

# Oppenheimer Tweaks Intermediary Payment Disclosures

By [Greg Saitz](#), BoardIQ, October 6, 2015 [subscription required]

When it came out in May that Securities and Exchange Commission examination officials referred **OppenheimerFunds** to the enforcement division as part of their investigation into disguised distribution payments, the fund group insisted its “funds do not pay third-party recordkeeping fees.”

Disclosures in the funds’ statements of additional information, however, suggest otherwise, listing types of payments that may be made by the funds under the heading “payments to financial intermediaries.”

One is: “shareholder servicing expenses that are paid from fund assets to reimburse the sub-adviser or the distributor for fund expenses they incur for omnibus accounting, recordkeeping, networking, sub-transfer agency or other administrative or shareholder services (including retirement plan and college savings program administrative service fees).”

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Now, instead of “payments made by the fund,” the updated wording notes intermediaries may receive “payments made by the transfer agent or sub-transfer agent of the Oppenheimer funds to intermediaries, including fees for providing omnibus accounting, operational and recordkeeping, networking, sub-transfer agency or other administrative services.”

Regardless of the disclosure language, Niels Holch, a partner at **Holch & Erickson** and executive director of the Coalition of Mutual Fund Investors, says Oppenheimer’s declaratory statement about its funds not paying third-party recordkeeping fees is “a little disingenuous.”

“The tweaks they’re making to their SAI don’t change the substance of what’s going on, which is third-party recordkeeping is being paid for out of fund assets,” he says, because funds pay the transfer agent and sub-TA.