

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83621 / July 12, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-17899

In the Matter of

CREDIT SUISSE SECURITIES (USA)
LLC

Respondent.

**NOTICE OF PROPOSED PLAN OF
DISTRIBUTION AND
OPPORTUNITY FOR COMMENT**

ADMINISTRATIVE PROCEEDING
File No. 3-17900

In the Matter of

SANFORD MICHAEL KATZ

Respondent.

Notice is hereby given, pursuant to Rule 1103 of the United State Securities and Exchange Commission's ("Commission") Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a Proposed Plan of Distribution (the "Plan") for the distribution of monies paid in the above-captioned matters.

On April 4, 2017, the Commission instituted and simultaneously settled administrative and cease-and-desist proceedings against Credit Suisse Securities (USA) LLC ("Credit Suisse"), a dually registered broker-dealer and investment adviser, for breaches of its fiduciary duty, inadequate disclosures, and deficiencies in compliance policies and procedures.¹ Contemporaneously therewith, in a related action, the Commission instituted and settled

¹ See Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order, Exchange Act Rel. No. 80373 (Apr. 4, 2017) (the "Credit Suisse Order").

administrative and cease-and-desist proceedings against Sanford Michael Katz (“Katz”), a registered representative and investment adviser of Credit Suisse.²

In their respective orders, the Commission ordered Credit Suisse to pay disgorgement of \$2,099,624.12, prejudgment interest of \$380,090.37, and a civil money penalty of \$3,275,000.00; and ordered Katz to pay disgorgement of \$1,124,858.89, prejudgment interest of \$197,587.38, and a civil money penalty of \$850,000.00.

The Credit Suisse Order also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, for the funds received pursuant to it, as well as all funds collected from Katz, pursuant to the Katz Order (the “Fair Fund”). Credit Suisse and Katz have paid as ordered, a total of \$7,927,160.76 into the Fair Fund.

The Fair Fund is subject to the continuing jurisdiction and control of the Commission and the Fair Fund has been deposited at the United States Department of the Treasury’s Bureau of the Fiscal Service for investment.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Plan by submitting a written request to Nancy Chase Burton, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission’s Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted should include “Administrative Proceeding File Nos. 3-17899 and 3-17900” in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

² See Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order, Advisers Act Rel. No. 4679 (Apr. 4, 2017) (the “Katz Order”).

THE PLAN

The Net Fair Fund³ is comprised of the Fair Fund, plus accumulated interest and earnings thereon, less prejudgment interest, and any reserve for taxes, fees or other expenses of administering the Plan. The Plan proposes to distribute the Net Fair Fund to those harmed investors previously identified by Commission staff in accordance with paragraph 8 of the Plan.

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

Brent J. Fields
Secretary

³ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Plan.