

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**Securities Exchange Act of 1934**  
**Release No. 61918 / April 15, 2010**

**Administrative Proceeding File No. 3-12628**

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In the Matter of	:	
	:	
Zurich Capital Markets Inc.	:	NOTICE OF PROPOSED PLAN
	:	OF DISTRIBUTION AND
Respondents.	:	EXTENSION OF
	:	OPPORTUNITY FOR
	:	COMMENT
	:	

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Notice is hereby given, pursuant to Rule 1103 of the 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 for the distribution of the Fair Fund in this matter ("Distribution Plan").

On May 7, 2007, the Commission entered an Order instituting settled administrative and cease-and-desist proceedings against Zurich Capital Markets Inc. ("ZCM" or "Respondent") in this matter ("Order"). *In the Matter of Zurich Capital Markets Inc.*, Admin. Proc. File No. 3-12628, Securities Exchange Act of 1934 Release No. 55711 (May 7, 2007). In the Order, the Commission authorized the establishment of a Fair Fund, comprised of \$16,809,354.42 in disgorgement, prejudgment interest, and penalties paid by Respondent, for distribution to the mutual funds affected by certain hedge funds' market timing trading for which ZCM provided leverage financing. The Order provided that the Fair Fund was to be distributed pursuant to a distribution plan developed by Respondent.

**OPPORTUNITY FOR COMMENT**

Pursuant to this Notice, all interested parties are advised that they may print a copy of the Distribution Plan from the Commission's public website, <http://www.sec.gov>. Interested parties may also obtain a written copy of the Distribution Plan by submitting a written request to George S. Canellos, Regional Director, United States Securities and Exchange Commission, 3 World Financial Center, Room 400, New York, NY 10281. All persons who desire to comment on the Distribution Plan may submit their comments, in writing, within 30 days of the date of this Notice:

1. by sending a letter to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., 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](mailto:rule-comments@sec.gov).

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File Number 3-12628" in the subject line. Comments received will be available to the public. Persons should only submit information that they wish to make publicly available.

## **DISTRIBUTION PLAN**

The Fair Fund is comprised of the \$16,809,354.42 paid by ZCM, plus accumulated interest, less any federal, state, or local taxes on the interest. The Distribution Plan provides for distribution of the Fair Fund to affected mutual funds identified in an exhibit to the plan that were harmed by the actions of certain hedge funds that engaged in deceptive market timing from 1999 through 2003. Respondent aided and abetted the hedge funds' deceptive market timing by providing leverage financing to the hedge funds. If the Distribution Plan is approved, the affected mutual funds will receive proportionate shares of the Fair Fund as calculated by the Respondent. The shares will be calculated from information in Respondent's records, and records obtained from third-parties. The affected mutual funds will not need to go through a claims process.

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

Elizabeth M. Murphy  
Secretary

**See Also:** [Proposed Distribution Plan](#)

<http://www.sec.gov/litigation/admin/2010/34-61918.htm>