

Waddell & Reed, Inc., Waddell & Reed Investment Management Company, and Waddell & Reed Services Company

Consent Order

DATE: July 24, 2006

RESPONDENTS: Waddell & Reed, Inc., Waddell & Reed Investment Management Company, and Waddell & Reed Services Company

ALLEGATIONS:

- Waddell & Reed, Inc., Waddell & Reed Services Company and Waddell & Reed Investment Management Company engaged in an act, practice or course of business that operated as a fraud or deceit upon long-term shareholders of Waddell & Reed mutual funds.
- Respondent Waddell & Reed engaged in dishonest and unethical business practices.
- Respondent Waddell & Reed Investment Management Company engaged in unethical business practices

CONSENT ORDER: Without admitting or denying any allegations, Waddell & Reed agreed to pay a fine of \$2,000,000 to the Office of the Securities Commissioner.

Notice to Investors: If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.