

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 102528 / March 5, 2025**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-22435**

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<b>In the Matter of</b>	:	
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<b>The Vanguard Group, Inc.,</b>	:	<b>EXTENSION ORDER</b>
	:	
<b>Respondent.</b>	:	
_____	:	

The Division of Enforcement (“Division”) has requested an extension of time until March 24, 2026, 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 17, 2025, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933, Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, and Section 9(f) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)<sup>1</sup> against The Vanguard Group, Inc. (“Vanguard” or the “Respondent”). In the Order, the Commission found that Vanguard made misleading statements concerning potential tax consequences to investors in the Vanguard Investor Target Retirement Funds (“Investor TRFs”) in taxable accounts. In November 2020, Vanguard made a recommendation to lower the minimum initial investment amount for a separate series of

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<sup>1</sup> Securities Act Rel. No. 11359 (Jan. 17, 2025).

Vanguard target date retirement funds designed for institutional investors (“Institutional TRFs”) that resulted in historically larger capital gains distributions and tax consequences for certain retail investors in the Investor TRFs who held them in taxable accounts. According to the Order, Vanguard distributed misleading statements in prospectuses for Investor TRFs, stating the funds’ distributions may be taxable as ordinary income or capital gains, and that capital gains distributions may vary considerably from year to year as a result of the funds’ “normal” investment activities and cash flows. These representations failed to disclose the potential for increased capital gains distributions resulting from the redemptions of fund shares by newly-eligible investors switching from the Investor TRFs to the Institutional TRFs to benefit from the lower expense ratios of the Institutional TRFs as a result of the lowered minimum investment. The Commission further found that Vanguard failed to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and rules thereunder with respect to the accuracy of the funds’ disclosures.

The Commission ordered the Respondent to pay \$14.7 million in disgorgement and \$3.5 million in prejudgment interest, which would be deemed satisfied by Vanguard’s payments totaling \$92.91 million to settle related actions with state regulators. The Commission also ordered the Respondent to pay a \$13.5 million civil money penalty to the Commission, and created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 (“SOX”), so the penalty collected can be distributed to harmed investors (the “Fair Fund”). The Order further specified that the \$92.91 million in settlement proceeds paid by Vanguard would be received and accepted by the Commission and added to the Fair Fund pursuant to Section 308(b) of SOX.

The Fair Fund consists of the \$106.41 million collected from the Respondent in accordance with the Order and has been deposited in a Commission-designated account at the U.S. Department of the Treasury. 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 complete the fund administrator solicitation and appointment process, 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 24, 2026, to submit a Proposed Plan of Distribution is granted.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>2</sup>

Vanessa A. Countryman  
Secretary

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<sup>2</sup> 17 C.F.R. § 200.30-4(a)(21)(i).