

2. As described more specifically below, the Plan seeks to compensate a client who was harmed by the Respondents' misconduct, as described in the Orders, in connection with fees paid for certain investment advisory and investment consulting services. As calculated using the methodology detailed in the Plan of Allocation (attached as Exhibit A), a single harmed client will be compensated for investment advisory fees that it paid to the Respondents between July 1, 2020, through December 31, 2022, inclusive (the "Relevant Period") due to the harm caused by Respondents' misconduct. Based on information obtained by the Commission staff during its investigation and the review and analysis of applicable records, the Commission staff has reasonably concluded that it has all records necessary to calculate the client's harm. As a result, the Fair Fund is not being distributed according to a claims-made process, so procedures for making and approving claims in accordance with Rule 1101(b)(4) of the Commission's Rules, 17 C.F.R. § 201.1101(b)(4), are not applicable.

3. As calculated using the methodology detailed in the Plan of Allocation (attached as Exhibit A), the client will be compensated for investment advisory fees paid to Aon during the Relevant Period.

4. In the view of the Commission staff, this methodology constitutes a fair and reasonable allocation of the Fair Fund.

5. The Commission has custody of the Fair Fund and shall retain control of the assets of the Fair Fund. The Plan is subject to approval by the Commission, and the Commission retains jurisdiction over its implementation.

II. BACKGROUND

6. On January 25, 2024, the Commission issued the Orders against the Respondents. In the Orders, the Commission found that Aon's and Shaughnessy's conduct were inconsistent with their duties to their client, the Pennsylvania Public School Employees' Retirement System ("PSERS"), under the Investment Advisers Act of 1940 ("Advisers Act"). According to the Orders, from 2013 through 2023, Aon acted as investment adviser for PSERS and provided certain investment advisory and investment consulting services to PSERS pursuant to a written agreement. From approximately July 2012 to December 2022, Shaughnessy was a partner and investment adviser representative associated with Aon and was the lead partner on Aon's engagement with PSERS from 2013 until December 2022. The Commission found that, 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.

7. According to the Orders, 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 Respondents understood those causes. As a result of the conduct described herein, the Commission found that Aon and Shaughnessy both willfully violated Section 206(2) of the Investment Advisers Act of 1940.

8. In their respective Orders, the Commission ordered Aon to pay disgorgement of \$495,098.50, prejudgment interest of \$47,089.29 and a civil penalty of \$1,000,000.00, and Shaughnessy to pay a civil penalty of \$30,000, to the Commission. In each of the Orders, the Commission also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the funds collected can be distributed to harmed parties and ordered that the funds may be combined with any other distribution fund or fair fund arising out of the same facts that are the subject of the Order.

9. In accordance with the Orders, the \$1,572,187.79 collected from Shaughnessy and Aon has been combined (collectively, the “Fair Fund”) and deposited in a Commission-designated account at the U.S. Department of the Treasury (the “Treasury”). Any accrued interest will be added to the Fair Fund.

III. DEFINITIONS

As used in this Plan, the following definitions will apply:

10. “**Administrative Costs**” shall mean any administrative costs and expenses, including without limitation tax obligations, the fees and expenses of the Tax Administrator, and investment and banking costs.

11. “**Distribution Payment**” means a payment from the Fair Fund to the Eligible Claimant in accordance with the terms of this Plan.

12. “**Eligible Claimant**” means the client, or their lawful successors, who was harmed as a result of Fees Paid due to the Respondents’ misconduct described in the Orders.

13. “**Fair Fund**” means the fund created by the Commission pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, for the benefit of the client harmed by Respondents’ violations described in the Orders.

14. “**Fees Paid**” is the total amount of investment advisory fees paid to the Respondents during the Relevant Period, as calculated by the Fund Administrator based on his review and analysis of applicable records obtained by the Commission staff during its investigation.

15. “**Net Available Fair Fund**” means the Fair Fund, plus any interest or earnings, less Administrative Costs.

16. “**Relevant Period**” is the period from July 1, 2020, through December 31, 2022, inclusive.

IV. TAX COMPLIANCE

17. On October 11, 2024, the Commission appointed Miller Kaplan Arase LLP as the tax administrator (the “Tax Administrator”) for the Fair Fund to handle the tax obligations of the Fair Fund.³ The Tax Administrator will be compensated for reasonable fees and expenses from the Fair Fund in accordance with its 2022-2024 Engagement Letter Agreement with the Commission.⁴

18. The Fair Fund constitutes a Qualified Settlement Fund (“QSF”) under Section 468B(g) of the Internal Revenue Code of 1986, as amended, 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5. The Tax Administrator is the administrator of such QSF for purposes of Treas. Reg. § 1.468B-2(k)(3)(I) and shall satisfy the tax-related administrative requirements imposed by Treas. Reg. § 1.468B-2, including, but not limited to:

- (a) Obtaining a taxpayer identification number;
- (b) Requesting funds necessary for the timely payment of all applicable taxes, the payment of taxes for which the Tax Administrator has received funds, and the filing of applicable returns; and
- (c) Fulfilling any information reporting or withholding requirements imposed on distributions from the Fair Fund, including but not limited to Foreign Account Tax Compliance Act (FATCA).

19. All tax obligations will be paid from the Fair Fund, subject to the review and approval of Commission staff.

V. FUND ADMINISTRATOR

20. Keshia Ellis is proposed to be the fund administrator for the Fair Fund (“Fund Administrator”). As a Commission employee, the Fund Administrator shall receive no compensation, other than her regular salary as a Commission employee, for her services in administering the Fair Fund. In accordance with Rule 1105(c) of the Commission’s Rules,⁵ no bond is required since the Fund Administrator is a Commission employee.

21. The Fund Administrator will be responsible for administering the Fair Fund in accordance with the Plan.

³ See Order Appointing Tax Administrator, Exchange Act Rel. No. 101318 (Oct. 11, 2024).

⁴ See Omnibus Order Directing the Engagement of Two Tax Administrators for Appointment on a Case-By-Case Basis in Administrative Proceedings that Establish Distribution Funds, Exchange Act Rel. No. 94845 (May 4, 2022).

⁵ 17 C.F.R. § 201.1105(c).

22. To carry out the purposes of this Plan, the Fund Administrator is authorized to make and implement immaterial changes to the Plan upon agreement of the Commission staff. If a change is deemed to be material by the Commission staff, Commission approval is required prior to implementation by amending the Plan.

23. The Fund Administrator may extend any procedural deadline contained in the Plan for good cause shown, if agreed upon by the Commission staff.

VI. PLAN PROCEDURES

Plan Notice and Eligible Claimant's Obligation with Respect to the Plan Notice

24. Within 30 days of Commission approval of the Plan, the Fund Administrator will send the Plan Notice to the Eligible Claimant's last known email address (if known) and/or mailing address informing them of the Commission's approval of the Plan. The Plan Notice will include a link to the approved Plan posted on the Commission's website and a copy of the Plan; the calculated Fees Paid for the Eligible Claimant; and specify all the information and documentation required to be returned to the Fund Administrator in order to receive their Distribution Payment.

Dispute Process

25. Disputes will be limited to calculation of the Fees Paid to the Respondents. Within 30 days of the mailing of the Plan Notice, the Fund Administrator must receive a written communication detailing any dispute along with any supporting documentation. The Fund Administrator will investigate the dispute, and such investigation will include a review of the written dispute as well as any supporting documentation. The Fund Administrator will respond within 15 days of receipt of the dispute.

Distribution Methodology

26. The Fund Administrator will allocate the Net Available Fair Fund as calculated in accordance with the Plan of Allocation attached as Exhibit A.

Establishment of a Reserve

27. Before determining the Net Available Fair Fund, the Fund Administrator, in conjunction with the Tax Administrator, will establish a reserve to pay Administrative Costs and to accommodate any unexpected expenditures (the "Reserve").

28. Any remaining amounts in the Reserve after all Administrative Costs are paid, will become part of the Residual described below.

Disbursement of the Fair Fund

29. The Fund Administrator will compile the payee information and prepare a payment

file to make the disbursement. The completed payment file, and support, will be processed in accordance with the appropriate procedures. Pursuant to Rule 1101(b)(6) of the Commission's Rules, 17 C.F.R. § 201.1101(b)(6), the Fund Administrator will obtain an order from the Commission to disburse the Fair Fund. The Fund Administrator is responsible for accounting for all payments.

30. All payments, either on their face or in the accompanying mailing, will clearly indicate that the money is being distributed from the Fair Fund established by the Commission to compensate the client for harm as a result of securities law violations.

Receipt of Additional Funds

31. Should any additional funds be received pursuant to Commission or Court order, agreement, or otherwise, prior to the Commission's termination of the Fair Fund, such funds will be added to the Fair Fund and distributed, if feasible, in accordance with the Plan, pursuant to the Commission's Rules.

Disposition of Undistributed Funds

32. A residual account within the Fair Fund will be established for any amounts remaining after the final disbursement from the Fair Fund (the "Residual"). The Residual may include, but is not limited to, undistributed funds, distribution checks that have not been cashed, Fair Fund tax refunds for overpayment or for waiver of IRS penalties.

33. If any funds remain in the Residual account after completion of all distributions and the payment of all Administrative Costs, those funds will be transferred to the Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934 (the "Exchange Act"), after the final accounting is approved by the Commission. Returning such money to the Respondents would be inconsistent with the equitable principle that no Person should profit from his wrongdoing. Therefore, in these circumstances distributing disgorged funds to the U.S. Treasury is the most equitable alternative.

Administrative Costs

34. All Administrative Costs will be paid from the Fair Fund in accordance with the Commission's Rules.

Accountings

35. When all funds have been disbursed, except for the Residual described above, the Fund Administrator will submit a final accounting pursuant to Rule 1105(f) of the Commission's Rules, 17 C.F.R. § 201.1105(f), for the Commission's approval prior to termination of the Fair Fund and discharge of the Fund Administrator. Since the funds are being held in a Commission designated account at the U.S. Treasury and the Fund Administrator is a Commission employee, no interim accountings will be made.

Termination of the Fair Fund

36. The Fair Fund will be eligible for termination and the Fund Administrator will be eligible for discharge after all the following have occurred (a) a final accounting, in a standard accounting format provided by the Commission staff, has been submitted by the Fund Administrator and approved by the Commission; and (b) all Administrative Costs have been paid. Once the Commission has approved the final accounting, the Commission staff will seek an order from the Commission authorizing: (a) the transfer of the Residual that is infeasible to return to the harmed client, and any amounts returned to the Fair Fund in the future that is infeasible to return to the harmed client, to the general fund of the Treasury, subject to Section 21F(g)(3) of the Exchange Act; (b) discharge of the Fund Administrator; and (c) termination of the Fair Fund.

Exhibit A

PLAN OF ALLOCATION

This Plan of Allocation is designed to compensate a single harmed client for investment advisory fees that it paid between July 1, 2020, through December 31, 2022, inclusive (the “Relevant Period”) due to the harm to PSERS’ caused by Respondents’ misconduct. Based upon records obtained by the Commission during its investigation, the Fund Administrator has identified the client who suffered harm as a result of the Respondents’ violations (the “Eligible Claimant”).

The Fund Administrator will calculate the Eligible Claimant’s Distribution Payment as the lesser of

1. The total amount of investment advisory fees paid by the Preliminary Claimant to the Respondents during the Relevant Period (“Fees Paid”), plus “Reasonable Interest” thereon, calculated using the Short-term Applicable Federal Rate plus three percent (3%), compounded quarterly from the end of the Relevant Period through the approximate date of the disbursement of the funds; and
2. The Net Available Fair Fund.

To avoid payment of a windfall, the Fees Paid will be reduced by the amount of any compensation for the loss that resulted from the conduct described in the Orders that was received from another source (e.g., class action settlement), to the extent known by the Fund Administrator.