

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96436 / December 1, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20165

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In the Matter of	:	ORDER APPROVING
	:	APPLICATION OF FUND
General Electric Company,	:	ADMINISTRATOR FOR PAYMENT
	:	OF FEES AND EXPENSES AND
Respondent.	:	APPROVAL OF THE PAYMENT OF
_____	:	FUTURE FEES AND EXPENSES

On December 9, 2020, the Commission issued an Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against General Electric Company (“GE” or the “Respondent”). In the Order, the Commission found that from 2015 through 2017, the Respondent, a large publicly-traded company that operates a number of lines of business, violated the federal securities laws when it failed to disclose material information to investors related to two of its key reportable segments. First, GE failed to disclose to investors information concerning the nature of its reported profit growth in its power business and \$2.5 billion in reported cash collections. Second, from the third quarter of 2015 through the first quarter of 2017, GE failed to disclose to investors worsening trends in its insurance business and the potential for substantial losses. GE’s insurance business ultimately incurred a \$9.5 billion pre-tax charge against GE’s earnings for the fourth quarter of 2017 and required capital contributions by GE of approximately \$15 billion over seven years to fund expected future insurance claims. The Commission ordered the Respondent to pay a \$200,000,000 civil money penalty to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty paid can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$200,000,000 paid by the Respondent. The Fair Fund has been deposited in an interest-bearing account at the U.S. Department of the Treasury’s Bureau of the Fiscal Service, and any accrued interest will be for the benefit of the Fair Fund.

¹ Securities Act Rel. No. 10899 (Dec. 9, 2020).

On September 16, 2021, the Division of Enforcement, pursuant to delegated authority, issued an order appointing RCB Fund Services LLC as the fund administrator of the Fair Fund (the “Fund Administrator”) and set the administrator’s bond requirement.²

In accordance with Rule 1105(d) of the Commission’s Rules,³ the Fund Administrator has submitted to the Commission staff two invoices for services rendered from September 16, 2021 through March 31, 2022, totaling \$15,596.87. The Commission staff has reviewed the Fund Administrator’s invoices, confirmed that the services have been provided, and finds the fees and expenses of \$15,596.87 to be reasonable. The Commission staff has requested that the Commission authorize the Office of Financial Management (“OFM”) to pay the Fund Administrator’s fees and expenses of \$15,596.87 from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.⁴

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of an Assistant Director of the Office of Distributions, to pay the Fund Administrator’s future fees and expenses 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 cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission’s Rules,⁵ that OFM pay the Fund Administrator’s fees and expenses of \$15,596.87 from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.⁶ Further, OFM is authorized to pay, at the direction of an Assistant Director of the Office of Distributions, any future fees and expenses of the Fund Administrator from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules,⁷ 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 cost proposal submitted by the Fund Administrator.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁸

Vanessa A. Countryman
Secretary

² Order Appointing Fund Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 93029 (Sept. 16, 2021).

³ 17 C.F.R. § 201.1105(d).

⁴ 17 C.F.R. § 201.1105(e).

⁵ 17 C.F.R. § 201.1105(d).

⁶ 17 C.F.R. § 201.1105(e).

⁷ *Id.*

⁸ 17 C.F.R. § 200.30-4(a)(21)(vi).