

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74005 / January 6, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-14909

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In the Matter of	:	
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OPPENHEIMERFUNDS, INC.	:	
	:	
and	:	ORDER APPROVING
	:	APPLICATION OF FUND
OPPENHEIMERFUNDS	:	ADMINISTRATOR FOR
DISTRIBUTOR, INC.,	:	PAYMENT OF FEES AND
	:	EXPENSES
Respondents.	:	
_____	:	

On June 6, 2012, the Securities and Exchange Commission (“Commission”) issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 15(b)(4) of the Securities Exchange Act of 1934, 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, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order against Oppenheimerfunds, Inc. (“OFI”) and Oppenheimerfunds Distributor, Inc. (collectively, “Respondents”) (the “Order”).¹ As set forth in the Order, prior to and during the height of the 2008 financial crisis, Respondents made misrepresentations regarding two fixed income mutual funds managed by OFI: Oppenheimer Champion Income Fund and Oppenheimer Core Bond Fund. The Order required OFI to pay disgorgement of \$9,879,706, prejudgment interest of \$1,487,190, and a civil money

¹ Securities Act Rel. No. 9329 (June 6, 2012).

penalty of \$24 million, for a total of approximately \$35.4 million. The Order also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended.

On March 14, 2013, the Commission issued an order appointing Epiq Class Actions & Claims Solutions, Inc. (“Epiq”) as the Fund Administrator and approving the Fund Administrator bond in the amount of \$35,500,000.00.² On December 18, 2013, the Commission issued a Notice of Proposed Plan of Distribution and Opportunity for Comment.³ No comments were received, and subsequently, the Plan of Distribution (“Plan”) was approved on February 5, 2014.⁴

The Plan provides for the payment of the Fund Administrator for administering the Plan. The Plan states that all payments to the Fund Administrator will be paid from the Fair Fund after review by Commission staff and approval by the Commission. In addition, the Plan states that the cost of the bond premium for the \$35.5 million bond will be paid by the Fair Fund. Both payments will first be made from the interest earned on the invested funds, then, if not sufficient, from the corpus of the Fair Fund.

The Fund Administrator has submitted eight invoices totaling \$622,066.14 to Commission staff that covers the period from Epiq’s appointment on March 14, 2013 to September 30, 2014. The Commission staff has reviewed the Fund Administrator’s invoices, confirms that the services have been provided, and finds the fees and expenses of \$622,066.14 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 invoiced fees and expenses of

² See Order Appointing Fund Administrator and Approving Fund Administrator Bond, Exchange Act Rel. No. 69138 (March 14, 2013).

³ See Notice of Proposed Plan of Distribution and Opportunity for Comment, Exchange Act Rel. No. 71119 (December 18, 2013).

⁴ See Order Approving Distribution Plan, Exchange Act Rel. No. 71493 (February 5, 2014).

\$622,066.14 from the Fair Fund, and in addition to authorize OFM to pay, at the direction of the Assistant Director of the Office of Distributions, the Fund Administrator's future fees and expenses up to, but not to exceed, \$35,000 per monthly invoice, so long as the total amount paid to the Fund Administrator as of the date of the invoice to be paid does not exceed the total amount of the cost proposal submitted by the Fund Administrator by more than \$5,000.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105(d), that OFM pay the Fund Administrator's fees and expenses in the amount of \$622,066.14. Further, OFM is authorized to pay, at the direction of the Assistant Director of the Office of Distributions, any future fees and expenses up to, but not to exceed, \$35,000 per monthly invoice, so long as the total amount paid to the Fund Administrator, as of the date of the invoice to be paid, does not exceed the total amount of the cost proposal submitted by the Fund Administrator by more than \$5,000.

By the Commission.

Brent J. Fields
Secretary