UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6912 / August 29, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-22518

In the Matter of **Vanguard Advisers, Inc.** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act"), against Vanguard Advisers, Inc. ("Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-And-Desist Proceedings, Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-And-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Summary

1. This matter arises from Respondent's failure to adequately disclose conflicts of interest in connection with its recommendation to prospective clients and existing clients (collectively referred to as "clients") to enroll in Respondent's managed account program known as Personal Advisor Services ("PAS"), a fee-based advisory service that provides clients with ongoing portfolio management of their accounts.

2. From August 2020 through December 2023 (the "Relevant Period"), Respondent's performance review system considered, among other things, certain metrics that incentivized its financial advisors that serviced PAS ("PAS Advisors") to enroll and retain clients in PAS. During the Relevant Period, Respondent failed to adequately disclose the conflict of interest that this incentive compensation system presented because certain disclosures contained contradictory statements about PAS Advisors' receipt of incentive compensation.

3. While Respondent's Form ADV Part 2 Brochure for PAS ("PAS Brochure") disclosed that some PAS Advisors were eligible for a discretionary bonus and that the performance review process created a financial incentive for PAS Advisors to recommend PAS over other advisory programs and brokerage services offered by Respondent and its affiliates, both the firm's Form CRS and Supplement to the PAS Brochure contained contradictory disclosures that PAS Advisors received no additional compensation. Additionally, Respondent made misleading statements in marketing materials regarding PAS Advisors' conflicts of interest, including that PAS Advisors received no outside compensation or financial incentives.

4. Respondent also failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act relating to the disclosure of conflicts of interest.

5. Based on the foregoing and as detailed below, Respondent violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder.

Respondent

6. **Vanguard Advisers, Inc. ("Vanguard Advisers")** is a registered investment adviser (SEC#: 801-49601) with its principal place of business in Malvern, Pennsylvania. Vanguard Advisers has been registered with the Commission as an investment adviser since July 1995 and, on its Form ADV dated March 31, 2025, reported more than $300 billion in regulatory assets under management. Vanguard Advisers is an indirect, wholly owned subsidiary of The Vanguard Group, Inc.

Background: Respondent's Advisory Service

7. PAS is an advisory service offered through Respondent to retail clients. Clients that enroll in PAS are provided investment advice and ongoing portfolio management by PAS Advisors, who are investment adviser representatives. PAS clients pay an annual advisory fee,

which is assessed quarterly, and starts at 0.30% of assets under management and decreases as the client's assets cross certain thresholds.

8. Prior to enrolling in PAS, a prospective client typically scheduled an initial consultation to discuss the service and their eligibility to enroll, which required the prospective client to have a minimum of $50,000 in assets in eligible Vanguard brokerage accounts. Based on the amount of assets held, the prospective client would have their consultation with a PAS Advisor in one of two sectors: (1) those with eligible assets between $50,000 and $499,999 would speak to an advisor in Mass Affluent, now known as Vanguard Personal Advisor; and (2) those with eligible assets between $500,000 and $5 million would speak to an advisor in High Net Worth, now known as Vanguard Personal Advisor Select. PAS Advisors serving High Net Worth clients ("High Net Worth Advisors") were eligible for a bonus, while PAS Advisors serving Mass Affluent clients ("Mass Affluent Advisors") were only eligible to receive merit raises unless and until they were promoted to a bonus-eligible position.

9. Before the initial consultation, the prospective client was provided with Vanguard Advisers' PAS disclosures (discussed in detail below), an investor profile questionnaire, and an advice consent form. During the initial consultation, the PAS Advisor would explain the service and collect detailed information about the prospective client, their accounts, and their needs.

10. Following the consultation, using tools developed by Vanguard Advisers for portfolio selection, the PAS Advisor would prepare a financial plan with portfolio recommendations and deliver that plan to the prospective client. The PAS Advisor would explain the financial plan and, where appropriate, advise the prospective client to enroll in PAS. If the prospective client accepted the recommendation, they would sign an agreement enrolling them in PAS and the PAS Advisor would provide ongoing portfolio management advice.

PAS Advisors: Annual Metrics and Incentive Compensation

11. Prior to the beginning of each year of the Relevant Period, PAS Advisors received a "Right Start Packet" that explained their performance metrics and expected outcomes for the year. The Right Start Packet included various "competencies" along with quantitative metrics that would be considered in a PAS Advisor's performance review. The quantitative metrics included an "Implementation Count" metric, which measured the total number of clients the PAS Advisor enrolled into PAS each month, and an "Implementation Rate" metric, which measured the total number of clients the PAS Advisor enrolled in PAS relative to the number of initial consultations the PAS Advisor conducted.

12. PAS Advisors also had a "Retention Rate" metric, which measured the number of clients the advisor retained in PAS over the number of clients lost. The Right Start Packets also included metrics related to number of consultations completed per month, the PAS Advisor's utilization rate, and goals related to risk measures.

13. A PAS Advisor's performance on these annual metrics, which was tracked on a dashboard throughout the year, factored into the PAS Advisor's year-end performance rating, which in turn determined the advisor's bonus and/or merit increase for the year. Specifically, at the end of each year, the manager for the PAS Advisor evaluated the advisor's performance on

their annual metrics in the Right Start Packet alongside a number of qualitative criteria and assigned the advisor a year-end performance rating, i.e., "On Track," "Did Not Meet Expectations," "Further Development Needed," "Fully Successful" or "Distinguished."

14. In determining the PAS Advisor's year-end performance rating, the manager considered not only the metrics discussed above, but also factors falling within five competencies, one of which was measured in part through the quantitative dashboard metrics. The other four competencies included behaviors such as sharing expertise with and assisting colleagues, contributing to an inclusive and collaborative work environment, communicating openly with colleagues, building subject matter expertise and industry knowledge, understanding Vanguard's business model and financials, deepening investment acumen, and staying current with technological trends. These competencies did not have specific quantitative measures, but instead were evaluated qualitatively as skills that PAS Advisors were expected to develop as a way of meeting their annual metrics and accomplishing their expected outcomes. According to the Right Start Packet, PAS Advisors' performance on their annual metrics and expected outcomes, which included the Implementation Count, Implementation Rate, and Retention Rate metrics, served as the anchor for their overall year-end rating, which was then adjusted up or down based on the PAS Advisors' qualitative performance in the five competencies.

15. Each PAS Advisor was assigned a potential bonus range (for High Net Worth Advisors only) and/or a salary increase range based on their year-end performance ratings. Managers had discretion to award a bonus and/or salary increase within the prescribed range. As a general matter, the higher the year-end rating, the higher the bonus and salary increase ranges that a PAS Advisor could be awarded. Because performance on dashboard metrics, including the implementation and retention rate metrics, factored into the determination of the year-end performance rating, which in turn factored into determination of the bonus range and/or salary increase percentage, this structure incentivized PAS Advisors to enroll and retain clients in PAS.

16. Managers had discretion to choose bonuses and/or salary increase awards within the applicable ranges. Together, the average bonus and merit increase for a High Net Worth Advisor totaled approximately 10-15% of their salary. During the Relevant Period, Mass Affluent Advisors were only eligible to receive merit raises unless and until they were promoted to a High Net Worth Advisor. To be eligible for promotion, a Mass Affluent Advisor had to receive a year-end rating of at least "Fully Successful." Therefore, Mass Affluent Advisors were further incentivized by promotions, which provided the possibility of future bonuses, to meet their performance goals related to the implementation and retention of clients in PAS.

Respondent's Website Statements

17. During the Relevant Period, Respondent's website described PAS Advisors as salaried advisors that do not work on commissions and "have no financial incentives to recommend certain products." Additionally, Respondent's website stated that PAS Advisors had "no outside incentives, so they'll always put your interests first."

18. These statements were misleading because PAS Advisors were incentivized through their performance reviews' potential impact on compensation and, in some cases,

promotions, to recommend that clients enroll and remain in PAS. These statements regarding financial incentives were removed from the website in 2023.

Respondent's Brochure Supplement and Form CRS Contained Statements Contradicting the PAS Brochure

19. During the Relevant Period, Respondent had three sets of client disclosures related to PAS, which were provided to prospective clients as a package prior to their initial consultation: (1) the PAS Brochure; (2) a Form ADV Part 2B, also known as a Supplement to the PAS Brochure ("Supplement"); and (3) an Advisor Client Relationship Summary ("Form CRS"). Although Respondent's PAS Brochure disclosed that some PAS Advisors were eligible for a discretionary bonus and that the performance review process created a financial incentive for PAS Advisors to recommend PAS, Respondent's Supplement and Form CRS contained statements regarding PAS Advisors' compensation that contradicted the PAS Brochure. Therefore these disclosures failed to adequately disclose the conflicts of interest resulting from Vanguard Advisers' incentive compensation structure.

20. At the beginning of the Relevant Period, the PAS Brochure included the following disclosure regarding PAS Advisors' discretionary bonus:

> Certain VAI supervised persons are eligible to receive a discretionary bonus based on a range of different factors, including the qualified clients they refer to Personal Advisor Services. This bonus structure creates a financial incentive for the VAI supervised persons to recommend Personal Advisor Services over other advisory programs and brokerage services offered by Vanguard and its affiliates. Vanguard maintains and enforces policies reasonably designed to identify and disclose and minimize or eliminate these conflicts of interest. The discretionary bonus isn't based on any recommendations or sales of specific securities.

21. Notwithstanding the disclosure in the PAS Brochure, the 2020 Supplement, which addressed the compensation of specific PAS Advisors, stated that they received "no special or additional compensation in connection with the advisory services provided."[2] In addition, Respondent's 2020 Form CRS contained contradictory language regarding PAS Advisor compensation, which read: "Our advisors servicing PAS are salaried employees who do not earn commissions or additional compensation based on the products they recommend or the amount of assets they service." Yet, as noted above, PAS Advisors were eligible to receive additional compensation based in part on the number of clients they successfully enrolled and kept in the PAS program. Additionally, the Form CRS instructed clients to see the "Fees and compensation" section of each program's Form ADV Brochure for more details on how the firm's affiliates make money and the conflicts involved; however, the disclosure regarding discretionary bonuses in the PAS Brochure appeared not in the "Fees and compensation section" but rather in the "Client referrals and other compensation" section.

[2] According to the Instructions for Part 2B of the Form ADV, if the supervised person receives an economic benefit for providing advisory services, the firm should generally describe the arrangement in the Additional Compensation section. "Any bonus that is based, at least in part, on the number or amount of sales, *client* referrals, or new accounts should be considered an economic benefit." (emphasis in original).

22. In March 2021, Respondent revised its PAS Brochure to read:

> Certain VAI supervised persons are eligible to receive variable compensation based on discretionary and nondiscretionary factors, including the number of qualified clients who set up consultations and/or invest in Personal Advisor Services. This variable compensation structure creates a financial incentive for certain VAI supervised persons to recommend Personal Advisor Services over other advisory programs and brokerage services offered by Vanguard and its affiliates. Vanguard maintains and enforces policies reasonably designed to identify and disclose and minimize or eliminate these conflicts of interest. Neither the VAI supervised persons nor the advisors who deliver advice are compensated for or on the basis of any recommendation or sales of specific securities.

23. Following this revision, Respondent's Supplement and Form CRS continued to include the same contradictory language discussed above. Respondent moved the variable compensation disclosure to the "Fees and compensation" section of the PAS Brochure in 2021; however, this change still did not resolve the contradiction in the disclosures. Additionally, the new last sentence of the disclosure in the PAS Brochure appears to distinguish between the "supervised persons" who "are eligible to receive variable compensation" (as noted in the first sentence of the disclosure) and "the advisors who deliver advice," making it difficult for a client to determine whether the advisors servicing PAS are subject to the potential conflict of interest.

24. In March 2023, Respondent updated the PAS Brochure to include additional detailed information about the conflict of interest resulting from the bonus compensation; however, the Form CRS and Supplement continued to contain the same contradictory language as the 2020 versions of these disclosures for several more months.

25. In November 2023, Respondent updated the Supplement to remove the statement that advisors "receive no special or additional compensation in connection with the advisory services provided" and to disclose that certain PAS Advisors are "eligible to receive an annual discretionary bonus." In December 2023, Respondent updated the Form CRS to state: "Advisors who deliver advice to clients are paid base compensation and are eligible for an annual payment from an enterprise-wide compensation plan. Certain advisors are also eligible to receive an annual discretionary bonus."

Respondent Failed to Adopt and Implement Policies and Procedures

26. During the Relevant Period, Respondent did not adopt and implement any written policies and procedures reasonably designed to prevent it from making misleading statements to clients regarding incentive compensation or to ensure that it fully disclosed the conflicts of interest created by its compensation structure.

27. Respondent's fiduciary standard policy stated:

> [I]t is the policy of VAI to promptly identify conflicts of interest and other compliance factors that create risk exposure for VAI or its clients in light of VAI's particular operations and then work with Vanguard's Compliance Department and/or

Legal Department (and, where applicable, Vanguard's senior management and/or board of directors) to design policies and procedures to address such conflicts of interest or other compliance factors.

28. Although Respondent's policy required it to identify and disclose conflicts of interest and to design policies that address conflicts of interest, Respondent did not have any written policies and procedures in place to ensure that conflicts of interest with respect to PAS Advisors' compensation incentives were identified and disclosed. Therefore, Respondent had no written policies and procedures to prevent it from making misleading statements to clients regarding PAS Advisors' incentive compensation and to prevent its failure to provide full and fair disclosure of the conflicts of interest created by the incentive compensation.

Respondent's Cooperation and Remedial Efforts

29. In determining to accept the Offer, the Commission considered Respondent's cooperation with the staff's investigation and remedial acts undertaken by Respondent as set forth below.

30. As noted, Respondent (i) in 2023 removed the language from its website that stated PAS Advisors received no outside or financial incentives; (ii) in November 2023, updated the Supplement; and (iii) in December 2023 updated its Form CRS.

31. In addition, Respondent hired a consultant to review its disclosure and conflict of interest identification approach.

Violations

32. As a result of the conduct described above, Respondent willfully[3] violated Section 206(2) of the Advisers Act, which prohibits an investment adviser from, directly or indirectly, engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client. A violation of Section 206(2) of the Advisers Act may rest on a finding of simple negligence; scienter is not required. *SEC v. Steadman*, 967 F.2d 636, 643 n.5 (D.C. Cir. 1992) (citing *SEC v. Capital Gains Research Bureau, Inc.*, 373 U.S. 180, 195 (1963)); *SEC v. Hughes Capital Corp.*, 124 F.3d 449, 453-54 (3d Cir. 1997).

33. As a result of the conduct described above, Respondent willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, which requires registered investment

[3] "Willfully," for purposes of imposing relief under Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Section 203(e) of the Advisers Act, "'means no more than that the person charged with the duty knows what he is doing.'" *See Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

advisers to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and its rules.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, pursuant to Sections 203(e) and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7, thereunder.

B. Respondent is censured.

C. Respondent shall pay a civil monetary penalty totaling $19,500,000 as follows:

(i) Respondent shall pay a civil monetary penalty in the amount of $19,500,000, consistent with the provisions of this Subsection C.

(ii) Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, a Fair Fund is created for the penalty described above for distribution to affected PAS clients. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

(iii) Within ten (10) days of the issuance of this Order, Respondent shall deposit $19,500,000 (the "Fair Fund") into an escrow account at a financial institution not unacceptable to the Commission staff and Respondent shall provide evidence of such deposit in a form acceptable to the Commission staff. The account holding the assets of the Fair Fund shall bear the name and the taxpayer identification number of the Fair Fund. If timely payment into the escrow account is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

(iv) Respondent shall be responsible for administering the Fair Fund and may hire a professional at its own cost to assist in the administration of the distribution. The costs and expenses of administering the Fair Fund, including any such professional services, shall be borne by Respondent and shall not be paid out of the Fair Fund.

(v) Respondent shall distribute from the Fair Fund to each client that enrolled in PAS during the Relevant Period an amount representing that client's pro rata share of advisory fees paid, plus reasonable interest from any remaining funds, pursuant to a disbursement calculation (the "Calculation") that will be submitted to, reviewed, and approved by the Commission staff in accordance with this Subsection C. The Calculation shall be subject to a de minimis threshold. No portion of the Fair Fund shall be paid to any affected PAS client account in which Respondent, or any of their current or former officers or directors, has a financial interest.

(vi) Respondent shall, within one hundred eighty (180) days from the date of this Order, submit a calculation to the Commission staff for review and approval. At or around the time of submission of the proposed distribution Calculation to the staff, Respondent shall make itself available, and shall require any third-parties or professionals retained by Respondent to assist in formulating the methodology for its Calculation and/or administration of the distribution to be available, for a conference call with the Commission staff to explain the methodology used in preparing the proposed Calculation and its implementation, and to provide the staff with an opportunity to ask questions. Respondent also shall provide the Commission staff such additional information and supporting documentation as the Commission staff may request for the purpose of its review. In the event of one or more objections by the Commission staff to Respondent's proposed Calculation or any of their information or supporting documentation, Respondent shall submit a revised Calculation for the review and approval of the Commission staff or additional information or supporting documentation within ten (10) days of the date that the Commission staff notifies Respondent of the objection. The revised Calculation shall be subject to all of the provisions of this Subsection C.

(vii) Respondent shall, within thirty (30) days of the written approval of the Calculation by the Commission staff, submit a payment file (the "Payment File") for review and acceptance by the Commission staff demonstrating the application of the methodology to each affected investor. The Payment File should identify, at a minimum, (1) the name of each affected PAS client; (2) the net amount of the payment to be made, less any tax withholding; (3) the amount of any *de minimis* threshold to be applied; and (4) the amount of reasonable interest paid. Respondent shall exclude from the payee file all payments to payees that appear on the U.S. Treasury Department Specially Designated Nationals List.

(viii) Respondent shall disburse all amounts payable to affected PAS clients within ninety (90) days of the date the Commission staff accepts the Payment File, unless such time period is extended as provided in Paragraph (xii) of this Subsection C.

Respondent shall notify the Commission staff of the date[s] and the amount paid in the initial distribution.

(ix) If Respondent is unable to distribute or return any portion of the Fair Fund for any reason, including an inability to locate an affected PAS client or a beneficial owner of an affected PAS client or any other factors beyond Respondent's control, Respondent shall transfer any such undistributed funds to the Commission for transmittal to the United States Treasury in accordance with Section 21F(g)(3) of the Exchange Act once the distribution of funds is complete and before the final accounting provided for in Paragraph (xi) of this Subsection C is submitted to the Commission staff. Payment must be made in one of the following ways:

a. Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

b. Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

c. Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Vanguard Advisers, Inc. as Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Natalie M. Brunson, Division of Enforcement, Securities and Exchange Commission, 950 East Paces Ferry Road, N.E. Suite 900, Atlanta, GA 30326-1382.

(x) A Fair Fund is a Qualified Settlement Fund ("QSF") under Section 468B(g) of the Internal Revenue Code ("IRC"), 26 U.S.C. §§ 1.468B.1-1.468B.5. Respondent agrees to be responsible for all tax compliance responsibilities associated with the Fair Fund's status as a QSF. These responsibilities involve reporting and paying requirements of the Fund, including but not limited to: (1) tax returns for the Fair Fund; (2) information return reporting regarding the payments to investors, as required by applicable codes and regulations; and (3) obligations resulting from compliance with the Foreign Account Tax Compliance Act (FATCA). Respondent may retain any professional services necessary. The costs and expenses of tax compliance, including any such professional services, shall be borne by Respondent and shall not be paid out of the Fair Fund.

(xi) Within one hundred fifty (150) days after Respondent completes the disbursement of all amounts payable to affected investors, Respondent shall return all undisbursed funds to the Commission pursuant to the instructions set forth in this Subsection C. The Respondent shall then submit to the Commission staff a final accounting and certification of the disposition of the Fair Fund for Commission approval, which final accounting and certification shall include, but not be limited to: (1) the amount paid to each payee, with the reasonable interest amount, if any, reported separately; (2) the date of each payment; (3) the check number or other identifier of the money transferred; (4) the amount of any returned payment and the date received; (5) a description of the efforts to locate a prospective payee whose payment was returned or to whom payment was not made for any reason; (6) the total amount, if any, to be forwarded to the Commission for transfer to the United States Treasury; and (7) an affirmation that Respondent has made payments from the Fair Fund to affected PAS clients in accordance with the Calculation approved by the Commission staff. The final accounting and certification shall be submitted under a cover letter that identifies Respondent and the file number of these proceedings to Natalie M. Brunson, Assistant Regional Director, Division of Enforcement, Atlanta Regional Office, Securities and Exchange Commission, 950 East Paces Ferry Road, N.E. Suite 900, Atlanta, GA 30326-1382. Respondent shall provide any and all supporting documentation for the accounting and certification to the Commission staff upon its request and shall cooperate with any additional requests by the Commission staff in connection with the accounting and certification.

(xii) The Commission staff may extend any of the procedural dates set forth in this Subsection C for good cause shown. Deadlines for dates relating to the Fair Fund shall be counted in calendar days, except if the last day falls on a weekend or federal holiday, the next business day shall be considered the last day.

By the Commission.

Vanessa A. Countryman
Secretary