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**EXHIBIT A**  
**DISTRIBUTION PLAN**

**I. OVERVIEW**

1. This Distribution Plan (the “Plan”) was developed by the Securities and Exchange Commission (the “Commission”) in accordance with practices and procedures customary in Distribution Fund administrations. This Plan provides for the distribution of a Distribution Fund (the “Distribution Fund”), comprised of disgorgement paid by Abhi Batra a/k/a Abhimanyu Batra (“Batra” or “Defendant”).

2. As described more specifically below, the Plan seeks to compensate certain brokerage firms that were victims of Batra’s misconduct as alleged in the Complaint. As calculated using the methodology detailed in the Plan of Allocation (attached as Attachment A), the brokerage firms that suffered losses as a result of Batra’s free-riding scheme between June 2016 and January 2020, inclusive (the “Relevant Period”) will be compensated for the losses they incurred. 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 each firm’s harm. As a result, the Distribution Fund is not being distributed according to a claims-made process.

3. The Commission has custody of the Distribution Fund and shall retain control of the assets of the Distribution Fund. The Court retains jurisdiction over its implementation.

**II. BACKGROUND**

4. On January 15, 2021, the Commission filed a Complaint against Batra. [Dkt. 1]. The Commission alleged that Batra conducted a free-riding scheme between 2016 and 2020 in which he fraudulently reversed more than \$1 million in Automated Clearing House (ACH) transfers. Specifically, the

1 Commission's Complaint alleged that Batra transferred money from bank accounts  
2 to brokerage accounts via ACH, then used the funds to purchase speculative  
3 options contracts. The Complaint further alleged that when the options trades lost  
4 money, Batra would recall the ACH transfers to the brokerage firm by falsely  
5 representing to the bank that he had not authorized the initial transfers. As a result,  
6 Batra imposed his trading losses on the brokerage firms. By contrast, according to  
7 the Complaint, when his trading was profitable, Batra kept the profits for himself.  
8 The Commission charged Batra with violations of Section 10(b) of the Securities  
9 Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R.  
10 § 240.10b-5].

11 5. Batra did not answer or otherwise respond to the Complaint. The  
12 Clerk of the Court entered a Default against Batra on March 19, 2021. [Dkt. 17].  
13 On June 14, 2021, the Court entered a Final Judgment against Defendant [Dkt. 22],  
14 which, among other relief, enjoined him from violating the above provisions. In  
15 addition, the Final Judgment ordered Defendant to pay disgorgement of \$665,211;  
16 prejudgment interest of \$6,577.16; and a civil penalty of \$195,047, for a total of  
17 \$866,835.16, within thirty days. Batra made one \$50,000 payment on August 11,  
18 2021 but did not satisfy the judgment in full. On July 25, 2022, Batra pled guilty  
19 and was sentenced in a parallel criminal case.<sup>1</sup> In the criminal case, the Court  
20 ordered Batra to pay restitution of \$665,221. The Court further ordered that the  
21 restitution be paid to the Commission and distributed to the victims in this action.  
22 Batra paid restitution to the Commission of \$615,211 on July 20, 2022.

23 6. All of the ordered funds that Batra paid are currently held in a  
24 Commission-designated account at the United States Department of the Treasury,  
25 and any accrued interest will be added to the Distribution Fund.

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27 <sup>1</sup> *United States v. Batra*, Case No. 2:22-cr-00103 (C.D. Ca.).

1           7.     On February 23, 2023, the Court appointed Heffler, Radetich & Saitta,  
2 LLP (“HRS”) as the Tax Administrator to execute all the tax and reporting and  
3 filing requirements for the Distribution Fund. [Dkt. 30]. The Court further  
4 authorized the payment of fees and expenses of the Tax Administrator without  
5 further approval from the Court.

6 **III. DEFINITIONS**

7           As used in this Plan, the following definitions will apply:

8           8.     **“Administrative Costs”** shall mean any administrative costs and  
9 expenses, including without limitation tax obligations, the fees and expenses of the  
10 Tax Administrator, and investment and banking costs.

11           9.     **“Distribution Fund”** means the fund created for the benefit of  
12 investors harmed by Defendant’s violations alleged in the Complaint.

13           10.    **“Distribution Payment”** means a payment from the Distribution  
14 Fund to a Payee in accordance with the terms of this Plan.

15           11.    **“Eligible Claimant”** means a Preliminary Claimant, who is  
16 determined to have suffered a Recognized Loss, pursuant to the Plan of Allocation,  
17 and who is not an Excluded Party or an Unresponsive Preliminary Claimant.

18           12.    **“Excluded Party”** shall mean: (a) the Defendants, and Defendants’  
19 advisers, agents, nominees, assigns, creditors, heirs, distributees, spouses, parents,  
20 children, or controlled entities; (b) the Distribution Agent and those Persons  
21 assisting the Distribution Agent in her role as the Distribution Agent; and (c) any  
22 purchaser or assignee of another Person’s right to obtain a recovery from the  
23 Distribution Fund for value; provided, however, that this provision shall not be  
24 construed to exclude those Persons who obtained such a right by gift, inheritance  
25 or devise.

26           13.    **“Final Determination Notice”** means the written notice sent by the  
27 Distribution Agent to (a) any Preliminary Claimant who timely submitted a written  
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1 dispute of his, her, or its calculated Recognized Loss notifying the Preliminary  
2 Claimant of her resolution of the dispute; and (b) those Preliminary Claimants who  
3 have not responded to the Plan Notice as described in paragraph 34, notifying the  
4 Preliminary Claimant that he, she, or it has been deemed an Unresponsive  
5 Preliminary Claimant. The Distribution Agent will not send a Final Determination  
6 Notice to a Preliminary Claimant whose Plan Notice was returned as  
7 “undeliverable.” The Final Determination Notice will constitute the Distribution  
8 Agent’s final ruling regarding the status of the claim.

9 14. **“Net Available Distribution Fund”** means the Distribution Fund,  
10 plus any interest or earnings, less Administrative Costs.

11 15. **“Payee”** means an Eligible Claimant whose distribution amount is  
12 equal to or greater than \$10.00, as calculated in accordance with the Plan of  
13 Allocation, who will receive a Distribution Payment.

14 16. **“Person”** means natural individuals as well as legal entities such as  
15 corporations, partnerships, or limited liability companies.

16 17. **“Plan Notice”** means a written notice from the Distribution Agent to  
17 each Preliminary Claimant regarding the Court’s approval of the Plan, including,  
18 as appropriate: a statement characterizing the distribution; a copy of the approved  
19 Plan or a link to the approved Plan posted on the Commission’s website and  
20 instructions for requesting a copy of the Plan; specification of any information  
21 needed from the Preliminary Claimant to prevent him, her, or it from being deemed  
22 an Unresponsive Preliminary Claimant; his, her, or its preliminary Recognized  
23 Loss; a description of the tax information reporting and other related tax matters;  
24 the procedure for the distribution as set forth in the Plan; and the name and contact  
25 information for the Distribution Agent as a resource for additional information or  
26 to contact with questions regarding the distribution.

1           18.    “**Plan of Allocation**” means the methodology used by the Distribution  
2 Agent to calculate if a Preliminary Claimant has suffered a Recognized Loss. The  
3 Plan of Allocation is attached as Attachment A.

4           19.    “**Preliminary Claimant**” means a Person, or their lawful successors,  
5 identified by the Distribution Agent based on her review and analysis of applicable  
6 records obtained by the Commission during its investigation, who may have  
7 suffered a losses as a result of Batra’s free-riding scheme during the Relevant  
8 Period.

9           20.    “**Recognized Loss**” means the amount of losses incurred as a result of  
10 Batra’s misconduct calculated in accordance with the Plan of Allocation.

11          21.    “**Relevant Period**” is June 2016 through January 2020, inclusive.

12          22.    “**Unresponsive Preliminary Claimant**” means a Preliminary  
13 Claimant whose address the Distribution Agent has not been able to verify and/or  
14 who does not timely respond to the Distribution Agent’s attempts to obtain  
15 information, including any information sought in the Plan Notice. Unresponsive  
16 Preliminary Claimants will not be eligible for a distribution under the Plan.

17 **IV. TAX COMPLIANCE**

18          23.    The Tax Administrator shall handle the tax obligations of the  
19 Distribution Fund. The Tax Administrator will be compensated for reasonable fees  
20 and expenses from the Distribution Fund.

21          24.    The Distribution Fund constitutes a Qualified Settlement Fund  
22 (“QSF”) under Section 468B(g) of the Internal Revenue Code of 1986, as  
23 amended, 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1  
24 through 1.468B-5. The Tax Administrator is the administrator of such QSF for  
25 purposes of Treas. Reg. § 1.468B-2(k)(3)(I) and shall satisfy the tax-related  
26 administrative requirements imposed by Treas. Reg. § 1.468B-2, including, but not  
27 limited to:

- 1 (a) Obtaining a taxpayer identification number;
- 2 (b) Requesting funds necessary for the timely payment of all  
3 applicable taxes, the payment of taxes for which the Tax  
4 Administrator has received funds, and the filing of applicable  
5 returns; and
- 6 (c) Fulfilling any information reporting or withholding  
7 requirements imposed on distributions from the Distribution  
8 Fund.

9 **V. DISTRIBUTION AGENT**

10 25. Amy Sumner, a trial counsel in the Commission’s Division of  
11 Enforcement, Office of Distributions, shall be the distribution agent for the  
12 Distribution Fund (“Distribution Agent”). As a Commission employee, the  
13 Distribution Agent shall receive no compensation, other than her regular salary as a  
14 Commission employee, for her services in administering the Distribution Fund.

15 26. The Distribution Agent will be responsible for administering the  
16 Distribution Fund in accordance with the Plan. This will include, among other  
17 things, taking reasonable steps to obtain accurate contact information for  
18 Preliminary Claimants; disseminating the Plan Notice; preparing accountings;  
19 cooperating with the Tax Administrator appointed by the Court to satisfy any tax  
20 liabilities and to ensure compliance with income tax reporting requirements,  
21 including but not limited to Foreign Account Tax Compliance Act (FATCA);  
22 disbursing the Distribution Fund in accordance with this Plan, as ordered by the  
23 Court; and researching and reconciling errors and reissuing payments, when  
24 possible.

25 27. To carry out the purposes of this Plan, the Distribution Agent is  
26 authorized to make and implement immaterial changes to the Plan. If a change is  
27 material, Court approval is required prior to implementation by amending the Plan.

1           28. The Distribution Agent may extend any procedural deadline contained  
2 in the Plan for good cause shown.

3 **VI. PLAN PROCEDURES**

4           Specification of Preliminary Claimants

5           29. Using information obtained during its investigation, the Commission  
6 has identified the Preliminary Claimants. Preliminary Claimants are limited to  
7 only those Persons who suffered losses as a result of Batra's free-riding scheme  
8 during the Relevant Period.

9           Procedures for Locating and Notifying Preliminary Claimants

10           30. Within thirty (30) days of Court approval of the Plan, the Distribution  
11 Agent will send the Plan Notice to each Preliminary Claimant's last known email  
12 address (if known) and/or mailing address.

13           Undeliverable Mail

14           31. If any mailing is returned as undeliverable, the Distribution Agent will  
15 make the best practicable efforts to ascertain a Preliminary Claimant's correct  
16 address. If another address is obtained, the Distribution Agent will then resend it  
17 to the Preliminary Claimant's new address within thirty (30) days of receipt of the  
18 returned mail. If the mailing is returned again, and the Distribution Agent, despite  
19 best practicable efforts, is unable to find a Preliminary Claimant's correct address,  
20 the Distribution Agent, in her discretion, may deem such Preliminary Claimant an  
21 Unresponsive Preliminary Claimant.

22           32. Any Preliminary Claimant who relocates or otherwise changes contact  
23 information after receipt of the Plan Notice must promptly communicate any  
24 change in address or contact information to the Distribution Agent.

25           Procedures to Request Plan Notice

26           33. Any Person who does not receive a Plan Notice, as described in  
27 paragraph 30, but who is aware of this Plan (e.g., through other Preliminary  
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1 Claimants or on [www.sec.gov](http://www.sec.gov)) and believes they should be included as a  
2 Preliminary Claimant should contact the Distribution Agent within forty-five (45)  
3 days from the approval of the Plan to establish that they should be considered a  
4 Preliminary Claimant. Such Person should include with that communication,  
5 documentation sufficient to support their claim that they should be considered a  
6 Preliminary Claimant, as well as contact information (physical address, telephone  
7 number, and email address, if available) for responsive communications. The  
8 Distribution Agent will send the Person a Plan Notice within fourteen (14) days of  
9 receiving the Person's documentation, if the Distribution Agent determines that the  
10 Person should have received a Plan Notice.

11 Failure to Respond to Plan Notice

12 34. If a Preliminary Claimant is requested to respond and fails to respond  
13 within sixty (60) days from the initial mailing of the Plan Notice, the Distribution  
14 Agent will make no fewer than two (2) attempts to contact the Preliminary  
15 Claimant by telephone or email. The second attempt will in no event take place  
16 more than ninety (90) days from the initial mailing of the Plan Notice. If a  
17 Preliminary Claimant fails to respond to the Distribution Agent's contact attempts  
18 as described in this paragraph, the Distribution Agent, in her discretion, may deem  
19 such Preliminary Claimant an Unresponsive Preliminary Claimant.

20 Dispute Process

21 35. Disputes will be limited to calculation of Recognized Loss. Within  
22 forty-five (45) days of the initial mailing of the Plan Notice, the Distribution Agent  
23 must receive a written communication detailing any dispute along with any  
24 supporting documentation. The Distribution Agent will investigate the dispute,  
25 and such investigation will include a review of the written dispute as well as any  
26 supporting documentation.

27 Final Determination Notices



1           36. Within ninety (90) days of the initial mailing of the Plan Notices, the  
2 Distribution Agent will send a Final Determination Notice to (a) any Preliminary  
3 Claimant who timely submitted a written dispute as described in paragraph 35  
4 above, notifying the Preliminary Claimant of her resolution of the dispute; and (b)  
5 those Preliminary Claimants who have not responded to the Plan Notice, as  
6 described in paragraph 34 above, notifying the Preliminary Claimant that he, she,  
7 or it has been deemed an Unresponsive Preliminary Claimant. The Distribution  
8 Agent will not send a Final Determination Notice to any Preliminary Claimant  
9 whose Plan Notice was returned as “undeliverable.” The Final Determination  
10 Notice will constitute the Distribution Agent’s final ruling regarding the status of  
11 the claim.

12           Distribution Methodology

13           37. The Distribution Agent will calculate each Preliminary Claimant’s  
14 Recognized Loss in accordance with the Plan of Allocation. All Preliminary  
15 Claimants who are determined to have a Recognized Loss, and who are not  
16 deemed an Excluded Party or an Unresponsive Preliminary Claimant will be  
17 deemed an Eligible Claimant. All Eligible Claimants whose distribution amount is  
18 equal to or greater than \$10.00, as calculated in accordance with the Plan of  
19 Allocation, will be deemed Payees and receive a Distribution Payment.

20           Establishment of a Reserve

21           38. Before determining the amount of funds available for distribution and  
22 calculating each Payee’s Distribution Payment, the Distribution Agent, in  
23 conjunction with the Tax Administrator, will establish a reserve to pay  
24 Administrative Costs and to accommodate any unexpected expenditures (the  
25 “Reserve”).

26           39. After all Distribution Payments are made and Administrative Costs  
27 paid, any remaining amounts in the Reserve will become part of the Residual  
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1 described in paragraph 53 below.

2 Preparation of the Payment File

3 40. Within one hundred eighty (180) days of Court approval of the Plan,  
4 the Distribution Agent will compile the Payee information, including the name,  
5 address, calculated Recognized Loss, and the amount of the Distribution Payment  
6 for all Payees (the "Payee List"). The Payee List shall, upon request, be made  
7 available to the Court under seal. All disbursements will be made pursuant to a  
8 Court Order.

9 Distribution of the Distribution Fund

10 41. After preparation of the Payee List, the Commission will petition the  
11 Court for authority to disburse funds from the Net Available Distribution Fund for  
12 distribution to Payees in accordance with the Payee List. The U.S. Treasury will  
13 mail checks or electronically transfer funds to each Payee as instructed by the  
14 Distribution Agent in accordance with the Court's order.

15 42. All checks will bear a stale date of one year (1) year from the date of  
16 issuance. Checks that are not negotiated by the stale date will be voided, and the  
17 U.S. Treasury will be instructed to stop payment on those checks. A Payee's claim  
18 will be extinguished if he, she, or it fails to negotiate his, her or its check by the  
19 stale date, and the funds will remain in the Distribution Fund, except as provided in  
20 paragraph 46.

21 43. All Distribution Payments will be preceded or accompanied by a  
22 communication that includes, as appropriate: (a) a statement characterizing the  
23 distribution; (b) a statement that the tax treatment of the distribution is the  
24 responsibility of each Payee and that the Payee should consult his, her or its tax  
25 advisor for advice regarding the tax treatment of the distribution; (c) a statement  
26 that checks will be void and cannot be reissued after one (1) year from the date the  
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1 original check was issued; and (d) contact information for the Distribution Agent  
2 for questions regarding the Distribution Payment.

3 44. All Distribution Payments, either on their face or in the accompanying  
4 mailing, will clearly indicate that the money is being distributed from the  
5 Distribution Fund established by the Court to compensate investors for harm as a  
6 result of securities law violations.

7 Post Distribution; Handing of Returned or Uncashed Checks; and Reissues

8 45. The Distribution Agent shall use her best efforts to make use of  
9 commercially available resources and other reasonably appropriate means to locate  
10 all Payees whose checks are returned to the Distribution Agent as “undeliverable.”  
11 If new address information becomes available, the Distribution Agent will  
12 repackage the distribution check and send it to the new address. If new address  
13 information is not available after a diligent search (and in no event no later than  
14 one hundred eighty (180) days after the initial mailing of the original check) or if  
15 the distribution check is returned again, the check shall be voided and the  
16 Distribution Agent shall instruct the U.S. Treasury to stop payment on such check.  
17 If the Distribution Agent is unable to find a Payee’s correct address, the  
18 Distribution Agent, in her discretion, may remove such Payee from the distribution  
19 and the allocated Distribution Payment will remain in the Distribution Fund for  
20 distribution, if feasible, to the remaining Payees.

21 46. The Distribution Agent will reissue checks or electronic payments to  
22 Payees upon the receipt of a valid, written request from the Payee if prior to the  
23 initial stale date. In cases where a Payee is unable to endorse a Distribution  
24 Payment check as written (e.g., name changes, IRA custodian changes, or recipient  
25 is deceased) and the Payee or a lawful representative requests the reissuance of a  
26 Distribution Payment check in a different name, the Distribution Agent will  
27 request, and must receive, documentation to support the requested change. The  
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1 Distribution Agent will review the documentation to determine the authenticity and  
2 propriety of the change request. If, in the discretion of the Distribution Agent,  
3 such change request is properly documented, the Distribution Agent will issue an  
4 appropriately redrawn Distribution Payment to the requesting party. Reissued  
5 checks will be void one (1) year from issuance.

6 47. The Distribution Agent will work with the U.S. Treasury and maintain  
7 information about uncashed checks and any returned items due to non-delivery,  
8 insufficient addresses, and/or other deficiencies. The Distribution Agent is  
9 responsible for researching and reconciling errors and reissuing payments when  
10 possible. The Distribution Agent is also responsible for accounting for all  
11 payments. The amount of all uncashed and undelivered payments will continue to  
12 be held in the Distribution Fund.

13 48. The Distribution Agent will make and document her best efforts to  
14 contact Payees to follow-up on the status of uncashed distribution checks over  
15 \$100 (other than those returned as “undeliverable”) and take appropriate action to  
16 follow-up on the status of uncashed checks. The Distribution Agent may reissue  
17 such checks, subject to the time limits detailed herein.

18 49. At the discretion of the Distribution Agent, certain costs that were not  
19 factored into the Reserve, such as bank fees for the return of a payment, may  
20 reduce the Payee’s Distribution Payment. In such situations, the Distribution  
21 Agent will immediately notify the Tax Administrator of the reduction in the  
22 Distribution Payment.

23 Receipt of Additional Funds

24 50. Should any additional funds be received pursuant to Commission or  
25 Court order, agreement, or otherwise, prior to the Court’s termination of the  
26 Distribution Fund, such funds will be added to the Distribution Fund and  
27 distributed, if feasible, in accordance with the Plan.

1           Administrative Costs

2           51. Administrative Costs will be paid from the Distribution Fund.

3           Disposition of Undistributed Funds

4           52. If funds remain following the initial distribution, the Distribution  
5 Agent may seek subsequent distribution(s) of any available remaining funds. All  
6 subsequent distributions shall be made in a manner that is consistent with this Plan  
7 and pursuant to a Court Order.

8           53. A residual will be established for any amounts remaining after the  
9 final disbursement to Payees from the Distribution Fund and the payment of all  
10 Administrative Costs (the “Residual”). The Residual may include funds from,  
11 among other things, amounts remaining in the Reserve, distribution checks that  
12 have not been cashed, checks or electronic payments that were not delivered or  
13 were returned to the Commission, and tax refunds due to the Distribution Fund’s  
14 overpayment of taxes or for waiver of IRS penalties.

15           54. Once the Distribution Agent, in consultation with the Commission  
16 staff, deems further distribution of the Distribution Fund infeasible, the  
17 Distribution Agent will direct any uncashed Distribution Payments to be voided,  
18 and any funds remaining will become part of the Residual.

19           55. All funds remaining in the Residual that are infeasible to distribute to  
20 investors will be held by the Commission pending a final accounting. Upon  
21 completion of the final accounting, the Commission staff will file a motion with  
22 this Court to approve the final accounting, which will include a recommendation as  
23 to the final disposition of the Residual, consistent with Sections 21(d)(3), (5), and  
24 (7) and *Liu v. SEC*, 140 S. Ct. 1936 (2020).<sup>2</sup> If distribution of the Residual to

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26           <sup>2</sup> 15 U.S.C. § § 78u(d)(3), (5), and (7). Section 21(d)(7) was added to the  
27 Exchange Act by Section 6501(a) of the National Defense Authorization Act for  
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1 investors is infeasible, the Commission staff may recommend the transfer of the  
2 Residual to the general fund of the U.S. Treasury subject to Section 21F(g)(3) of  
3 the Exchange Act.<sup>3</sup>

4 Filing of Reports and Accountings

5 56. Upon completion of all distributions to Payees and payment of all  
6 Administrative Costs, pursuant to the procedures described above, the Distribution  
7 Agent will submit a final accounting to the Court.

8 Termination of the Distribution Fund

9 57. Once the Commission staff has reviewed and accepted the final  
10 accounting, the Commission will petition the Court for an order, as appropriate,  
11 approving the final accounting, discharging the Distribution Agent, disposing of  
12 the Residual, and terminating the Distribution Fund.

13 58. The Distribution Fund will be eligible for termination and the  
14 Distribution Agent will be eligible for discharge after all of the following have  
15 occurred (a) a final report and accounting has been submitted to and approved by  
16 the Court; (b) all Administrative Costs have been paid; and (c) the Court has  
17 approved the Commission staff's recommendation as to the final disposition of the  
18 Residual.

19 59. Once the Distribution Fund has been terminated, no additional  
20 payments will be made whatsoever.

21 \_\_\_\_\_  
22 Fiscal Year 2021, Pub. L. No. 116-283, enacted January 1, 2021. The relevant  
23 provisions of the NDAA apply "to any action or proceeding that is pending on, or  
24 commenced on or after, the date of" the NDAA's enactment. NDAA, Section  
25 6501(b).

26 <sup>3</sup> Section 21F(g)(3) of the Exchange Act, 15 U.S.C. § 78u-6(g)(3), provides, in  
27 relevant part, that any monetary sanction of \$200 million or less collected by the  
28 Commission in any judicial action brought by the Commission 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 Commission's Investor Protection Fund.

1 **Attachment A**

2 PLAN OF ALLOCATION

3 This Plan of Allocation is designed to compensate the brokerage firms that  
4 were harmed by the free-riding scheme engaged in by the Defendant during the  
5 Relevant Period as alleged in the Complaint. Based upon records obtained by the  
6 Commission during its investigation, the Distribution Agent has identified the  
7 brokerage firms that were victims of the free-riding scheme (the “Preliminary  
8 Claimants”).

9 Based upon records obtained by the Commission during its investigation,  
10 Commission economists have calculated each Preliminary Claimant’s Recognized  
11 Loss as the sum of all negative account balances for accounts at issue in this matter  
12 that were either (1) written off by the Preliminary Claimants during the Relevant  
13 Period or (2) outstanding at the end of the Relevant Period.

14 Any Preliminary Claimant who suffered a Recognized Loss pursuant to this  
15 Plan of Allocation, and who is not an Excluded Party or an Unresponsive  
16 Preliminary Claimant, as defined in the Plan, will be deemed an Eligible Claimant.

17 **Additional Provisions**

18 Allocation of Funds: If the Net Available Distribution Fund, as defined in  
19 the Plan, is equal to or exceeds the sum of Recognized Losses of all Eligible  
20 Claimants, each Eligible Claimant’s distribution amount will equal his, her or its  
21 Recognized Loss, plus “Reasonable Interest” if applicable. If the Net Available  
22 Distribution Fund is less than the sum of the Recognized Losses of all Eligible  
23 Claimants, each Eligible Claimant’s distribution amount will equal his, her or its  
24 “*Pro Rata Share*” of the Net Available Distribution Fund (and no Reasonable  
25 Interest). In either case, the distribution amount will be subject to the “Minimum  
26 Distribution Amount.”

27 *Pro Rata Share:* A *Pro Rata Share* computation is intended to measure Eligible  
28 Claimants’ Recognized Losses against one another. The Distribution Agent shall  
determine each Eligible Claimant’s *Pro Rata Share* as the ratio of his, her, or its  
Recognized Loss to the sum of Recognized Losses of all Eligible Claimants.

Reasonable Interest: If the Net Available Distribution Fund exceeds that  
necessary to pay all Eligible Claimants his, her, or its Recognized Losses in full,  
the Distribution Agent may include interest in the distribution amount to  
compensate Eligible Claimants for the time value of his, her, or its respective  
Recognized Losses. Reasonable Interest will be calculated using the Short-term

1 Applicable Federal Rate plus three percent (3%), compounded quarterly from the  
2 end of the Relevant Period through the approximate date of the disbursement of the  
3 funds. If there are insufficient funds to pay Reasonable Interest in full to all  
4 Eligible Claimants, each Eligible Claimant's Reasonable Interest amount will be  
5 equal to his, her or its *Pro Rata* Share of the excess funds.

6 Minimum Distribution Amount: The Minimum Distribution Amount will be  
7 \$10.00 (inclusive of Reasonable Interest, if any). If an Eligible Claimant's  
8 distribution amount is less than the Minimum Distribution Amount, that Eligible  
9 Claimant will be deemed ineligible to receive a Distribution Payment and his, her,  
10 or its distribution amount will be reallocated on a *pro-rata* basis to Eligible  
11 Claimants whose distribution amounts are greater than or equal to the Minimum  
12 Distribution Amount.

13 Payee: An Eligible Claimant whose distribution amount equals or exceeds  
14 the Minimum Distribution Amount will be deemed a Payee.

15 Distribution Payment: All Payees will receive a Distribution Payment equal  
16 to his, her, or its distribution amount. In no event will a Payee receive from the  
17 Distribution Fund more than his, her, or its Recognized Loss, plus Reasonable  
18 Interest, if applicable.  
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