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UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 61437 / January 28, 2010

ADMINISTRATIVE PROCEEDING
File No. 3-12111

In the Matter of	:	
	:	
FEDERATED INVESTMENT MANAGEMENT COMPANY,	:	ORDER APPROVING PLAN,
FEDERATED SECURITIES CORP. and FEDERATED	:	APPOINTING AN
SHAREHOLDER SERVICES COMPANY,	:	ADMINISTRATOR, AND
	:	WAIVING BOND
Respondents.	:	
	:	
	:	

On November 28, 2005, the Securities and Exchange Commission (“Commission”) issued a settled Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Sections 15(b)(4) and 17A(c)(3) 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 against Federated Investment Management Company, Federated Securities Corp., and Federated Shareholder Services Company (the “Respondents”) for violations of the federal securities laws in connection with the market timing and late trading of the Federated Funds. (Exchange Act Release No. 34-52839) The Order, among other things, directed the Respondents to pay disgorgement of \$27 million and a civil money penalty of \$45 million, and ordered that a Fair Fund be established for the distribution of these funds. The Order further directed the Respondents to retain an independent distribution consultant (“IDC”), not unacceptable to the staff, to develop a distribution plan for the Fair Fund. The Respondents retained Kenneth Lehn, Ph.D. as the IDC, who has developed a proposed distribution plan (the “Distribution Plan”) in consultation with the staff and Federated.

On December 4, 2009, the Commission published a “Notice of Proposed Plan of Distribution and Opportunity for Comment” (“Notice”) pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103. (Exchange Act Release No. 34-61118) The Notice advised interested parties that they may obtain a copy of the Distribution Plan from the Commission’s public website, <http://www.sec.gov>, or by submitting a written request to Elaine C. Greenberg, Associate Regional Director, United States Securities and Exchange Commission, 701 Market Street, Suite 2000, Philadelphia, PA 19106.

The Notice also advised all persons desiring to comment on the Distribution Plan that they may submit their comments, in writing, no later than 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 (<http://www.sec.gov/litigation/admin.shtml>); or by sending an e-mail to rule-comments@sec.gov. The Commission received no comments on the Distribution Plan and no modification has been made to the Distribution Plan since its publication.

In accordance with the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1100, *et seq.*, the Distribution Plan proposes Boston Financial Data Services (“BFDS”) as the Plan Administrator and sets forth, among other things, procedures for distributing funds from the Fair Fund to investors; procedures for the administration of the Fair Fund, including provisions for filing tax returns; and a proposed timeframe for the termination of the Distribution Plan.

The Distribution Plan provides for distribution of the Fair Fund to eligible investors in the Federated Funds identified in the Distribution Plan to compensate them for losses resulting from market timing and late trading. The Distribution Plan describes the procedures to be used to identify the eligible investors that will receive distributions. The Distribution Plan further describes the procedures to be used to calculate the amounts to be paid to the eligible investors and to distribute those amounts to the eligible investors. Eligible investors will not be required to make a claim or submit documentation to establish their eligibility.

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Federated Investment Management C...

The staff requests that the Commission approve the Distribution Plan submitted by the IDC as written, appoint BFDS as the Plan Administrator, and waive the bond requirement of the Plan Administrator for the good cause shown in the Plan.

Accordingly, IT IS HEREBY ORDERED, pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1104, that the Distribution Plan is approved.

IT IS FURTHER ORDERED, pursuant to Rules 1105(a) and (c) of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105, that

BFDS is appointed as the Plan Administrator in accordance with the terms of the Distribution Plan and that the bond requirement is waived for good cause shown.

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

Elizabeth M. Murphy
Secretary

See Also: [Distribution Plan](#)

<http://www.sec.gov/litigation/admin/2010/34-61437.htm>

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