

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

Securities Exchange Act of 1934
Release No. 67243 / June 22, 2012

Administrative Proceeding
File No. 3-12936

In the Matter of

Heartland Advisors, Inc., William J. Nasgovitz, Paul T. Beste, Thomas J. Conlin, Greg D. Winston, Kevin D. Clark, Kenneth J. Della, and Hugh F. Denison,

Respondents.

ORDER APPROVING THE FINAL ACCOUNTING, AUTHORIZING THE TRANSFER OF RESIDUAL FUNDS AND ANY FUTURE FUNDS RECEIVED BY THE FAIR FUND TO THE U.S. TREASURY, DISCHARGING THE FUND ADMINISTRATOR, AND TERMINATING THE FAIR FUND

On January 25, 2008, Heartland Advisors, Inc., William J. Nasgovitz, Paul T. Beste, Thomas J. Conlin, Greg D. Winston, Kevin D. Clark, Kenneth J. Della, and Hugh F. Denison (collectively, the “Respondents”) consented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and Cease-and-Desist Orders Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b)(4), 15(b)(6) and 21C of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (“Order”) (Securities Act Rel. No. 8884), which directed, among other things, that Respondents pay disgorgement, prejudgment interest and civil penalties totaling \$3,907,095. The Order further established a Fair Fund to provide for the distribution of these payments.

On February 3, 2010, the Commission published a Notice of Proposed Distribution Plan and Opportunity for Comment in connection with this proceeding (Exchange Act Rel. No. 61481). No comments were received and, on April 1, 2010, the Commission issued an order approving the Plan, among other things (Exchange Act Rel. No. 61823). The Plan provided the methodology used to distribute the Fair Fund to eligible investors.

On October 25, 2010, the Commission issued an order directing disbursement of the Fair Fund, which consisted of a total of \$3,931,808.05 (Exchange Act Rel. No. 63173). Beginning in November 2010, over \$3.5 million was disbursed through wires or checks to eligible investors. An amount of \$452,570.60 in residual funds remains.

The Plan provides that amounts which cannot be distributed to investors be returned to the Commission to be transferred to the U.S. Treasury. Consistent with the provision, the remaining funds were returned to the Commission, and the staff requested authorization to transfer \$452,570.60 remaining in the Fair Fund to the U.S. Treasury, as well as any funds returned to the Fair Fund in the future. A final accounting has been provided by the Fund Administrator and the staff also requested that the Commission approve the Final Accounting; therefore, the Fair Fund is eligible for termination.

Accordingly, IT IS ORDERED that:

- A. The final accounting for the Fair Fund is approved;
- B. The \$452,570.60 remaining in the Fair Fund shall be transferred to the U.S. Treasury;
- C. Any funds returned in the future to the Fair Fund shall be transferred to the U.S. Treasury;
- D. The Fund Administrator, Rust Consulting, Inc., is hereby discharged; and
- E. The Fair Fund is terminated.

By the Commission.

Elizabeth M. Murphy
Secretary