

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 96309 / November 14, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19752**

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<b>In the Matter of</b>	:	<b>ORDER AUTHORIZING THE TRANSFER</b>
	:	<b>TO THE U.S. TREASURY OF THE</b>
	:	<b>REMAINING FUNDS AND ANY FUNDS</b>
<b>Cozad Asset Management, Inc.</b>	:	<b>RETURNED TO THE FAIR FUND IN THE</b>
	:	<b>FUTURE AND TERMINATING THE FAIR</b>
<b>Respondent.</b>	:	<b>FUND</b>
	:	

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On April 17, 2020, the Commission issued an 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 (the “Order”)<sup>1</sup> against Cozad Asset Management, Inc. (the “Respondent”). In the Order, the Commission found that during the period January 1, 2014 through October 31, 2018, Respondent and its associated persons purchased, recommended, or held for advisory clients mutual fund share classes that charged fees pursuant to Rule 12b-1 under the Investment Advisers Act of 1940 (“12b-1 fees”) instead of lower-cost share classes of the same funds that were available to those clients. Certain of Respondent’s associated persons received 12b-1 fees in connection with clients’ investments in the mutual fund share classes that paid those fees. Respondent also benefitted when clients were invested in these share classes. Respondent did not adequately disclose the conflicts of interest relating to selection of these share classes in its Forms ADV or otherwise. Additionally, the Commission found that Respondent failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class selection practices. As a result of this conduct, the Commission found that Respondent willfully violated Sections 206(2) and 206(4) of the Investment Advisers Act of 1940 and Rule 206(4)-7 thereunder. The Order required the Respondent to pay \$369,423.75 in disgorgement, \$37,446.35 in prejudgment interest, and a \$10,000.00 civil money penalty, for a total of \$416,870.10. In the Order, the Commission established a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the civil penalty, along with the disgorgement and prejudgment interest, collected could be distributed to harmed investors (the “Fair Fund”).

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<sup>1</sup> Advisers Act Rel. No. 5477 (Apr. 17, 2020).

Pursuant to the Order, the Respondent was responsible for administering the Fair Fund at its own expense pursuant to a calculation specified in the Order. The Respondent has fully compensated harmed investors, plus reasonable interest. A \$10.00 *de minimis* was applied. The Respondent distributed \$404,100.36, of which \$403,117.00 was successfully disbursed (99.8%) to 610 recipients. A total of \$13,752.82 remains in the Fair Fund, representing uncashed checks, returned funds, *de minimis* amounts, funds that would have gone to affiliates, other residual amounts, and monies paid pursuant to the Order that were not needed to fully compensate investors.

The Order further requires the Respondent to provide a final accounting to the Commission staff for submission to the Commission for approval. Upon approval of the final accounting, all remaining amounts in the Fair Fund that are infeasible to return to investors, and any funds returned in the future that are infeasible to return to investors, are to be sent to the U.S. Treasury. The final accounting has been submitted to the Commission for approval, as required by the Order, and has been approved.

Accordingly, it is ORDERED that:

- A. the remaining funds in the amount of \$13,752.82 that are infeasible to return to investors, and any funds returned to the Fair Fund in the future that are infeasible to return to investors, shall be transferred to the U.S. Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934 [15 U.S. Code § 78u-6(g)(3)]; and
- B. the Fair Fund is terminated.

By the Commission.

Vanessa A. Countryman  
Secretary