UNITED STATES OF AMERICA Before the SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934 Release No. 83764 / August 2, 2018

ADMINISTRATIVE PROCEEDING FILE No. 3-18393

In the Matter of

VOYA INVESTMENTS, LLC and DIRECTED SERVICES LLC,

Respondents.

ORDER AUTHORIZING THE TRANSFER TO THE U.S. TREASURY OF ANY FUNDS RETURNED TO THE DISGORGEMENT FUND IN THE FUTURE AND TERMINATING THE DISGORGEMENT FUND

On March 8, 2018, the United States Securities and Exchange Commission ("Commission") issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order")¹ against Voya Investments, LLC ("Voya") and Directed Services, LLC (collectively, the "Respondents"). According to the Order, at relevant times the Respondents served as investment advisers to certain insurance-dedicated mutual funds (the "Funds") offered to variable annuity, variable life, and group annuity customers through insurance companies affiliated with the Respondents (the "Insurance Affiliates"). In the Order, the Commission found that, from at least August 20, 2003 until March 6, 2017, the Respondents failed to disclose in the Funds' prospectuses a practice of recalling securities out on loan in advance of dividend record dates, enabling the Insurance Affiliates to take a tax deduction and depriving the Funds and holders of the annuity contracts and life insurance policies of securities lending income. The Order required the Respondents, jointly and severally, to disgorge \$2,635,490.25, and to pay \$511,978.89 in prejudgment interest and \$500,000 in civil penalties. Of this total payment of \$3,647,469.14, the Commission directed payment of \$1,623,113.66, comprised of the ordered civil penalties, prejudgment interest, and a portion of disgorgement, to the United States Treasury ("U.S. Treasury"). The Commission ordered the Respondents, at their own cost, to distribute the remaining \$2,024,355.48 (the "Disgorgement Fund") to each Fund that had its securities recalled from June 14, 2011 to the present, an amount representing the Fund's pro rata share of the Disgorgement Fund.

¹ Exchange Act Rel. No. 82837 (Mar. 8, 2018).

In accordance with the Order and pursuant to a calculation acceptable to the staff of the Commission, the Respondents distributed the entire \$2,024,355.48 to thirty-six Funds; there is no residual.

The Order provides that the Respondents are to provide a final accounting to the Commission staff for submission to the Commission for approval. Upon approval of the final accounting, all remaining amounts are to be sent to the U.S. Treasury. The Respondents' final accounting, submitted to the Commission for approval as required by the Order, is now approved. The Commission staff has verified that all fees, and expenses have been paid by the Respondents and that the Respondents have, and will continue to, comply with all tax compliance responsibilities.

Accordingly, it is ORDERED that:

- A. Any funds returned to the Disgorgement Fund in the future shall be transferred to the U.S. Treasury; and
- B. The Disgorgement Fund is terminated.

By the Commission.

Brent J. Fields Secretary