

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87586 / November 21, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-14863

In the Matter of

UBS FINANCIAL SERVICES INC.
OF PUERTO RICO

Respondent.

ORDER APPROVING APPLICATION
OF FUND ADMINISTRATOR FOR
PAYMENT OF FEES AND EXPENSES
AND APPROVAL OF FUTURE FEES
AND EXPENSES

On May 1, 2012, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against UBS Financial Services Inc. of Puerto Rico (the “Respondent”). In the Order, the Commission found that, from May 15, 2008 through September 30, 2009, the Respondent violated federal securities laws by making misleading statements to investors, concealing a liquidity crisis, and masking its control of the secondary market for 23 proprietary closed-end mutual funds. The Commission ordered the Respondent to pay a total of \$26,609,739.94 in disgorgement, prejudgment interest, and a civil money penalty, and created a Fair Fund (the “Fair Fund”), pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty, along with the disgorgement and prejudgment interest, collected could be distributed to those harmed by the Respondent’s misconduct.

On January 8, 2013, the Commission appointed A.B. Data Ltd. as the fund administrator for the Fair Fund and set the administrator’s bond at \$26,609,739.94.²

On January 6, 2017, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment,³ and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Commission received no comments on the Proposed Plan during the comment period. On February 21, 2017, the Secretary, pursuant to delegated authority, issued an Order Approving Plan of Distribution,⁴ and simultaneously posted the approved Plan of Distribution (the “Plan”).

¹ Securities Act Rel. No. 9318 (May 1, 2012).

² Order Appointing Fund Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 68600 (Jan. 8, 2013).

³ Exchange Act Rel. No. 79754 (Jan. 6, 2017).

⁴ Exchange Act Rel. No. 80070 (Feb. 21, 2017).

The Plan provides for the payment of the Fund Administrator's fees and expenses from the Fair Fund.⁵ In accordance with Rule 1105(d) of the Commission's Rules on Fair Fund and Disgorgement Plans (the "Commission's Rules"), 17 C.F.R. § 201.1105(d), the Fund Administrator has submitted 8 invoices totaling \$154,476.09 to Commission staff for services rendered from the fund's inception through August 31, 2019. The staff has reviewed the invoices, confirms that all services billed have been performed, and finds that the fees and expenses to be reasonable and in accordance with the Plan. The Commission staff has requested that the Commission authorize the Office of Financial Management ("OFM") to pay the Fund Administrator's current fees and expenses of \$154,476.09 from the Fair Fund.

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of the Assistant Director of the Office of Distributions, to pay the Fund Administrator's future fees and expenses so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved revised cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission's Rules, 17 C.F.R. § 201.1105(d), that OFM pay the Fund Administrator's current fees and expenses of \$154,476.09 from the Fair Fund. Further, OFM is authorized to pay, at the direction of the Assistant Director of the Office of Distributions, any future fees and expenses of the Fund Administrator from the Fair Fund so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved revised cost proposal submitted by the Fund Administrator.

By the Commission.

Vanessa A. Countryman
Secretary

⁵ Plan at Section IV(A)(37).