
The Division of Enforcement (“Division”) seeks approval of the appointment of A.B. Data, Ltd. (“A.B. Data”) as Fund Administrator, and that the Fund Administrator not be required to post a bond generally required under Fair Fund Rule 1105(c). The Division proposes that the Commission waive the bond requirement of the Fund Administrator for good cause. In lieu of bond, any proposed plan of distribution for the Fair Fund will incorporate several layers of protection for the Fair Fund. Among other things, under any distribution plan: (1) the fund administrator will have no custody, and only limited control, of the Fair Fund; (2) the Fair Fund will be held by the U.S. Treasury Department’s Bureau of the Public Debt until immediately before transmittal of checks or electronic transfers to eligible investors; (3) upon transfer from the U.S. Treasury, funds will be held in an escrow account, separate from the assets of the Escrow Bank, until presentation of a check or electronic transfer, at which time funds will be transferred to a controlled distribution account; (4) presented checks or electronic transfers will be subject to “positive pay” controls before being honored by the Escrow Bank; and (5) both the Escrow Bank and the fund administrator will maintain, throughout this process, insurance and/or a financial institution bond that covers errors and omissions, misfeasance and fraud.
Accordingly, pursuant to Rules 1105(a) and (c) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105, IT IS HEREBY ORDERED that A.B. Data is appointed as Fund Administrator and that waiver of the bond requirement is granted for good cause shown.

By the Commission.

Elizabeth M. Murphy
Secretary