

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101134 / September 23, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-15507

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| In the Matter of | : | ORDER AUTHORIZING THE |
| | : | TRANSFER TO THE U.S. TREASURY OF |
| | : | THE REMAINING FUNDS AND ANY |
| JPMorgan Chase & Co., | : | FUNDS RETURNED TO THE FAIR FUND |
| | : | IN THE FUTURE, DISCHARGING THE |
| | : | FUND ADMINISTRATOR, CANCELING |
| Respondent. | : | THE ADMINISTRATOR’S BOND, AND |
| | : | TERMINATING THE FAIR FUND |

On September 19, 2013, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)¹ against JPMorgan Chase & Co. (the “Respondent”). The Order found that JPMorgan violated federal securities laws when it made material misstatements in its public filings with the Commission. The Order required JPMorgan to pay a civil money penalty in the amount of \$200,000,000 to the Commission. The Commission further ordered that such penalty may be distributed pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, and ordered the Respondent responsible for all reasonable administrative costs, including the fees and expenses of a tax administrator.

On March 5, 2014, the Commission issued an order² that created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty collected could be distributed to harmed investors (the “Fair Fund”). The Respondent paid a total of \$200,000,000.00 pursuant to the Order, which comprised the Fair Fund.

On March 27, 2014, the Division of Enforcement, pursuant to delegated authority, issued an order appointing RCB Fund Services, LLC as the fund administrator of the Fair Fund (“Fund Administrator”) and set the administrator’s bond amount.³

¹ Exchange Act Rel. No. 70458 (Sept. 19, 2013).

² Order Establishing a Fair Fund, Exchange Act Rel. No. 71654 (Mar, 5, 2014).

³ Order Appointing Fund Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 71825 (Mar. 27, 2014).

On December 11, 2014, the Secretary, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),⁴ pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”);⁵ and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Susan S. Pecaro, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5631. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received no comments on the Proposed Plan during the comment period. On February 12, 2015, the Secretary, pursuant to delegated authority, issued an order approving the Proposed Plan,⁶ and posted the approved Plan of Distribution (the “Plan”).

The Plan set forth a methodology for allocating the Fair Fund comprised of the \$200,000,000.00 collected from the Respondent, plus accrued interest, less taxes and administrative fees and expenses to compensate investors harmed when JPMorgan failed to disclose accurately in public filings made with the Commission the true amount of trading losses it suffered in the first quarter of 2012, and the effectiveness of its disclosure controls and procedures.

As ordered by the Commission, the Fund Administrator distributed the Fair Fund pursuant to the Plan in two tranches for a total of \$201,166,112.10,⁷ pursuant to the Plan. Of this amount, \$201,384,886.67 was successfully disbursed and cashed by recipient investors resulting in 41,160 harmed investors being compensated for 69.1% of their losses.

The Fair Fund earned \$6,856,998.74 in interest; and paid state and federal taxes of \$1,020,594.88, investment/bank fees of \$30,947.92, and \$4,236,726.54 in investment premium losses. The Fair Fund currently holds \$183,842.73, which is comprised of \$124,899.12 in undeliverable and uncashed checks, and \$58,943.61 in accumulated interest.

The Plan provides that the Fair Fund will be eligible for termination and the Fund Administrator will be eligible for discharge after all of the following have occurred: (a) a final accounting, in a standard accounting format provided by the Commission staff, has been submitted by the Fund Administrator and approved by the Commission; (b) all taxes and other post distribution expenses have been paid; and (c) any amount remaining in the Fair Fund has been returned to the Commission for transfer to the United States Treasury.

The Commission staff has confirmed that the Fund Administrator has completed the distribution process in accordance with the Commission’s orders, that all taxes and other post distribution expenses owed by the Fair Fund have been paid, and that all monies remaining in the Fair Fund have been received by the Commission. The final accounting, which was submitted to

⁴ Exchange Act Rel. No. 73824 (Dec. 11, 2014).

⁵ 17 C.F.R. § 201.1103.

⁶ See Order Approving Plan of Distribution, Exchange Act Rel. No. 74266 (Feb. 12, 2015).

⁷ See Exchange Act Rel. Nos. 81383 (Aug. 11, 2017) and 86727 (Aug. 22, 2019).

the Commission for approval, as required by Rule 1105(f) of the Commission's Rules, 17 C.F.R. § 201.1105(f), and as set forth in the Plan, has been approved.

Accordingly, it is ORDERED that:

- A. the Fair Fund's remaining funds that are infeasible to return to investors, in the amount of \$183,842.73, and any funds returned to the Fair Fund in the future that are infeasible to return to investors, shall be transferred to the U.S. Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934, 15 U.S. Code § 78u-6(g)(3);
- B. the Fund Administrator, RCB Fund Services, LLC is discharged;
- C. the Fund Administrator's bond is canceled; and
- D. the Fair Fund is terminated.

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

Vanessa A. Countryman
Secretary

⁸ 17 C.F.R. § 200.30-4(a)(21)(vii).