



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

-- against --

AR CAPITAL, LLC, NICHOLAS S. SCHORSCH and
BRIAN S. BLOCK,

Defendants.

19 Civ. 6603 (AT)

ECF Case

**ORDER ESTABLISHING A FAIR FUND, APPOINTING TAX ADMINISTRATOR,
AND AUTHORIZING PAYMENT OF TAX-RELATED FEES, EXPENSES, AND
OBLIGATIONS**

The Court, having reviewed the Motion of Plaintiff Securities and Exchange Commission (“SEC”) to establish a fair fund, appoint Miller Kaplan Arase LLP (“Miller Kaplan”) as Tax Administrator, and to authorize payment of future tax obligations and the fees and expenses of the Tax Administrator, “Motion,” ECF No. 29, and for good cause shown,

IT IS HEREBY ORDERED:

1. The Motion is GRANTED.
2. A Fair Fund is established, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 [15 U.S.C. § 7246(a)], as amended by the Dodd-Frank Act of 2010 [15 U.S.C. § 7246], for the amounts paid pursuant to Court Order plus any accrued interest and earnings thereon in the approximate amount of \$34,175,862.42 (the “Fair Fund”).
3. Miller Kaplan is appointed Tax Administrator to execute all income tax reporting requirements, including the preparation and filing of tax returns, for all funds under the Court’s jurisdiction in this case.

4. Miller Kaplan shall be designated the Tax Administrator of the Fair Fund, pursuant to Section 468B(g) of the Internal Revenue Code (IRC), 26 U.S.C. § 468B(g), and related regulations, and shall satisfy the administrative requirements imposed by those regulations, including but not limited to (a) obtaining a taxpayer identification number, (b) filing applicable federal, state, and local tax returns and paying taxes reported thereon out of the Fair Fund, and (c) satisfying any information, reporting, or withholding requirements imposed on distributions from the Fair Fund. Upon request, the Tax Administrator shall provide copies of any filings to the SEC's counsel of record.

5. The Tax Administrator shall, at such times as the Tax Administrator deems necessary to fulfill the tax obligations of the Fair Fund, submit a request to the SEC's counsel of record for payment from the Fair Fund of any tax obligations of the Fair Fund.

6. The Tax Administrator shall be entitled to charge reasonable fees for tax compliance services and related expenses in accordance with its agreement with the SEC. The Tax Administrator shall, at such times as the Tax Administrator deems appropriate, submit a request to the SEC's counsel of record for payment of fees and expenses from the Fair Fund.

7. The SEC is authorized to approve and arrange payment of all tax obligations owed by the Fair Fund and the fees and expenses of the Tax Administrator directly from the Fair Fund without further approval of this Court. All payments for taxes and the fees and expenses of the Tax Administrator shall be reported to the Court in a final accounting.

The Clerk of Court is directed to terminate the motion at ECF No. 29

IT IS SO ORDERED.

Dated: 10/22/2019
New York, New York



ANALISA TORRES
United States District Judge