

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17365**

**Oregon-Based Investment Adviser Accused of Misleading Clients**

**August 2, 2016** – The Securities and Exchange Commission today announced administrative proceedings against a Eugene, Oregon-based investment advisory firm and its owner accused of steering clients to more expensive mutual fund investments while receiving payments behind the scenes from the mutual fund companies winning the business.

The SEC Enforcement Division alleges that during a time when Stephen D. Alison and his firm Alison, LLC, experienced escalating financial difficulties, they invested client funds in mutual fund share classes that charge 12b-1 fees, which are charged to investors by mutual funds to cover such expenses as fund distribution and shareholder services. Alison allegedly failed to disclose to clients that a substantial portion of the fees were paid back to him from the mutual fund companies, hence the incentive to invest clients' money in those share classes rather than identical, less expensive share classes available at the same time that did not charge 12b-1 fees.

From September 2011 to October 2014, Alison allegedly received more than \$250,000 in undisclosed 12b-1 payments and increased his business revenue by approximately 8.3 to 12.9 percent annually at his clients' expense.

The SEC Enforcement Division further alleges that Alison repeatedly failed to produce books and records during an SEC examination of the firm. Under the federal securities laws, Alison was required to produce such financial records as balance sheets and income statements, bank and credit card statements, employee emails, and trade blotters.

The matter will be scheduled for a public hearing before an administrative law judge, who will prepare an initial decision stating what, if any, remedial actions are appropriate.

The SEC Enforcement Division's investigation was conducted by Kashya K. Shei and supervised by Jeremy E. Pendrey of the San Francisco office. The SEC examination that led to the investigation was conducted by Alicia M. Minyen, Michael A. Tomars, and Edward G. Haddad of the San Francisco office. The litigation is being led by Sheila O'Callaghan and Ms. Shei.

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