

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

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6536 / January 25, 2024**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21837**

**In the Matter of**

**AON INVESTMENTS USA INC.,  
fka AON HEWITT INVESTMENT  
CONSULTING, 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 Aon Investments USA Inc., fka Aon Hewitt Investment Consulting, Inc. (“Aon” or “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<sup>1</sup> that:

#### Summary

This matter involves misconduct by registered investment adviser Aon that was inconsistent with its duty to its client, the Pennsylvania Public School Employees' Retirement System ("PSERS") under the Advisers Act. Since 2013, Aon has acted as an investment adviser for PSERS and provided certain investment advisory and investment consulting services to PSERS pursuant to a written agreement. As set out in its agreement with PSERS, Aon was responsible for, among other things, calculating PSERS's investment returns, which were then used for calculating what is known as "risk share." Risk share is a provision in the Pennsylvania Pension Code that requires certain public school employees to contribute more to the retirement fund if certain annualized investment return targets, or "hurdles," are not met. The investment return hurdle rate for the nine-year period ended June 30, 2020 was 6.36%. This meant that, if PSERS's annualized investment return rate for that nine-year period ("Risk Share Return Rate") was lower than 6.36%, the risk share provision would be triggered and public school employees would be required to contribute more to the retirement fund going forward. In December 2020, Aon reported to PSERS that the Risk Share Return Rate was 6.38% – just high enough to avoid triggering risk share. The PSERS Board of Trustees (the "Board") certified employee contribution rates based on that figure.

Beginning in June 2020, PSERS staff had repeatedly raised questions about Aon's calculation of the Risk Share Return Rate. Prior to the Board certification, PSERS staff noted, and repeatedly asked Aon to investigate, a 37 basis point (0.37%) discrepancy between: (1) the 2015 performance returns used to calculate the Risk Share Return Rate; and (2) the performance returns reported for 2015 in the Commonwealth of Pennsylvania's Annual Comprehensive Financial Report ("Annual Financial Report"). In response to these inquiries from PSERS staff, Aon failed to adequately investigate the discrepancy. Aon also misstated to PSERS that the discrepancy was not due to errors in the 2015 returns used to calculate the Risk Share Return Rate, but instead reflected retroactive adjustments to the returns reported in the Annual Financial Report to reflect updated figures received after quarter close. Aon also provided PSERS with two other reasons for the 37 basis point discrepancy that Aon had already ruled out as causes for the discrepancy.

In January 2021, Aon identified errors in the underlying performance data used to calculate the Risk Share Return Rate. In February 2021, Aon realized that those errors impacted PSERS's overall return and required the recalculation of the Risk Share Return Rate. In March 2021, Aon reported to PSERS management and the Board that the corrected Risk Share Return Rate was 6.34%. This revised result triggered risk share and required additional employee pension contributions. Even after the error was discovered, Aon made misstatements and omitted facts in communications with PSERS about the extent to which Aon understood the nature and impact of the errors.

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<sup>1</sup> 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.

Aon acted inconsistent with its duties as an investment adviser to PSERS by failing to adequately investigate the discrepancy between the underlying performance data used by Aon to calculate the Risk Share Return Rate and the historically reported returns and by making material misstatements and omissions in communications to PSERS concerning the causes of the discrepancy and the extent to which Aon understood those causes. As a result of the conduct described herein, Aon violated Section 206(2) of the Advisers Act.

### **Respondent**

1. **Aon**, an Illinois corporation headquartered in Chicago, Illinois, is registered with the Commission as an investment adviser and has assets under management of approximately \$123.92 billion. Aon is wholly owned by Aon Consulting, Inc., an indirect subsidiary of its ultimate parent, Aon plc. Aon plc's stock is registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 ("Exchange Act") and traded on the NYSE.

### **Other Relevant Entity**

2. **PSERS** is the administrator of a cost-sharing multiple employer retirement system headquartered in Harrisburg, Pennsylvania. Since 1917, PSERS has been serving Pennsylvania's public school employees. PSERS has over 500,000 members. As of June 30, 2022, PSERS's assets totaled approximately \$71.2 billion. The Board, which consists of 15 members, is an independent administrative Board of the Commonwealth. The members of the Board have exclusive control and management of the retirement fund and full power to invest the fund's assets.

### **Background on Risk Share**

3. In 2010, the Pennsylvania legislature adopted certain amendments to the Pennsylvania Pension Code, including what is often referred to as the "risk share" provision. Generally speaking, "risk share" provides that public school employees hired after June 30, 2011 will not have to contribute additional money to their pensions when PSERS's investments are performing well, but will have to contribute additional money to their pensions when its investments are underperforming compared to the risk share hurdle rate. To determine whether the "risk share" provision requiring additional contributions is triggered, PSERS is required to compare its investment return rate for the prior ten-year period to the return assumption adopted by the Board (*i.e.*, the risk share hurdle rate). If the risk share hurdle rate is not met (*i.e.* PSERS investments are underperforming), then employees hired after June 30, 2011 will be required to contribute additional money. Prior to PSERS's fiscal year 2020, risk share had not previously been triggered.

4. In 2013, Aon was engaged as an investment adviser and to provide general investment consultant services to PSERS. In this role, Aon provided investment advisory services to PSERS, including advising on appropriate investment strategies, suitable investment opportunities, and the engagement and retention of investment managers in certain asset classes, and providing various performance measurement, risk and attribution services. As part of

measuring performance, Aon was also responsible for calculating PSERS's investment returns for purposes of risk share. During the relevant time period, an Aon lead partner (the "Aon Partner") and another Aon employee ("Aon Employee A") were assigned to the PSERS engagement.

5. To perform its performance calculations for PSERS, Aon used a third-party performance system called PARis. As part of its quarterly process to calculate PSERS's investment returns, Aon analysts imported PSERS's net asset values ("NAVs") and cash flows for the assets relevant here from PSERS's custodian bank into the PARis system. Neither PSERS nor the Board had access to the PARis system or the technological capability to review the underlying source data from the custodian bank.

**Aon Did Not Adequately Investigate PSERS's Concerns About Discrepancies  
Between Historical Returns and Returns Used To Calculate the Risk Share Return Rate**

6. In March 2020, PSERS staff began internally discussing the calculation of the Risk Share Return Rate for the period ended June 30, 2020.

7. On June 12, 2020, PSERS staff asked Aon Employee A to calculate the return that would be required for both the fiscal year and the quarter ending June 30, 2020 to achieve a nine-year rate of return of 6.36% (*i.e.*, to meet the risk share hurdle). Later that day, Aon Employee A provided PSERS staff with a spreadsheet of historical quarterly returns for purposes of estimating the Risk Share Return Rate. Some of the quarterly returns in the spreadsheet provided by Aon did not match the historical quarterly returns previously reported by Aon for those periods. On June 17, 2020, PSERS staff asked Aon Employee A to verify the quarterly return rates provided on the spreadsheet for fiscal years 2014-2017 "since some of those are significantly different from what we have on record." About an hour later, Aon Employee A responded that they "just double checked and the quarterly returns I sent [on June 12] do match what we have in our system."

8. On June 19, 2020, PSERS staff asked Aon Employee A whether the discrepancies in return rates that had been identified were due to subsequent adjustments to the return rates that were reported in prior quarterly reports. On the following day, Aon Employee A responded, "I assume so, yes but I don't know what historical numbers you're referencing."

9. In response, on June 29, 2020, PSERS staff sent a revised version of the June 12, 2020 quarterly return spreadsheet to Aon Employee A, with an added column comparing those returns with the historically reported returns for fiscal years 2015-2017. The difference between those figures for the quarter ended June 30, 2015 was particularly large – over 33 basis points (- 0.1723 vs. - 0.5087).

10. In the email transmitting this spreadsheet to Aon Employee A, PSERS staff stated, "Of particular interest is the June 2015 quarter which improved over 33 basis points. Can you verify for us that the changes in the quarterly returns for these three years are all due to subsequent adjustments?"

11. On July 30, Aon Employee A responded to PSERS that the discrepancies in return rates were due to retroactive adjustments to the historically reported returns. The only step that

Aon Employee A took to confirm that Aon’s historically reported quarterly performance returns were correct was to check that the returns in the spreadsheet matched the returns in the PARis system. Despite the 33 basis point discrepancy, Aon Employee A did not check whether the original source data from the custodian bank, to which Aon had access, matched the data in the PARis performance system.

**Aon Made Material Misstatements and Omissions  
to PSERS About the Reasons for the Reporting Discrepancies**

12. On August 12, 2020, the then-Treasurer of the Commonwealth of Pennsylvania sent a letter to PSERS management expressing concern about the reporting differences. In the letter, the Treasurer wrote, in relevant part:

I have been unable to locate past documentation provided to the Board that would explain these reporting differences. Perhaps something has been missed, but this issue has raised additional concerns since a comparison of [Annual Financial Report] returns and the most recent Aon returns appear to show changes in every year we reviewed. While some of the revisions appear within an expected range of a one to two basis point adjustment, there are years in which Aon reported greater changes. For example, there appears to be a thirty-seven basis point (37bps) increase from the originally released 2014/2015 fiscal rate of return....”<sup>2</sup>

(Emphasis added.)

13. Later that day, PSERS’s Chief Investment Officer (“CIO”) forwarded the Treasurer’s letter to the Aon Partner. The Aon Partner then forwarded the letter to Aon Employee A, writing that “[t]he change of the FY returns in prior years is a result of the restatement of some Private Equity I believe.”

14. On the morning of August 17, 2020, Aon Employee A emailed the Aon Partner suggesting possible causes for the 37 basis point discrepancy in reported returns for fiscal year 2015, including a plan restructuring that occurred in 2019 (the “2019 Restructuring”) and adjustments to a particular investment firm’s performance returns for fiscal year 2016 (the “2016 Adjustment”). By the afternoon of August 17, 2020, however, Aon had ruled out those events as the causes for the 37 basis point discrepancy in the reported performance returns for fiscal year 2015.

15. On August 18, 2020, PSERS’s CIO circulated a spreadsheet comparing PSERS’s historical performance returns, as calculated and reported by Aon, to the returns reported in PSERS’s Annual Financial Reports and noted that the “net fiscal year differences are immaterial.” The Aon Partner reached the same conclusion and responded to PSERS’s CIO that there was only one fiscal year in which the differences between the returns used for calculating the Risk Share

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<sup>2</sup> As noted above, the 33 basis point change is for the quarter ended June 30, 2015; the 37 basis point change is for the entire fiscal year ended June 30, 2015.

Return Rate and those reported in the Annual Financial Report were greater than 10 basis points and highlighted fiscal year 2015. The CIO requested an explanation, responding, “We should probably find out why the return in 2015 changed so much.” The Aon Partner does not appear to have responded to the email.

16. Between August 25, 2020 and September 1, 2020, PSERS and the Aon Partner exchanged drafts of responses to the Treasurer’s letter, with Aon taking the lead on, and providing the language in response to, questions concerning the discrepancy between the 2015 performance returns used to calculate the Risk Share Return Rate and the historically reported performance returns in the Annual Financial Report.

17. On August 25, 2020, the Aon Partner provided inserts for PSERS’s response to the Treasurer’s letter, including language about the reasons for the difference between the 2015 returns used for the Risk Share Return Rate calculation and the historically reported returns:

A combination of revisions to the market values and cash flows for some Private Credit funds [*i.e.*, the 2016 Adjustment] as well as the opening up of the performance books during the 3Q19 report to restructure the composites to reflect the new Investment Policy Statement division of public and private markets [*i.e.*, the 2019 Restructuring] resulted in the re-calculation of prior fiscal years.

Aon knew or should have known this was inaccurate. As described above, only a week earlier, Aon had ruled out these two explanations, which refer to the 2016 Adjustment and the 2019 Restructuring, as causes of the 37 basis point discrepancy in reported returns for fiscal year 2015.

18. On August 26, 2020, the Aon Partner sent a revised draft of this paragraph with Aon’s “further comments/edits” to PSERS, which included the addition of a sentence affirmatively stating that “[i]t was the combination of these two changes [noted in paragraph 17 above] that led to changes in the performance reported by Aon.” Once again, the Aon Partner inaccurately attributed the 2015 difference in performance returns to the 2016 Adjustment and the 2019 Restructuring.

19. Aon also misstated that the 2015 returns that Aon used to calculate the Risk Share Return Rate were not erroneous. On August 27, 2020, PSERS’s CIO sent the Aon Partner another draft of the response letter to the Treasurer. Later that day, the Aon Partner sent back a revised version of the letter which included the same paragraph, but also added two sentences to the end of that paragraph in response to a comment from PSERS about the adjustments to the 2015 returns reported in the Annual Financial Report not being in error: “We note that the originally reported returns in 2015 were not in error but were correct based on the NAVs and cashflows available at the time. The adjustments were made to reflect revised information.” Aon was at least negligent in making that representation because it did not know the reason for the discrepancy between the reported returns.

20. On August 31, 2020, the Aon Partner and PSERS staff, including PSERS’s CIO, had a conference call to discuss the most recent version of the response letter and “agreed upon

numerous updates.” As one of these updates, PSERS staff, based on information provided by Aon, revised the relevant paragraph and added a heading to further clarify that the explanations in that paragraph specifically applied to the 2015 returns, as follows:

#### FY 2015 Reporting Adjustment

Aon has re-reviewed the returns for Fiscal Year 2015 and has verified that the revised returns as reported in the March 31, 2020 report are correct based on the new revised NAVs received for some private market funds after the fiscal year close. A combination of (1) revisions to the market values and cash flows for some Private Credit funds [*i.e.*, the 2016 Adjustment] and (2) the opening up of the performance books during the third quarter 2019 report to restructure the composites to reflect the new Investment Policy Statement division of public and private markets [*i.e.*, the 2019 Restructuring] resulted in the re-calculation of prior fiscal years. It was the combination of these two changes that led to changes in the performance reported by Aon. The originally reported returns in 2015 were based on the NAVs and cashflows available at the time. The adjustments reflect revised information according to policy.

Representations that the discrepancy in reported performance returns was not due to errors appeared in other sections of this draft, including the following, “The use of ‘errors’ is incorrect. As shown above, these are adjustments that are made as more data is reported to PSERS. The adjustments are not errors in reporting.” These explanations were incorrect as Aon later learned that the underlying data errors, not subsequent adjustments to returns, accounted for the discrepancy.

21. On September 1, 2020, the Aon Partner approved the final version of the response letter to the Treasurer, which included the representations in paragraph 20 above, despite the fact that: (1) Aon still did not know what had caused the 2015 reporting discrepancy; and (2) Aon, had, in fact, already ruled out the two causes described in the letter. PSERS sent the letter to the Treasurer later that day. Notwithstanding the questions raised in the Treasurer’s letter, Aon did not check whether original performance data from the custodian bank, to which Aon continued to have access, matched the data in the PARis system.

#### **Aon’s Role in Certification of Employee Contribution Rates**

22. In December 2020, Aon reported to PSERS that the Risk Share Return Rate was 6.38% – just high enough to avoid triggering risk share. On December 3, 2020, the Board held a regular meeting to, among other things, review PSERS’s performance returns for risk share. At the meeting, a member of the Board asked PSERS’s Chief Financial Officer (“CFO”) whether the Risk Share Return Rate calculation was made using the values in the Annual Financial Report. The CFO responded that he had not run the calculation using those values, but offered to do so.

23. After this question was posed, the Aon Partner and PSERS’s CIO exchanged emails during the meeting about what the Risk Share Return Rate would be if they used the Annual Financial Report values. Both concluded that, using those values, the Risk Share Return Rate would be 6.34%. This figure was below the 6.36% statutory hurdle rate, and would have triggered

the risk share provision and required teachers to make increased contributions. Despite the importance of this question to PSERS, the Aon Partner did not initiate further investigation into the cause of the discrepancy in reported returns and assured PSERS that the 6.38% result was correct, writing to the CIO:

As you know we are very confident that the adjusted returns are accurate reflecting the revised information that we received on the valuation and therefore we are very confident that the 6.38% reported nine-year return is an accurate representation of PSERS' investment returns during the period.

24. Notwithstanding the question posed at the Board meeting, Aon did not check whether the source data from the custodian bank matched the data in the PARis system. The Board then certified employee contribution rates based on Aon's representations to PSERS concerning the accuracy of the investment returns.

**Aon Identified Reporting Errors, But Did Not Fully Investigate and Disclose the Impact of the Errors**

25. Beginning on the day after the Board's certification, Aon began to realize that there were errors that caused the 2015 discrepancy in performance returns. On December 4, 2020, the day after the certification, during a routine review of an Aon draft financial report for third quarter 2020, PSERS staff noticed that Aon's calendar year 2015 performance figures for a certain portfolio composite (the "Absolute Return")<sup>3</sup> did not match figures that another PSERS consultant was reporting for the same year. On the same day, PSERS asked Aon to investigate the discrepancy.

26. On December 9, 2020, PSERS staff asked Aon Employee A whether the discrepancy in the 2015 calendar year return noticed on December 4, 2020 would have any impact on the Total Fund return, which would then impact the Risk Share Return Rate. (The "Total Fund" return referred to the retirement fund's overall investment return.) Aon Employee A did not immediately respond. At or around this time, despite having previously received repeated inquiries from PSERS staff about the discrepancies in the performance returns for 2015, Aon first began the process of investigating whether the NAVs and cash flows in the source data from the custodian bank matched the data in the PARis performance system used by Aon.

27. On December 10, 2020, another Aon staff member emailed a representative of the software company which owned the PARis system, "We think one of the [Aon] analysts accidentally wiped accounting data from PSERS for April 2015 and need to figure out how to restore/fix." Aon did not report this inquiry to PSERS at the time.

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<sup>3</sup> A composite is an aggregation of one or more portfolios managed according to a similar investment mandate, objective or strategy. PSERS has a large number of composite returns that rolled up into the Total Fund return, one of which was for hedge funds and called the Absolute Return Composite.



28. On January 7, 2021, Aon Employee A sent an updated draft of the Aon financial report for third quarter 2020 to PSERS. The transmittal of the draft did not address the question of whether the Total Fund return was impacted.

29. On January 8, 2021, PSERS staff approved the draft report and requested that Aon deliver the final version of the quarterly report. On January 12, 2021, an Aon employee explained that Aon would provide the final quarterly report, but that the Aon Partner wanted to talk to PSERS's CIO before the final version was sent to PSERS.

30. On January 13, 2021, the Aon Partner called PSERS's CIO to tell him that there was an issue that had impacted a number of historical composite returns. The CIO asked the Aon Partner whether the error affected the Total Fund performance, which would require recalculation of the Risk Share Return Rate. According to the CIO, the Aon Partner assured the CIO that the issue would not affect the risk share calculation and was at the composite level. The PSERS CIO requested that the Aon Partner prepare a memorandum to explain Aon's finding.

31. On February 17, 2021, the Aon Partner called PSERS's CIO to inform him for the first time that the error had impacted PSERS's Total Fund performance calculation, and that therefore the Risk Share Return Rate had to be recalculated. Later that day, the Aon Partner hosted a larger group call, during which the Aon Partner told PSERS that the error related to the quarter ended June 30, 2015, and reiterated that it impacted the Total Fund return.

32. On March 5, 2021, the Aon Partner, at PSERS's request, provided a memo explaining the errors. In the memo, Aon concluded that the correct Risk Share Return Rate was 6.34%, falling below the 6.36% statutory risk share hurdle rate. In the memo, the Aon Partner made a number of representations about the error and was at least negligent in making those representations because, at that point, Aon still did not know the causes of the error. For example, the Aon Partner attributed the error to "data corruption" that "was due to an error by an analyst in uploading NAV and cashflow data from the [custodian bank] system into the PARis performance system Aon uses." This statement was misleading because it was still not clear to Aon what had caused the error and it was merely a working theory. The Aon Partner also represented that the data corruption had "impacted a few asset class composites in the public markets." This statement was misleading because it understated the extent of the impact of the issue when, at that time, Aon did not know the scope of the error's impact. In fact, many, if not most, of the accounts sourced from the custodian bank were impacted by systemic erroneous revisions that were made in the PARis system in May 2016 (and not fully understood until late 2022).

33. On April 16, 2021, Aon sent an update letter to PSERS's CIO. Although the Aon Partner had given PSERS the impression that Aon had identified and determined the exact cause of the error, the update letter referred to Aon's "continued review" and indicated that "Aon fully understands that its responsibility to report to PSERS is ongoing and will supplement the information related here when and to the extent appropriate and, of course, as may be responsive to any questions PSERS may have." The letter further explained that "all indications are that the issues here reflect inadvertent clerical mistakes at a data-entry level." The letter concluded that

“Aon is determined to ascertain all pertinent details surrounding the issues here and will provide it as our comprehensive review continues.”

34. On April 19, 2021, the Board voted to recertify the employee contribution rates originally approved by the Board on December 3, 2020, based on the corrected Risk Share Return Rate of 6.34%. The recertification required additional contributions from certain public school employees beginning in July 2021.

### **Violations**

35. As a result of the conduct described above, Aon willfully<sup>4</sup> violated Section 206(2) of the Advisers Act, which prohibits an investment adviser from engaging “in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client.” Scierter is not required to establish a violation of Section 206(2), but rather a violation may rest on a finding of negligence. *SEC v. Steadman*, 967 F.2d 636, 643 n.5 (D.C. Cir. 1992) (citing *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 194-195 (1963)).

### **Disgorgement**

36. The disgorgement and prejudgment interest ordered in Section IV, paragraph C is consistent with equitable principles and does not exceed Respondent’s net profits from its violations, and will be distributed to harmed investors to the extent feasible. The Commission will hold funds paid pursuant to Section IV, paragraph C in an account at the United States Treasury pending distribution. Upon approval of the distribution final accounting by the Commission, any amounts remaining that are infeasible to return to investors, and any amounts returned to the Commission in the future that are infeasible to return to investors, may be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

### **Remedial Efforts**

37. In determining to accept the Offer, the Commission considered remedial acts promptly undertaken by Aon and cooperation afforded the Commission staff.

## **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:

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<sup>4</sup> “Willfully,” for purposes of imposing relief under Section 203(e) of the Advisers Act, “means no more than that the person charged with the duty knows what he is doing.” *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).

A. Respondent cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act.

B. Respondent is censured.

C. Respondent shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$1,000,000, disgorgement of \$495,098.50 and prejudgment interest of \$47,089.29 to the Securities and Exchange Commission. If timely payment of disgorgement or prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. If timely payment of the civil penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) 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
- (3) 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 Aon as the 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 Assistant Director Kevin B. Currid, Division of Enforcement, Securities and Exchange Commission, 33 Arch Street, Boston, MA 02110.

D. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the disgorgement, prejudgment interest and penalties referenced in paragraph IV, Section C above. 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.

By the Commission.

Vanessa A. Countryman  
Secretary