

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102127 / January 6, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-17212

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In the Matter of	:	TRANSFER TO THE U.S. TREASURY OF
	:	THE REMAINING FUNDS AND ANY
Logitech International, S.A.,	:	FUNDS RETURNED TO THE FAIR FUND
Michael Doktorczyk, and Sherralyn	:	IN THE FUTURE, DISCHARGING THE
Bolles, CPA,	:	FUND ADMINISTRATOR, CANCELING
	:	THE ADMINISTRATOR’S BOND, AND
Respondents.	:	TERMINATING THE FAIR FUND

On April 19, 2016, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Cease-and-Desist Orders and Penalties (the “Order”)¹ against Logitech International, S.A. (“Logitech”), Michael Doktorczyk (“Doktorczyk”), and Sherralyn Bolles, CPA (“Bolles”) (collectively, the “Respondents”). In the Order, the Commission found Logitech responsible for recurring instances of improper accounting between 2008 and 2013 related to a product write-down, warranty liabilities, and revenue recognition. The Commission further found Doktorczyk and Bolles, both former officers of Logitech, responsible for the improper accounting for warranty liabilities that occurred during their employment. The Commission ordered Logitech, Doktorczyk, and Bolles to pay civil money penalties of \$7,500,000.00, \$50,000.00, and \$25,000.00, respectively. The Respondents paid in full.

On February 27, 2018, the Commission created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002,² so that the civil money penalties collected could be distributed to harmed investors (the “Fair Fund”).

On March 30, 2018, the Commission issued an order appointing Garden City Group, LLC (“GCG”) as the Fund Administrator of the Fair Fund and setting the administrator’s bond at \$7.575 million.³

¹ Exchange Act Rel. No. 77644 (Apr. 19, 2016).

² See Order Establishing a Fair Fund, Exchange Act Rel. No. 82783 (Feb. 27, 2018).

³ Order Appointing Fund Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 82972 (Mar. 30, 2018). On June 18, 2018, Epiq Class Action and Claims Solutions, Inc. (“Epiq”) acquired GCG and GCG has been rebranded as Epiq.

On September 6, 2018, the Secretary, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment pursuant to Rule 1103 of the Commission's Rules on Fair Fund and Disgorgement Plans,⁴ and simultaneously posted the Proposed Plan of Distribution (the "First Plan"). The First Plan set forth a methodology to distribute the Fair Fund, including accrued interest, less taxes, fees, and expenses, to investors who purchased shares of Logitech common stock on the Nasdaq Global Select Market at inflated prices during the period from May 28, 2011, through July 27, 2011, inclusive (the "Recovery Period"), and who suffered losses in the value of their investment subsequent to disclosures by the Respondents (the "Nasdaq Investors"). The Commission received no comments on the First Plan. On October 26, 2018, the Secretary, pursuant to delegated authority, issued an Order Approving Corrected Plan of Distribution,⁵ and simultaneously posted the approved First Plan.

On November 5, 2020, the Commission issued an order directing the disbursement of \$2,892,751.29 from the Fair Fund for distribution by the Fund Administrator to the Nasdaq Investors (the "First Distribution").⁶ Of this amount, \$2,839,714.10 was successfully disbursed and cashed by recipient investors (98%), resulting in 259 Nasdaq Investors being fully compensated for their losses and reasonable interest.

Approximately \$5 million, comprised of undistributed funds; unused reserves for taxes; fees, and expenses; interest; and tax refunds remained in the Fair Fund after the First Distribution. On July 26, 2021, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Second Plan of Distribution and Opportunity for Comment,⁷ and simultaneously posted the proposed Second Plan of Distribution (the "Second Plan"). The Second Plan set forth a methodology to distribute the funds remaining in the Fair Fund, including accrued interest, less taxes, fees, and expenses (the "Net Available Fair Fund"), to investors who purchased shares of Logitech ordinary stock on the SIX Swiss Exchange at inflated prices during the Relevant Period of May 28, 2011, through July 27, 2011, and who suffered losses in the value of their investment subsequent to disclosures by the Respondents (the "Swiss Investors"). The Commission received no comments on the Second Plan. On September 20, 2021, the Division of Enforcement, pursuant to delegated authority, issued an Order Approving Second Plan of Distribution,⁸ and simultaneously posted the approved Second Plan.

On June 15, 2023, the Division of Enforcement, pursuant to delegated authority, issued an Order Directing Second Disbursement of Fair Fund,⁹ directing the disbursement of \$3,464,222.60 from the Fair Fund for distribution by the Fund Administrator, along with the \$47,717.08 in residual funds from the First Distribution, for a total distribution of \$3,511,939.68 to the Swiss Investors (the "Second Distribution"). The Fund Administrator successfully distributed all the funds disbursed (100%) to investors, resulting in 91 Swiss Investors being

⁴ Exchange Act Rel. No. 84044 (Sept. 6, 2018).

⁵ Exchange Act Rel. No. 84493 (Oct. 26, 2018). The First Plan was corrected to include in footnote 2 the possibility that the Fair Fund could receive additional funds from a related district court action, *SEC v. Bardman, et al.*, 16-cv-2023 (N.D. Cal.). Pursuant to the Court's Order in *Bardman*, the Fair Fund later received \$224,000 collected from two former officers of Logitech. See Dkt. No. 97.

⁶ Order Directing Disbursement of Fair Fund, Exchange Act Rel. No. 90347 (Nov. 5, 2020).

⁷ Exchange Act Rel. No. 92498 (July 6, 2021).

⁸ Exchange Act Rel. No. 93062 (Sept. 20, 2021).

⁹ Order Directing Second Disbursement of Fair Fund, Exchange Act Rel. No. 97729 (June 15, 2023).

fully compensated for their losses and reasonable interest.

The Fair Fund earned \$604,862.25 in interest, and paid state and federal taxes of \$118,650.76, investment/bank fees of \$1,224.76, fund administration expenses of \$283,153.98, and tax administration expenses of \$28,633.73. The Fair Fund currently holds \$1,613,839.70, comprised of \$53,037.19 in withdrawn claims and undeliverable and uncashed checks, and \$1,567,474.51 in accumulated interest and excess funds not needed to fully compensate investors.

The Second Plan provide that the Fair Fund will be eligible for termination and the Fund Administrator eligible for discharge after all of the following have occurred: (1) a final accounting, in a standard accounting format provided by the Commission staff, has been submitted by the Fund Administrator, and has been approved by the Commission; (2) all administrative costs have been paid; and (3) any amount remaining in the Fair Fund has been received by the Commission for transfer to the U.S. Treasury.

The Commission staff has confirmed that the Fund Administrator has completed the distribution process in accordance with the First and Second Plans and Commission's orders, that all taxes, fees and expenses have been paid, and that the Commission has received all monies remaining in the Fair Fund. The final accounting, which was submitted to the Commission for approval, as required by Rule 1105(f) of the Commission's Rules, 17 C.F.R. § 201.1105(f), and as set forth in the Second Plan, has been approved.

Accordingly, it is ORDERED that:

- A. the remaining funds that are infeasible to return to investors, in the amount of \$1,613,839.70, and any funds returned to the Fair Fund in the future that are infeasible to return to investors, shall be transferred to the U.S. Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934, 15 U.S. Code § 78u-6(g)(3);
- B. the Fund Administrator, Epiq, is discharged;
- C. the Fund Administrator's bond is canceled; and
- D. the Fair Fund is terminated.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.¹⁰

Vanessa A. Countryman
Secretary

¹⁰ 17 C.F.R. § 200.30-4(a)(21)(vii).