

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 98398 / September 14, 2023**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20523**

<b>In the Matter of</b>	:	<b>ORDER APPROVING</b>
	:	<b>APPLICATION OF FUND</b>
	:	<b>ADMINISTRATOR FOR PAYMENT</b>
<b>The Kraft Heinz Co. and Eduardo</b>	:	<b>OF FEES AND EXPENSES AND</b>
<b>Pelleissone,</b>	:	<b>APPROVAL OF FUTURE</b>
	:	<b>PAYMENT OF FEES AND</b>
<b>Respondents.</b>	:	<b>EXPENSES</b>

On September 3, 2021, the Commission issued a Corrected 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 a Cease-and-Desist Order (the “Order”)<sup>1</sup> against The Kraft Heinz Co. (“KHC”) and Eduardo Pelleissone (collectively, the “Respondents”). In the Order, the Commission found that from the last quarter of 2015 to the end of 2018, KHC engaged in various types of accounting misconduct, including recognizing unearned discounts from suppliers and maintaining false and misleading supplier contracts, which improperly reduced the company’s cost of goods sold and allegedly achieved “cost savings.” KHC, in turn, touted these purported savings to the market, which were widely covered by financial analysts. The accounting improprieties resulted in KHC reporting inflated adjusted “EBITDA,” a key earnings performance metric for investors. KHC failed to design and maintain effective internal accounting controls for its procurement division. As a result, finance and gatekeeping personnel repeatedly overlooked indications that expenses were being improperly accounted for. The Commission ordered the Respondents to pay \$12,500.00 in disgorgement, \$1,711.31 in prejudgment interest, and \$62,300,000.00 in civil money penalties, for a collective total of \$62,314,211.31, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties paid, along with the disgorgement and interest paid, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$62,314,211.31 paid by the Respondents. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

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<sup>1</sup> Securities Act Rel. No. 10977 (Sept. 3, 2021).

On March 8, 2022, the Division of Enforcement, pursuant to delegated authority, issued an order appointing RCB Fund Services LLC as the fund administrator (the “Fund Administrator”) of the Fair Fund and set the administrator’s bond amount.<sup>2</sup>

In accordance with Rule 1105(d) of the Commission’s Rules,<sup>3</sup> the Fund Administrator has submitted to the Commission staff one invoice for services rendered from April 2022 through December 2022, totaling \$10,488.75. The Commission staff has reviewed the Fund Administrator’s invoices, confirmed that the services have been provided, and finds the fees and expenses of \$10,488.75 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 \$10,488.75 from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.<sup>4</sup>

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 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,<sup>5</sup> that OFM pay the Fund Administrator’s fees and expenses of \$10,488.75 from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.<sup>6</sup> Further, OFM is authorized to pay, at the direction of an Assistant Director of the Office of Distributions, the fees and expenses of the Fund Administrator from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules,<sup>7</sup> 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.<sup>8</sup>

Vanessa A. Countryman  
Secretary

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<sup>2</sup> Order Appointing Fund Administrator and Setting Bond Amount, Exchange Act Rel. No. 94380 (Mar. 8, 2022).

<sup>3</sup> 17 C.F.R. § 201.1105(d).

<sup>4</sup> 17 C.F.R. § 201.1105(e).

<sup>5</sup> 17 C.F.R. § 201.1105(d).

<sup>6</sup> 17 C.F.R. § 201.1105(e).

<sup>7</sup> 17 C.F.R. § 201.1105(e).

<sup>8</sup> 17 C.F.R. § 200.30-4(a)(21)(vi).