

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 99465 / February 5, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-20963

In the Matter of

Eagle Bancorp, Inc.,

Respondent.

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

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

On August 16, 2022, the Commission issued an Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the "Order")¹ against Eagle Bancorp, Inc. (the "Respondent"). In the Order, the Commission found that Eagle made material misstatements and omissions about related party loans that Eagle's principal subsidiary, EagleBank, extended to family trusts affiliated with Eagle's former Chairman, CEO, and President, Ronald D. Paul ("Paul"), and to other related parties. From March 2015 through April 2018, Eagle failed to include these undisclosed loans in the related party loan balances included in its annual reports and proxy statements filed with the Commission. Eagle and Paul also made false statements regarding the nature of the loans in two press releases. Based on this conduct, the Commission found that Eagle violated Sections 17(a)(2) and 17(a)(3) of the Securities Act, and Sections 13(a), 13(b)(2)(A), 13(b)(2)(B) and 14(a) of the Exchange Act and Rules 12b-20, 13a-1, and 14a-9 thereunder.

The Commission ordered Eagle to pay \$2,600,000 in disgorgement, \$750,493 in prejudgment interest, and a \$10,000,000 civil money penalty, for a total of \$13,350,493, to the Commission. In its order, the Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties paid, along with the disgorgement and interest paid, could be distributed to harmed investors (the "Fair Fund"). The Commission

¹ Securities Act Rel. No. 11092 (Aug. 16, 2022).

further ordered that the Fair Fund may be combined with any fund established for the benefit of harmed investors in *SEC v. Ronald D. Paul*, 22-cv-06985 (S.D.N.Y.) (the “Related Action”).²

The Fair Fund consists of the \$13,350,493 collected from the Respondent in this matter and the \$431,216 collected in the Related Action. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

On November 14, 2023, the Commission appointed JND Legal Administration (“JND”) as the Fund Administrator for the Fair Fund.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Proposed 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 Proposed Plan by submitting a written request to Allison J.P. Moon, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. All persons who desire to comment on the Proposed 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 by email or via the Commission’s website should include “Administrative Proceeding File No. 3-20963” in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

THE PROPOSED PLAN

The Net Available Fair Fund is comprised of the \$13,350,493.00 in disgorgement, prejudgment interest, and civil money penalties paid by the Respondent, plus the \$431,216 collected from the Related Action and any interest and income earned thereon, less taxes, fees, and expenses. The Proposed Plan provides for the distribution of the Fair Fund, less taxes and administrative costs, to investors who purchased or acquired Eagle Bancorp common stock, traded under the symbol EGBN, on March 2, 2015, through July 17, 2019, inclusive, and suffered a loss as calculated by the methodology used in the Plan of Allocation attached to the Proposed Plan as Exhibit A.

² The Commission corrected the Order to add this language, which was inadvertently omitted at the time of issuance. The Fair Fund has received \$431,216.00 from the Related Action in accordance with the Court’s Order dated October 11, 2023. *See* Dkt. No. 16, *SEC v. Ronald D. Paul*, 22-cv-06985 (S.D.N.Y.).

For the Commission, by the Division of Enforcement, pursuant to delegated authority.³

Vanessa A. Countryman
Secretary

³ 17 C.F.R. § 200.30-4(a)(21)(iii).