## UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934 Release No. 82231 / December 7, 2017

**ADMINISTRATIVE PROCEEDING** File No. 3-12114

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In the Matter of : ORDER APPROVING

American Express Financial : APPLICATION OF FUND Corporation (now known as : ADMINISTRATOR FOR Ameriprise Financial, Inc.), : PAYMENT OF FEES AND

: EXPENSES AND APPROVAL OF

Respondent. : FUTURE FEES AND EXPENSES

On December 1, 2005, the Securities and Exchange Commission ("Commission") issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Order") against American Express Financial Corporation (now known as Ameriprise Financial, Inc.) ("Respondent"). The Order found that Respondent allowed market timing in certain of its mutual funds and variable annuity products from January 1, 2002 through October 2003 that was contrary to fund prospectuses and not disclosed to shareholders and Respondent directors. The Order required Respondent to pay disgorgement of \$10,000,000 and a civil money penalty of \$5,000,000 and established a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, for the distribution of the \$15,000,000 paid by Respondent.

<sup>&</sup>lt;sup>1</sup> Advisers Act Rel. No. 2451 (Dec. 1, 2005).

On April 1, 2016, the Commission issued an order appointing Rust Consulting, Inc. as the Fund Administrator and setting the administrator's bond at \$15,000,000.<sup>2</sup> Also on April 1, 2016, pursuant to Rule 1103 of the Commission's Rules on Fair Fund and Disgorgement Plans ("Commission's Rules"), 17 C.F.R. § 201.1103, the Commission issued a Notice of Proposed Plan of Distribution and Opportunity for Comment.<sup>3</sup> No comments were received, and subsequently, the Plan of Distribution ("Plan") was approved on May 12, 2016.<sup>4</sup>

The Plan provides for the payment of the Fund Administrator's fees and expenses from the Fair Fund. In accordance with Rule 1105(d) of the Commission's Rules, 17 C.F.R. § 201.1105(d), the Fund Administrator has submitted invoices for services rendered from April 1, 2016 through April 10, 2017, totaling \$87,988.52 to Commission staff. The Commission staff has reviewed the Fund Administrator's invoices, confirmed that the services have been provided, and finds the fees and expenses of \$87,988.52 to be reasonable and in accordance with the Plan. The Commission staff has requested that the Commission authorize the Office of Financial Management ("OFM") to pay the Fund Administrator's current fees and expenses of \$87,988.52 from the Fair Fund.

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of the Assistant Director of the Office of Distributions, to pay the Fund Administrator's future fees and expenses, so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of approved cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission's Rules, 17 C.F.R. § 201.1105(d), that OFM pay the Fund Administrator's current fees and

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<sup>&</sup>lt;sup>2</sup> See Order Appointing Fund Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 77498 (Apr. 1, 2016).

<sup>&</sup>lt;sup>3</sup> Exchange Act Rel. No. 77497 (Apr. 1, 2016).

<sup>&</sup>lt;sup>4</sup> Exchange Act Rel. No. 77816 (May 12, 2016).

expenses of \$87,988.52 from the Fair Fund. Further, OFM is authorized to pay, at the direction of the Assistant Director of the Office of Distributions, any future fees and expenses of the Fund Administrator, so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

By the Commission.

Brent J. Fields Secretary