UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

INVESTMENT ADVISERS ACT OF 1940

INVESTMENT COMPANY ACT OF 1940

Admin. Proc. File No. 3-13063

IN THE MATTER OF MICHAEL K. BRUGMAN

The United States Securities and Exchange Commission (Commission) announced the
issuance of an Order Instituting Administrative and Cease-and-Desist Proceedings
Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, Section
203(f) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment
Company Act of 1940 (Order) against Michael K. Brugman (Respondent). The Order
alleges that from mid-2001 through December 2002, Respondent, who was at that time a
securities salesman for Invesco Funds Group, Inc. (IFG), accepted personal payments
totaling over $3 million from various entities in exchange for procuring market timing
capacity within the Invesco funds. The Order further alleges that Respondent never
disclosed these payments to IFG even though, as IFG’s agent and fiduciary and pursuant
to a written agreement Respondent had with IFG, he had a duty to do so. As a result of
this conduct, the Order alleges that Respondent willfully violated Section 10(b) of the
Exchange Act of 1934 and Rule 10b-5 thereunder.

A hearing will be held by an Administrative Law Judge to determine whether the
allegations contained in the Order are true, to provide the Respondent an opportunity to
dispute these allegations, and to determine what, if any, remedial sanctions are
appropriate and in the public interest. The Order requires the Administrative Law Judge
to issue an initial decision no later than 300 days from the date of service of the Order,
pursuant to Rule 360(a)(2) of the Commission’s Rules of Practice.