

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT COMPANY ACT OF 1940
Release No. 28386 / September 22, 2008

In the Matter of	:
	:
The Reserve Fund, on behalf of two of its series, the Primary Fund and the U.S. Government Fund	:
	:
1250 Broadway	:
New York, NY 10001-3701	:
	:
File No. 812-13576	:

ORDER TEMPORARILY SUSPENDING REDEMPTION OF INVESTMENT COMPANY SHARES AND POSTPONING PAYMENT FOR INVESTMENT COMPANY SHARES WHICH HAVE BEEN SUBMITTED FOR REDEMPTION FOR WHICH PAYMENT HAS NOT BEEN MADE PURSUANT TO SECTION 22(e)(3) OF THE INVESTMENT COMPANY ACT OF 1940

The Reserve Fund (the “Trust” or the “Applicant”), an open-end management investment company registered with the Commission under the Investment Company Act of 1940 (the “Act”), has filed an application on behalf of two of its series, the Primary Fund and the U.S. Government Fund (the “Funds”), for a temporary order pursuant to section 22(e)(3) of the Act permitting (a) suspension of the right of redemption of their outstanding redeemable securities, and (b) postponement of payment for shares which have been submitted for redemption for which payment has not been made.

Section 22(e) of the Act provides, in relevant part, that no registered investment company shall suspend the right of redemption, or postpone the date of payment upon redemption except

“(3) for such...periods as the Commission may by order permit for the protection of security holders of the company.”

Applicant represents that: (1) the board, including a majority of directors that are not interested persons of the Trust: (a) determined, on September 17, 2008, that a suspension of redemption is in the best interest of each Fund’s shareholders, and (b) determined, on September 17, 2008, that a postponement of payment for shares which have been submitted for redemption for which payment has not been made is in the best interest of each Fund’s shareholders, and (c) will create a plan for the orderly liquidation of each Fund’s assets to meet redemption requests and for the appropriate payments to each Fund’s shareholders, including those whose redemption orders have been received but not yet paid, which plan is subject to Commission supervision; (2) the Funds have suspended sales; and (3) the Funds will make and keep appropriate records surrounding these events.

Based on the representations in the application, including those relating to the current extraordinary market conditions, the Commission finds that the temporary suspension of the right of redemption and postponement of payment for shares which have been submitted for redemption for which payment has not been made by the Funds is necessary for the protection of their security holders.

Accordingly, IT IS ORDERED, pursuant to section 22(e)(3) of the Act, that the requested exemption from section 22(e) of the Act is granted until the markets are liquid to a degree that enables each Fund to liquidate portfolio securities without impairing the net asset value of each Fund, or the Commission, on its own initiative, rescinds the order granted herein. This order shall be in effect as of September 17, 2008.

By the Commission.

Florence E. Harmon
Acting Secretary