

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 71493 / February 5, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-14909

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In the Matter of	:	
	:	
OPPENHEIMERFUNDS, INC.	:	
	:	
and	:	ORDER APPROVING
	:	PLAN OF DISTRIBUTION
OPPENHEIMERFUNDS	:	
DISTRIBUTOR, INC.,	:	
	:	
Respondents.	:	
_____	:	

On June 6, 2012, the Securities and Exchange Commission (“Commission”) issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 15(b)(4) of the Securities Exchange Act of 1934, Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order against Oppenheimerfunds, Inc. (“OFI”) and Oppenheimerfunds Distributor, Inc. (collectively, “Respondents”) (the “Order”).¹ As set forth in the Order, prior to and during the height of the 2008 financial crisis, Respondents made misrepresentations regarding two fixed income mutual funds managed by OFI: Oppenheimer Champion Income Fund and Oppenheimer Core Bond Fund. The Order required OFI to pay disgorgement of \$9,879,706, prejudgment interest of \$1,487,190, and a civil money

¹ Securities Act Rel. No. 9329 (June 6, 2012).

penalty of \$24 million, for a total of approximately \$35.4 million. The Order also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended.

On December 18, 2013, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”)² pursuant to Rule 1103 of the Commission’s Rules of Fair Fund and Disgorgement Plans.³ The Notice advised interested parties that they could obtain a copy of the Proposed Plan of Distribution (“Plan”) from the Commission’s public website or by submitting a written request to Nancy Chase Burton, Esq., United States Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-5631.

The Notice also advised that all persons desiring to comment on the Plan could submit their comments, in writing, no later than thirty (30) days from the date of the Notice, to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-1090; by using the Commission’s Internet comment form; or by sending an e-mail to rule-comments@sec.gov. The Commission received no comments on the Plan.

The Fair Fund is comprised of the amounts of disgorgement, prejudgment interest and civil monetary penalties paid by OFI, plus any accumulated interest, less any federal, state, or local taxes and fees and expenses. The Plan provides for injured investors to receive monies from the Fair Fund pursuant to a two phase process. First, injured investors will be allocated their share of the advisory fees paid by each fund during the applicable recovery periods. Second, injured investors will be compensated, on a *pro rata* basis, for the decline in value of their investment in fund shares after benchmark indexing. The Fair Fund is not intended to compensate

² Exchange Act Rel. No. 71119 (Dec. 18, 2013).

³ 17 C.F.R. 201.1103.

investors for losses they incurred because of fluctuations in securities markets that are unrelated to Respondents' conduct.

The Plan follows a modified notice and claims process. The Fund Administrator, Epiq Class Actions & Claims Solutions, Inc. ("Epiq"),⁴ also acted as the Class Action Administrator in two class actions which arose out of similar violations found in the Order. The Plan authorizes the Fund Administrator to use the claims information submitted in those class actions. The class actions recovery periods were longer than, but completely subsume, the recovery periods in this action. Consequently the Plan allows for the identification by Epiq of "Class Action SEC Authorized Claimants" who will automatically be deemed eligible claimants under the Plan. All other claimants will need to file a proof of claim form in order to establish their eligibility to participate in the Fair Fund.

The Division of Enforcement now requests that the Commission approve the Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans,⁵ that the Plan is approved.

For the Commission, by its Secretary, pursuant to delegated authority.

Elizabeth M. Murphy
Secretary

⁴ See Order Appointing Fund Administrator and Approving Fund Administrator Bond (Exchange Act Rel. No. 69138 (Mar. 14, 2013)).

⁵ 17 C.F.R. 201.1104.