTE: The project will be funded with a combination of Global Settlement Funds and FINRA-contributed funds at the standard, approved ratio.</i></p>	Expand the body of knowledge Advance practice, policy and thought in the fields of investor education and protection	September 27, 2011

Targeted Projects Approved

Project Title	Target Audience	Amount Approved	Project Overview	Key Priorities Addressed	Date Approved by Board
<p style="text-align: center;">Teen Financial Literacy Project</p>	<p style="text-align: center;">Young adults in grades 7 through 12</p>	<p style="text-align: center;">Additional \$629,025</p>	<p>The Foundation, Channel One and the Consumer Federation of America will continue <i>Generation Money: Improving the Financial Literacy of America's Teens</i> for a fourth academic year, with production assistance from CBS News. The project is intended to improve knowledge of select, fundamentally important financial literacy concepts among American teenagers and to provide them with the skills to apply these concepts to everyday financial decision-making. The plan leverages deliverables prepared during the first three years of the project, incorporates new broadcast feature stories, adds a new public service announcement and includes additional lesson plans for a series on the mathematics of personal finance. The project makes use of Channel One's various multimedia distribution mechanisms directly to schools.</p>	<p>Empower the nation's young people to meet financial goals</p> <p>New marketing and distribution channels</p>	<p style="text-align: center;">September 27, 2011</p>

FINRA Investor Education Foundation
 Report to the SEC of the Global Settlement Funds
 For the Quarter Ended September 30, 2011

Exhibit B, Grant Proposals and Project Concepts Declined

General Grant Program, Grant Proposals Declined September 27, 2011									
Project Information									
Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Not within Guide-lines	Insufficient or Inappropriate:
2011-06-024	E	Identity Theft Resource Center	Rex Davis	\$425,000	24 mos.	NY	<i>The Smart Investment: Fraud Education and Protection:</i> Develop and implement a fraud prevention and remediation program for consumers 19-40 years of age and evaluate the results.	Applicant Ineligible Project Ineligible Proprietary Elements	Purpose Outreach Qualifications Project Design Deliverables Infrastructure
2011-06-037	E	World Institute on Disability	Thomas Foley	\$246,243	24 mos.	CA	<i>Wealth Building for Students with Disabilities:</i> Develop and undertake a financial and investor education program for college students with disabilities, including strategies for building wealth while navigating means-tested federal disability programs.		

General Grant Program, Project Concepts Declined September 27, 2011

Project Information

Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Not within Guide-lines			Insufficient or Inappropriate:					
								Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2011-06-020	E	Association for Financial Counseling and Planning Education	Gordon Genovese	\$475,000	36 mos.	VA	FINRA Foundation Fellowship for Student Aid Administrator Certification as Accredited Financial Counselor®. Provide fellowships to certify up to 300 college and university student financial aid administrators as AFCPE® Accredited Financial Counselors®.		X			X				
2011-09-001	E	Future's Outreach, Inc.	Rhonda Wilson	\$300,000	24 mos.	GA	Money Smart for Youth: Include money management skills in a leadership development program for at-risk youth 12-18 years of age from Savannah.				X	X				
2011-09-002	E	Albert C. Pierre Community Service Center, Inc.	Andrew A. Holness	\$500,000	12 mos.	FL	Pure Reality Financial Education Initiative: Develop a portfolio of culturally and linguistically sensitive investor education programs for inner city teenagers, young adults and seniors in South Florida.					X	X	X		X
2011-09-003	E	Missouri Scholars Academy	Ted Tarkow	\$25,000	1 mo.	MO	Missouri Scholars Academy: Integrate financial education into a three-week program for gifted students ready to begin their junior year in high school.						X			
2011-09-004	E	Douglas County Libraries Foundation	Cheryl Traff	\$60,000	36 mos.	CO	Financial Literacy—Learning for Life: Offer financial education and one-on-one financial coaching to library patrons.							X		
2011-09-005	E	Detroit Friendship House	Linnea Berg	\$20,000	12 mos.	MI	Show Me the Money: Provide basic financial education to clients of the Friendship House food pantry and utility assistance programs.							X		

General Grant Program, Project Concepts Declined September 27, 2011

Project Information

Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Not within Guide-lines			Insufficient or Inappropriate:					
								Applicant Ineligible	Project Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2011-09-006	E	Stocks in the Future	Pat Bernstein	\$50,000	10 mos.	MD	Stocks in the Future Middle School Initiative: Teach financial life skills to underperforming middle school students in Baltimore and offer financial incentives for improved school performance.				X	X				
2011-09-009	E	National Academy Foundation High School	Harik Cofer	\$30,000	10 mos.	MD	Ramping-Up Personal Financial Literacy Education for Prospective College Students: Provide financial education programs for students choosing the "Academy of Finance" track at the National Academy Foundation High School.				X					
2011-09-010	ER	More Than Wheels	Terri Steingrebe	\$100,000	9 mos.	NH	Expansion of Financial Education Program for Low to Moderate Income Families in New England: Develop new curricula and expand the More Than Wheels program, incorporating financial education with the car-buying process.					X	X			
2011-09-011	R	The Regents of the University of Colorado	Gregory W. Martin	\$308,000	24 mos.	CO	Value Relevance of Corporate Social Responsibility: Conduct research to determine if corporate social responsibility activities add value to publicly traded companies.						X	X		
2011-09-012	E	Public Radio International Yayasan Pendidikan Dan Pengembangan Islam Assuyuthiyah	Meinda Ward	\$400,000	24 mos.	MN	The Takeaway's Financial Literacy Initiative: Sponsor financial and investor education programming for a new public radio morning news show.			X			X	X		
2011-09-013	-		Sink Assuyuthiyah	\$85,779	--	--	Development of Infrastructure Facilities and Boarding School	X	X				X			X

General Grant Program, Project Concepts Declined September 27, 2011

Project Information

Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure
2011-09-014	E	Boston College	Steven Sass	\$750,000	12 mos.	MA	Squared Away for Retirees: Develop and market web-based tools that enhance the financial capability of retired households.						X	X	
2011-09-015	E/R	The University of Georgia	Clinton Wayne Copeland	\$417,466	18 mos.	GA	Using Technology and Automation to Increase Education and Change Financial Behavior: Automate budget coaching aspects of an online personal financial management tool and study the results.					X		X	
2011-09-016	E	Family Education Services, Inc.	Virginia Griffith	\$20,000	13 mos.	FL	Community Based Financial Literacy: Provide basic financial education for low- and moderate-income residents of Tampa.				X	X			
2011-09-017	E/R	Miller Center Foundation	Heather Mullins Crisp	\$100,000	24 mos.	VA	National Conference on Financial Literacy: Conduct a conference to recommend standards and programs that ensure financial literacy nationwide.	X							
2011-09-018	E	Florida Press Educational Services, Inc.	Sue Bedry	\$190,000	4 mos.	FL	Money Counts: Increasing Financial Literacy Among Middle School Students in Florida: Create and distribute a one-time financial education tabloid newspaper.	X			X		X		
2011-09-019	E	The Katie Able Foundation	Carmen Johnson	\$10,000	12 mos.	MD	General Operating Funds: Continue to provide financial education opportunities for the residents of Prince George's County.			X	X				
2011-09-020	E	Consumer Credit Counseling Service of Ventura, Inc.	Joy Thormodsgard	\$150,000	24 mos.	CA	Consumer Financial Recovery to Asset Building: Continue to provide basic financial education for clients in Ventura County.			X	X				

General Grant Program, Project Concepts Declined September 27, 2011

Project Information

Number	Project Type	Organization	Project Principal	Amount Requested	Project Duration	State	Title/Description	Applicant Ineligible	Proprietary Elements	Purpose	Outreach	Qualifications	Project Design	Deliverables	Infrastructure			
2011-09-028	R	RAND Corporation	Arie Kapteyn	\$385,000	12 mos.	CA	<i>Short-Term Consumption Smoothing, Credit Card Use and Lifetime Savings:</i> Investigate individuals' ability to manage financial resources over paycheck cycles and the extent to which households rely on credit card debt to finance consumption. Study the implications of such behaviors and form policy recommendations.			X			X					
2011-09-029	E/R	D2D Fund, Inc.	Timothy Flacke	\$300,000	15 mos.	MA	<i>Using Financial Entertainment to Protect Vulnerable Consumers from Financial Fraud and Deception:</i> Develop and test a video game that teaches consumers common fraud tactics and how to avoid them.		X		X		X					
2011-09-030	R	National Bureau of Economic Research	David Laibson	\$90,000	12 mos.	MA	<i>Low Income Households and 401(k) Auto Enrollment:</i> Study the effect of asset allocation and contribution rate auto-enrollment defaults on low income households and 401(k) participation.			X	X			X				
2011-09-031	E	Council for Economic Education	Christopher Callabiano	\$250,000	12 mos.	NY	<i>The Gen i Revolution: Broadening Distribution, Expanding Delivery:</i> Develop and carry out a comprehensive marketing program to increase teacher and student use of Gen i Revolution.							Withdrawn				
2011-09-032	E	Newark Now, Inc.	Jeremy Guentler	\$389,000	36 mos.	NJ	<i>Building a Strong Financial Future:</i> Provide financial education and counseling for 350 offenders and parolees in Newark through job training and parenting program partners.				X		X					
2011-09-033	E	New York Society of Security Analysts	Margaret Rees	\$50,000	12 mos.	NY	<i>NYSSA's New Educational Initiatives:</i> Develop and offer an investor education program for NYSSA members and the general public.	X			X		X					X



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

100 F STREET, N.E.
WASHINGTON, D.C. 20549-5041

DIVISION OF
ENFORCEMENT

M. ALEXANDER KOCH
ASSISTANT DIRECTOR
DIRECT DIAL: (202) 551-4762
FACSIMILE: (202) 772-9227
E-MAIL: KOCHA@SEC.GOV

January 26, 2011

VIA OVERNIGHT DELIVERY

Ruby J. Krajick, Clerk of Court
United States District Court for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street
New York, New York 10007-1312

Re: *SEC v. Bear, Stearns & Co. Inc.*, No. 03 Civ. 2937 (WHP)
SEC v. Jack B. Grubman, No. 03 Civ. 2938 (WHP)
SEC v. J.P. Morgan Securities Inc., No. 03 Civ. 2939 (WHP)
SEC v. Lehman Brothers Inc., No. 03 Civ. 2940 (WHP)
SEC v. Merrill Lynch, Pierce, Fenner & Smith Incorporated, No. 03 Civ. 2941 (WHP)
SEC v. U.S. Bancorp Piper Jaffray Inc., No. 03 Civ. 2942 (WHP)
SEC v. UBS Warburg LLC, No. 03 Civ. 2943 (WHP)
SEC v. Goldman, Sachs & Co., No. 03 Civ. 2944 (WHP)
SEC v. Citigroup Global Markets Inc., f/k/a Salomon Smith Barney Inc., No. 03 Civ. 2945 (WHP)
SEC v. Credit Suisse First Boston LLC, f/k/a Credit Suisse First Boston Corp., No. 03 Civ. 2946 (WHP)
SEC v. Henry M. Blodget, No. 03 Civ. 2947 (WHP)
SEC v. Morgan Stanley & Co. Incorporated, No. 03 Civ. 2948 (WHP)
SEC v. Deutsche Bank Securities, Inc., No. 04 Civ. 6909 (WHP)
SEC v. Thomas Weisel Partners LLC, No. 04 Civ. 6910 (WHP)

Dear Ms. Krajick:

Enclosed are the original and fourteen copies of Plaintiff Securities and Exchange Commission's Notice of Filing of Report from the FINRA Investor Education Foundation (Third Quarter 2011). Please file the original in the *Bear, Stearns* action (03 Civ. 2937 (WHP)) and one copy in each of the other above-referenced actions as if it was an original. Also enclosed is an additional copy, which we request be date and/or time stamped and returned in the enclosed prepaid envelope. Thank you for your assistance.

Sincerely,

M. Alexander Koch

Enclosures

cc: Hon. William H. Pauley III (w/encl.); Counsel of Record (by e-mail, w/encl.)