

Consultation results

The NED has undertaken a wide-ranging consultation with investors and the industry at large on transparency and fund board composition standards over the last two months. It is the biggest project The NED has undertaken in years.

The aim of the consultation was to find out if an agreed minimum standard on fund board composition might be welcomed by many in the industry. The consultation also sought views on transparency in fund governance practices.

As the consultation progressed it became clear that almost everyone had views that they wished to share on transparency but only a minority were similarly enthused by the idea of seeking to reach a level of agreement on fund board composition standards. [Continued on page 12 >>](#)

SEC freezes Cayman fund

The SEC has initiated emergency action against a Cayman fund and two individuals. It charges the fund and individuals with defrauding investors. The Income Collecting 1-3 Months T-Bills Mutual Fund is run by Ofer Abarbanel and Victor Chilelli. Their \$106 million fund, domiciled in Cayman in 2017, is alleged by the SEC to be fraudulent.

According to the SEC Abarbanel said the fund would invest primarily in US Treasury securities, and enter into reverse repurchase agreements with US Treasury securities serving as collateral. But the fund invested only about 1% in US Treasuries and did not use any reverse repurchase agreements as described in the offering documents.

The SEC adds that when investors sought to redeem their investments last month the defendants refused, offered to return only a 'fraction' of their funds, and then, on 4 June, moved \$64 million to a brokerage account from which no redemptions could be made.

The SEC's complaint charges Abarbanel, Chilelli, and the fund with violating the anti-fraud provisions of the federal securities laws and seeks permanent injunctions, disgorgement with prejudgment interest, civil penalties, and permanent bars against participating in future securities offerings.

It also names six companies as relief defendants alleging that they either acted as purported counter-parties with the fund or received fund assets in furtherance of the scheme. They are Institutional Syndication LLC, North American Liquidity Resources LLC, Institutional Secured Credit LLC, Growth Income Holdings LLC, CLO Market Neutral LLC, and Global EMEA Holdings LLC. [News continues on page 2 >>](#)

10th anniversary year

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