

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 99900 / April 3, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21836

In the Matter of	:	
	:	
Claire P. Shaughnessy,	:	EXTENSION ORDER
	:	
Respondent.	:	
	:	

The Division of Enforcement (“Division”) has requested an extension of time until March 25, 2025, to submit a Proposed Plan of Distribution under Rule 1101(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101(a).

On January 25, 2024, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against Claire P. Shaughnessy (the “Respondent”). In the Order, the Commission found that Shaughnessy's conduct was inconsistent with her duty to her client, the Pennsylvania Public School Employees’ Retirement System (“PSERS”), under the Investment Advisers Act of 1940 (the "Advisers Act"). Shaughnessy was a partner and investment adviser representative associated with Aon Investments USA Inc., fka Aon Hewitt Investment Consulting, Inc. (“Aon”) from approximately July 2012 to December 2022. From 2013 through 2023, Aon acted as an

¹ Advisers Act Rel. No. 6535 (Jan. 25, 2024).

investment adviser for PSERS and provided certain investment advisory and investment consulting services to PSERS pursuant to a written agreement. From 2013 until December 2022, Shaughnessy was the lead partner on Aon's engagement with PSERS. 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.

As lead partner, Shaughnessy provided investment advisory services to PSERS and was in charge of Aon's calculation of PSERS's investment performance and the risk share return rate calculation. The Commission found that Aon and Shaughnessy engaged in conduct that was inconsistent with their duties to PSERS by failing to adequately investigate a discrepancy between the underlying performance data used by them 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 Respondent understood those causes. As a result of the conduct described herein, the Commission found that Shaughnessy violated Section 206(2) of the Advisers Act.

The Commission ordered Shaughnessy to pay a civil penalty of \$30,000 to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty collected can be distributed to harmed investors (the "Fair Fund"). The Commission further ordered that the funds collected may be combined with any other distribution fund or fair fund arising out of the same facts that was subject to the Order.

The Fair Fund consists of the \$30,000.00 collected from Shaughnessy, and has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

In its request for an extension of time, the Division states that additional time is needed to develop the distribution methodology and prepare the proposed plan of distribution.

Accordingly, for good cause shown, IT IS HEREBY ORDERED that the Division's request for an extension of time until March 25, 2025, to submit a Proposed Plan of Distribution is granted.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.²

Vanessa A. Countryman
Secretary

² 17 C.F.R. § 200.30-4(a)(21)(i).