

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-against-

HENRY FORD f/k/a  
CLEOTHUS LEFTY JACKSON and  
FALLCATCHER, INC.,

Defendants.

Case No. 19-cv-2214 (PD)

ECF Case

**DISTRIBUTION PLAN**

**I. Background**

1. This Distribution Plan (the “Plan”) seeks to distribute funds recovered by the Securities and Exchange Commission (the “SEC” or “Commission”) to sixty-one (61) investors who suffered investment losses as a result of the fraudulent offer and sale of securities by Fallcatcher, Inc. (“Fallcatcher”) and its founder and Chief Information Officer Henry Ford f/k/a Cleothus Lefty Jackson (“Ford”) (collectively the “Defendants”) alleged in the SEC’s Complaint in this matter (“Eligible Investors”). Fallcatcher, a privately-held start-up company, founded by Ford, sought to create, market, and sell biometric devices and software to track patients receiving treatment for opioid and other drug addictions in order to prevent medical billing fraud on insurers and government agencies.

2. On May 22, 2019, the Commission filed a Complaint against Ford and Fallcatcher for selling shares of Fallcatcher’s common stock to investors based on material misrepresentations about the interest in Fallcatcher’s technology by large insurers and state

governments. Based on these fraudulent material misrepresentations, Fallcatcher raised approximately \$5 million between approximately August and September 2018 from about sixty-one (61) investors.

3. On February 26, 2020, the Court entered an Order<sup>1</sup> approving Consent Judgments against Ford<sup>2</sup> and Fallcatcher,<sup>3</sup> ordering them to pay a combined total of \$3,386,964.53 consisting of disgorgement, prejudgment interest and a civil penalty. The judgements required the Defendants to pay the monies ordered to the SEC. To date, the Commission has received disgorgement funds totaling \$2,267,805.27 from financial institutions and other third-parties that were holding the funds when this case was filed. Fallcatcher has been credited with \$2,263,696.11 and Ford has been credited with \$4,109.16. The Defendants still owe a combined balance of \$1,119,156.26 (Fallcatcher \$31,624.76, and Ford \$1,087,534.50).

4. On July 14, 2020, the Commission issued a settled Order (the “Administrative Proceeding”) against Abetterfinancialplan.com, LLC, d/b/a A Better Financial Plan (“ABF”) and Dean J. Vagnozzi (“Vagnozzi”)<sup>4</sup> (collectively, the “Respondents”). In the Order, the Commission found that the respondents raised over \$4.9 million for Fallcatcher from August through September 2018 from their advisory clients in violation of the federal securities laws. These funds accounted for the entirety of Fallcatcher’s September 2018 capital raise. The Fallcatcher-related conduct and the investors who were harmed as a result of that conduct in the Commission’s Order are identical to the conduct and harmed investors in SEC v. Ford, et al. For their efforts, Ford and

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<sup>1</sup> Dkt Nos. 40 and 41.

<sup>2</sup> Dkt No. 38-1.

<sup>3</sup> Dkt No. 38-2.

<sup>4</sup> Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order, Exchange Act Rel. No. 89318 (July 14, 2020).

Fallcatcher paid Vagnozzi at a flat fee and four million shares of Fallcatcher for finding investors. As a result of the fraudulent conduct described in the Order, the Commission: (a) ordered the Respondents to pay a total of \$599,429.33 (consisting of disgorgement, prejudgment interest and penalties); (b) created a Fair Fund so that the disgorgement, prejudgment interest and penalties collected could be distributed to the victims of the Respondent's fraud; and (c) ordered that funds paid by the Respondents be combined with the funds paid by the Defendants in SEC v. Ford, et al., 19-cv-2214 (E.D. Pa). To date, the Respondents have not paid any of the amounts ordered pursuant to the Commission's Order.

5. The judgments approved by the court in this action against the Defendants state that the Commission will propose a plan to distribute the funds collected subject to the Court's approval, and that the fund "shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002."

6. The Commission has separately file a motion to establish a Fair Fund in this matter, and proposed Miller Kaplan Arase LLP ("MKA"), as the Tax Administrator ("Tax Administrator") to execute all the tax reporting and filing requirements for the Fair Fund. (*Dkt Nos. 51 & 51-1*). The Tax Administrator fees and expenses and the tax liabilities of the Fair Fund will be paid from the Fair Fund.

7. The Fair Fund consists of the \$2,267,805.27 recovered to date, together with interest earned on the monies invested. All funds collected are held in an interest-bearing account at the Bureau of Fiscal Services of the United States Treasury Department (the "BFS").

8. The Commission now moves the Court to approve the Distribution Plan, so that the Fair Fund can be distributed to the sixty-one (61) investors harmed by the Defendants' fraudulent conduct.

## **II. Definitions**

9. “Distribution Agent” shall mean Noel Gittens, Esq., a Commission employee proposed for appointment by the Court to handle the administration and distribution of the Fair Fund in accordance with the terms of this Plan and the Court’s orders.

10. “Fair Fund” consists of the \$2,267,805.27 recovered to date by the SEC. Any additional funds received or collected by the SEC pursuant to the Defendants’ Consent Judgments or the Commission’s Order in the Administrative Proceeding will be added to the Fair Fund.

11. “Eligible Investor” means investors, identified by Commission during its investigation, who purchased Fallcatcher stock in the August to September 2018 time period pursuant to the August 2018 private placement memorandum issued by Fallcatcher. These investors are the same harmed investment advisor clients in the SEC’s administrative proceedings described above.

12. “Minimum Distribution Amount” shall mean the specified dollar amount that a Distribution Payment must equal or exceed in order for a distribution to be made to an Eligible Investor. No Eligible Investors shall receive a distribution unless the Distribution Payment is equal to or greater than \$10.00.

13. “Net Fair Fund” means the Fair Fund, plus accrued interest and earnings thereon, less any payments and reserves for tax obligations, fees and expenses of the Tax Administrator, investment fees, and fees and expenses of the Third-Party. The Net Fair Fund will be distributed to the Eligible Investors.

14. “Net Loss” means an Eligible Investor’s investment amount less any recovery on the investment. The Commission has determined from its investigation the Net Loss for each Eligible Investor and these amounts are listed in Exhibit B.

15. “Tax Administrator” shall mean Miller Kaplan Arase LLP, the firm proposed for appointment by the Court.

16. “Third-Party” shall mean JND Legal Administration, the firm that will assist the Distribution Agent with certain administrative tasks associated with the administration and distribution of the Fair Fund, such as verification of names and addresses, certain tax compliance services on behalf of the Fair Fund, and processing of checks for distribution to harmed investors (“JND” or the “Third-Party”).

### **III. Responsibilities of the Distribution Agent**

17. Noel Gittens has been proposed as the Distribution Agent for the Fair Fund. As a Commission employee, the Distribution Agent shall receive no compensation for his services in administering the Fair Fund, other than his regular salary as a Commission employee. The Distribution Agent may be removed at any time by order of the Court.

18. The Distribution Agent will, among other things: oversee the administration of the Fair Fund; obtain contact and mailing information for the Eligible Investors; distribute money from the assets of the Fair Fund to Eligible Investors in accordance with the Plan; resolve payment issues; prepare a final accounting; and provide the Tax Administrator with funds to pay tax liabilities and tax compliance fees and costs.

19. The Distribution Agent and his designees, agents, and assistants are not required to post a bond, and shall not be liable to any person for their actions hereunder, except on a finding of willful disregard of duty.

20. To facilitate a more timely and efficient distribution, the Distribution Agent will engage the services of the Third-Party to perform some of the administrative tasks associated with the administration and distribution of the Fair Fund at a fixed fee of \$15,000, which will be paid from the Fair Fund.

### **IV. Responsibilities of the Tax Administrator**

21. The Net Fair Fund is a “Qualified Settlement Fund” within the meaning of the regulations issued under Section 468B(g) of the Internal Revenue Code of 1986, as amended. The Tax Administrator is the administrator of such Qualified Settlement Fund, for purposes of Treas. Reg. § 1.468B-2(k)(3)(I), and shall satisfy the tax-related administrative requirements imposed by Treas. Reg. §§ 1.468B-1 through 1.468B-5, including, but not limited to:

- a) Obtaining a taxpayer identification number;
- b) Timely requests for funds necessary for the timely paying of all applicable taxes, the timely payment of taxes for which the Tax Administrator has received funds, and the filing of applicable tax returns; and
- c) Fulfilling any information reporting or withholding requirements required for distributions from the Net Fair Fund.

22. The Distribution Agent and the Third-Party shall cooperate with the Tax Administrator in providing any information necessary to ensure income tax compliance.

**V. Methodology for Calculating Distribution Amount**

23. The Methodology for calculating the distribution amounts involves the following:

- a) Determine each Eligible Investor’s Net Loss; and calculate the total Net Losses of all Eligible Investors which is the sum of the Net Losses of all Eligible Investors (“Total Net Losses”).
- b) Calculate an “Eligible Investor’s Proportional Net Loss” by dividing each Eligible Investor’s Net Loss by the Total Net Losses. This fractional or percentage result represents the Eligible Investor’s proportion of Net Loss to the pool of Total Net Losses (“*Pro-Rata* Percentage”).
- c) Calculate each Eligible Investor’s distribution amount by multiplying the Net Fair Fund by each Eligible Investor’s *Pro-Rata* Percentage. The

resulting figure represents the amount of the Net Fair Fund to be distributed to each Eligible Investor (“Distribution Payment”). See the “Distribution Chart” attached hereto as Exhibit B<sup>5</sup>.

- d) If an Eligible Investor’s Distribution payment is less than \$10.00 (the Minimum Distribution Amount), that Eligible Investor will not receive a Distribution Payment, and the funds will be distributed to other Eligible Investors whose Distribution Payments are equal to or greater than \$10.00.
- e) If sufficient funds are recovered subsequent to the first distribution, and a second distribution is determined to be feasible, a subsequent distribution will be made to all Eligible investors according to the methodology in paragraphs (a) through (d) above.

#### **VI. Distribution Procedure**

24. The Distribution Agent, in consultation with the Tax Administrator and the SEC staff, shall determine the Net Fair Fund by retaining a prudent reserve to Administrative Costs. After all distributions and payment of all tax obligations, any remaining amounts in the reserve will become part of the residual described in paragraph 43. For purposes of calculating the residual of the Net Fair Fund, any disgorgement amount(s) ordered by the Court shall be deemed to have been paid out first to Eligible Investors, with any prejudgment interest and/or penalty amount(s) to be paid out to Eligible Investors only after the total disgorgement has been paid out in full.

25. The Net Fair Fund will be distributed on a *pro rata* basis among the Eligible Investors based upon the calculations in paragraphs 23 (a) through (d) above.

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<sup>5</sup> The Distribution Payments will change if additional monies are recovered, the amounts for accrued interest, or the final reserve for administrative costs (which includes the fees and costs for the Tax Administrator, the tax liability of the Fair Fund, and costs of the Third-Party) changes.

26. Based on information obtained by the Commission during its investigation and the review and analysis of applicable records, the Commission has reasonably concluded that it has all records necessary to calculate Net Loss as described in the methodology of the Plan detailed above. As a result, the Fair Fund is not being distributed according to a claims-made process, so procedures for making and approving claims are not applicable.

27. Upon filing of the Plan with the Court, the Distribution Agent will serve by U.S. Postal Service a copy of the Plan including Exhibit B, filed with the Court. The mailing will include a letter which sets forth each Eligible Investor's payment amount, and will inform Eligible Investors that they have thirty (30) days from filing of the Plan with the Court to file any dispute, objection to the plan, or to dispute the payment amounts.

28. Following approval of the Plan by the Court, the Third-Party at the direction of the Distribution Agent will send a notice ("Notice") (attached hereto as Exhibit C) to each Eligible Investor by mail or by email. The Notice will provide each Eligible Investor with a copy of the Court's Order approving the Plan, the Court-approved Plan, including a finalized Distribution Chart similar to Exhibit B which will set forth Eligible Investors' payment amounts, and request confirmation of contact information sufficient to issue the distribution payment. The Third-Party will send the Notice within fourteen (14) days of the date of the Court's order approving the Plan.

29. Eligible Investors will have fourteen (14) days from the postmark date of the Notice to submit the requested information to ensure an efficient and accurate delivery of their full distribution payment as described in the Notice.

30. If a Notice is returned as undeliverable, the Distribution Agent will make his best practicable efforts to ascertain an Eligible Investor's correct address. If another address is obtained, the Distribution Agent will then resend the Notice to the Eligible Investor's new address within fourteen (14) days of receipt of the returned mail. If the Notice is returned again, and the



Distribution Agent, despite his best practicable efforts, is unable to find an Eligible Investor's correct address, the Distribution Agent, in his discretion, may remove such Eligible Investor from the distribution and the allocated distribution amount will remain in the Net Fair Fund.

31. Any Eligible Investor who relocates or otherwise changes contact information after the receipt of the Notice must promptly communicate any change in address or contact information to the Distribution Agent.

32. After receipt of the information from the Eligible Investors, the Third-Party will prepare a final payee list containing the names, amounts, and other information required for funds to be disbursed to the Eligible Investors.

33. After receipt of the final payee list, the Distribution Agent will petition the Court for an order directing the Commission's Office of Financial Management to cause a check for the total amount to be distributed to be transferred to an "Escrow Account" established by the Third-Party assisting the Distribution Agent.

34. The Third-Party shall establish with a commercial bank ("Bank"), not unacceptable to the Commission, an Escrow Account pursuant to an escrow agreement (the "Escrow Agreement") to be provided by the Commission staff, in the name of and bearing the Employer Identification Number ("EIN") of the Qualified Settlement Fund ("QSF"). The Third-Party shall also establish with the bank a separate "Deposit Account" for the purpose of funding distribution payments to be distributed to Eligible Investors by the Distribution Agent pursuant to this Plan. The name on the account shall be in the following form: SEC v. Henry Ford et al. Fair Fund (EIN XX-XXXXXXX), as custodian for the benefit of investors allocated a distribution pursuant to the Plan in *SEC v. Henry Ford et al.*, Civ. Act. No. 2:19-cv-02214-PD (E.D. Pa.).

35. The assets of the Fair Fund will be held in the Escrow Account, separate from Bank

assets, until the presentation of checks. All Fair Fund checks presented for payment or electronic transfers will be subject to “positive pay” controls before they are honored by the Bank. The “positive pay” system provides protection against fraud arising from counterfeit or altered checks. The “positive pay” system will require, at a minimum, confirmation by the Bank that all checks presented for payment match the identifiers and amounts on the payee list prior to honoring such checks. In each instance, funds will be transferred from the Escrow Account to the Deposit Account upon the Bank’s confirmation that a presented check matches the relevant “positive pay” criteria.

36. The Third-Party will issue a check to each Eligible Investor in the amount of each Eligible Investor’s *Pro Rata* Share. Each check issued to the Eligible Investors will state on the face of the check that it is valid for ninety (90) days.

37. If a distribution payment is returned as undeliverable, the Distribution Agent will make his best practicable efforts to ascertain an Eligible Investor’s correct address. If another address is obtained, the Distribution Agent will then resend the distribution payment to the Eligible Investor’s new address within thirty (30) days of receipt of the returned mail. If the distribution payment is returned again, and the Distribution Agent, despite his best practicable efforts, is unable to find an Eligible Investor’s correct address, the Distribution Agent, in his discretion, may remove such Eligible Investor from the distribution and the allocated distribution amount will remain in the Net Fair Fund and may be distributed to the remaining Eligible Investors. In no event will an Eligible Investor receive from the Fair Fund more than the Eligible Investor’s Net Loss.

38. After ninety (90) days from the date on the distribution check, the Third-Party will notify the Distribution Agent of the amount of all uncashed checks. Checks that are not negotiated within this period shall be voided and the issuing financial institution shall be instructed to stop

payment on those checks. Where an Eligible Investor's check has not been negotiated within the ninety (90) day period and has been voided by the Bank, that Eligible Investor's claim shall be extinguished upon the occurrence of the stale date. All such funds will remain in the Fair Fund.

39. All Distribution Payments shall be preceded or accompanied by a communication, submitted to the Commission staff and the Tax Administrator for review and approval that includes, as appropriate:

- a) A statement characterizing the distribution;
- b) A statement that the tax treatment of the distribution is the responsibility of each Eligible Investor and that the Eligible Investor should consult his or her tax advisor for advice regarding the tax treatment of the distribution;
- c) A statement that checks will be void after ninety (90) days; and
- d) The name of a person or entity to contact, if the Eligible Investor has any questions regarding the distribution.

40. The Distribution Payment checks, on their face or the accompanying mailing, shall clearly indicate that the money is being distributed from a Fair Fund established by the Court to compensate investors for harm as a result of Defendants' conduct described in the Complaint.

## **VII. Additional Funds**

41. If significant funds remain in the Fair Fund after distribution payments have been made, and the Distribution Agent has determined that a second distribution is feasible, the Distribution Agent may at its discretion allocate those additional funds on a *pro-rata* basis to all Eligible Investors who cashed a distribution check and who would receive at least the Minimum Distribution Amount from such redistribution.

42. Should any additional funds be received prior to the Court's termination of the Fair Fund and the Distribution Agent has determined that a distribution is feasible, such funds will be

added to the Net Fair Fund and distributed in accordance with the Plan's methodology described above.

### **VIII. Post Distribution**

43. A residual within the Distribution Fund (the "Residual") will be established for any amounts remaining after all assets have been disbursed. The Residual may include, among other things, funds reserved for future taxes and for post-distribution contingencies, amounts from Distribution Payment checks that have not been cashed, amounts from Distribution Payment checks that were not delivered or accepted upon delivery, and tax refunds.

44. If, after the distribution is complete and all Administrative Costs have been paid, funds remain in the Distribution Fund, and the Distribution Agent, in consultation with the SEC staff, has determined further distributions to be infeasible, the Residual shall be transferred from the Escrow Account to the SEC, pending a final accounting. Upon completion of the final accounting, the SEC staff will file a motion with this Court to approve the final accounting, which will include a recommendation as to the final disposition of the Residual, consistent with *SEC v. Liu*, No. 18-1501, 2020 WL 3405845 (U.S. June 22, 2020). If distribution of the Residual to investors is infeasible, the SEC staff may recommend the transfer of the Residual to the general fund of the U.S. Treasury subject to Section 21F(g)(3) of the Exchange Act.<sup>6</sup>

45. Upon final distribution of the funds, the Distribution Agent shall make arrangement for the final payment of taxes and tax-related fees. The Distribution Agent shall file with the Court, a final accounting in a Commission standard accounting format provided by the Commission staff. The final report shall include, among other things, a final accounting of all

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<sup>6</sup> Section 21F(g)(3) of the Exchange Act, 15 U.S.C. § 78u-6(g)(3), provides, in relevant part, that any monetary sanction of \$200 million or less collected by the SEC in any judicial action brought by the SEC under the securities laws that is not added to a disgorgement fund or Distribution Fund or otherwise distributed to victims, plus investment income, shall be deposited or credited into the SEC Investor Protection Fund

monies received, earned, spent, and distributed in connection with the administration of the Plan and shall be compiled in coordination with the Tax Administrator.

**IX. Payment of Costs, Fees, and Taxes, and Filing Report and Accountings**

46. All taxes, investment fees, and the reasonable fees and expenses of the Tax Administrator and the Third Party incurred in the performance of its duties, will be paid from the Fair Fund, subject to the review and approval of the Court.

47. The Distribution Agent will submit a final report to the Court for approval. The final report shall include, among other things, a final accounting of all monies received, earned, spent, and distributed in connection with the administration of the Plan.

48. The Fair Fund will be eligible for termination and the Distribution Agent will be eligible for discharge after all of the following have occurred:

- a. A final report and accounting has been submitted to and approved by the Court;
- b. All Administrative Costs have been paid; and
- c. The Court has approved the SEC staff's recommendation as to the final disposition of the Residual consistent with *SEC v. Liu*, No. 18-1501, 2020 WL 3405845 (U.S. June 22, 2020).

**X. Other Rights and Powers**

49. To carry out the purposes of this Plan, the Distribution Agent is authorized to make non-material changes to the Plan if agreed upon by the Commission staff. Material changes to the Plan may only be implemented by the Distribution Agent after consultation with, and consent of, Commission staff and approval by the Court, by amending the Plan.

50. The Distribution Agent in consultation with Commission staff may extend the procedural deadlines herein for good cause shown.

51. All proceedings with respect to the administration and the determination of all related controversies, shall be subject to the exclusive jurisdiction of this Court. Any dispute or objection to the Plan by any investor shall be submitted, in writing, to the Court no later than thirty (30) days from the date of filing of the Plan with the Court.

52. The Court reserves the right to amend this Plan from time to time, and retains jurisdiction over this matter for this purpose and for any and all other matters that may arise under or relate to this Plan.

**Exhibit B*****DISTRIBUTION CHART<sup>7</sup>***

<b>Eligible Investor</b>		<b>Net Loss</b>	<b>Pro Rata Percentage</b>	<b>Distribution Payment</b>
<b>Investor #</b>	<b>1</b>	<b>\$ 105,000.00</b>	<b>2.1149%</b>	<b>\$ 47,334.47</b>
<b>Investor #</b>	<b>2</b>	<b>\$ 60,000.00</b>	<b>1.2085%</b>	<b>\$ 27,048.27</b>
<b>Investor #</b>	<b>3</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>4</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>5</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>6</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>7</b>	<b>\$ 150,000.00</b>	<b>3.0213%</b>	<b>\$ 67,620.67</b>
<b>Investor #</b>	<b>8</b>	<b>\$ 50,000.00</b>	<b>1.0071%</b>	<b>\$ 22,540.23</b>
<b>Investor #</b>	<b>9</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>10</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>11</b>	<b>\$ 103,000.00</b>	<b>2.0746%</b>	<b>\$ 46,432.86</b>
<b>Investor #</b>	<b>12</b>	<b>\$ 100,000.00</b>	<b>2.0142%</b>	<b>\$ 45,080.44</b>
<b>Investor #</b>	<b>13</b>	<b>\$ 100,000.00</b>	<b>2.0142%</b>	<b>\$ 45,080.44</b>
<b>Investor #</b>	<b>14</b>	<b>\$ 50,750.00</b>	<b>1.0222%</b>	<b>\$ 22,878.33</b>
<b>Investor #</b>	<b>15</b>	<b>\$ 140,000.00</b>	<b>2.8199%</b>	<b>\$ 63,112.62</b>
<b>Investor #</b>	<b>16</b>	<b>\$ 80,000.00</b>	<b>1.6114%</b>	<b>\$ 36,064.36</b>
<b>Investor #</b>	<b>17</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>18</b>	<b>\$ 50,000.00</b>	<b>1.0071%</b>	<b>\$ 22,540.23</b>
<b>Investor #</b>	<b>19</b>	<b>\$ 100,000.00</b>	<b>2.0142%</b>	<b>\$ 45,080.44</b>
<b>Investor #</b>	<b>20</b>	<b>\$ 50,000.00</b>	<b>1.0071%</b>	<b>\$ 22,540.23</b>
<b>Investor #</b>	<b>21</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>22</b>	<b>\$ 50,000.00</b>	<b>1.00071%</b>	<b>\$ 22,540.23</b>
<b>Investor #</b>	<b>23</b>	<b>\$ 100,000.00</b>	<b>2.0142%</b>	<b>\$ 45,080.44</b>
<b>Investor #</b>	<b>24</b>	<b>\$ 80,000.00</b>	<b>1.6114%</b>	<b>\$ 36,064.36</b>
<b>Investor #</b>	<b>24</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>26</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>27</b>	<b>\$ 75,000.00</b>	<b>1.5106%</b>	<b>\$ 33,810.33</b>
<b>Investor #</b>	<b>28</b>	<b>\$ 74,755.79</b>	<b>1.5057%</b>	<b>\$ 33,700.24</b>
<b>Investor #</b>	<b>29</b>	<b>\$ 100,000.00</b>	<b>2.0142%</b>	<b>\$ 45,080.44</b>

<sup>7</sup> The Distribution Payments will change if additional monies are recovered, the amounts for accrued interest or the final reserve for administrative costs (which includes the fees and costs for the Tax Administrator, the tax liability of the Fair Fund, and costs of the Third-Party) changes.

Eligible Investor		Net Loss	Pro Rata Percentage	Distribution Payment
Investor #	30	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	31	\$ 50,000.00	1.0071%	\$ 22,540.23
Investor #	32	\$ 50,000.00	1.0071%	\$ 22,540.23
Investor #	33	\$ 50,000.00	1.0071%	\$ 22,540.23
Investor #	34	\$ 50,000.00	1.0071%	\$ 22,540.23
Investor #	35	\$ 50,000.00	1.0071%	\$ 22,540.23
Investor #	36	\$ 80,000.00	1.6114%	\$ 36,064.36
Investor #	37	\$ 100,000.00	2.0142%	\$ 45,080.44
Investor #	38	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	39	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	40	\$ 197,270.00	3.9734%	\$ 88,930.19
Investor #	41	\$ 100,000.00	2.0142%	\$ 45,080.44
Investor #	42	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	43	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	44	\$ 100,000.00	2.0142%	\$ 45,080.44
Investor #	45	\$ 79,000.00	1.5912%	\$ 35,613.55
Investor #	46	\$ 100,000.00	2.0142%	\$ 45,080.44
Investor #	47	\$ 100,000.00	2.0142%	\$ 45,080.44
Investor #	48	\$ 50,000.00	1.0071%	\$ 22,540.23
Investor #	49	\$ 85,000.00	1.7121%	\$ 38,318.38
Investor #	50	\$ 110,000.00	2.2156%	\$ 49,588.49
Investor #	51	\$ 100,000.00	2.0142%	\$ 45,080.44
Investor #	52	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	53	\$ 55,000.00	1.1078%	\$ 24,794.24
Investor #	54	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	55	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	56	\$ 100,000.00	2.0142%	\$ 45,080.44
Investor #	57	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	58	\$ 65,000.00	1.3092%	\$ 29,302.29
Investor #	59	\$ 75,000.00	1.5106%	\$ 33,810.33
Investor #	60	\$ 50,000.00	1.0071%	\$ 22,540.25
Investor #	61	\$ 125,000.00	2.5177%	\$ 56,350.56

<b>Totals</b>	<b>\$ 4,964,775.79</b>	<b>100.00%</b>	<b>\$ 2,238,143.00</b>
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