

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 104992 / March 13, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22309

In the Matter of	:	NOTICE OF PROPOSED PLAN OF DISTRIBUTION AND OPPORTUNITY FOR COMMENT
Elanco Animal Health Inc.,	:	
Respondent.	:	
	:	
	:	

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission’s (the “Commission”) Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the “Proposed Plan”) for the distribution of monies paid in the above-captioned matter.

On November 12, 2024, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)¹ against Elanco Animal Health Inc. (“Elanco” or the “Respondent”). In the Order, the Commission found that Elanco failed to disclose material information concerning its sales practices that rendered statements it made about its revenue growth misleading. From the first quarter of 2019 to the first quarter of 2020, Elanco relied on quarter-end incentives to its distributors so Elanco could make sales to meet its internal quarterly revenue and core revenue growth targets. Without these Incentivized Sales, Elanco would have missed its internal revenue and core growth targets in each quarter in 2019. Nonetheless, Elanco failed to disclose the use of its Quarter-End Incentivized Sales publicly, rendering positive statements it made about revenue materially misleading.

The Commission found that, as a result of the conduct described in the Order, Elanco violated Securities Act Sections 17(a)(2) and (3) and Exchange Act Section 13(a) and Rules 12b-20, 13a-1, 13a-11, 13a-13, and 13a-15(a) thereunder. The Commission ordered the Respondent

¹ Securities Act Rel. No. 11326 (Nov. 12, 2024).

to pay a \$15,000,000.00 civil money penalty to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, to allow the penalty collected to be distributed to harmed investors (the “Fair Fund”).

The Fair Fund includes the \$15,000,000.00 collected from the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund and has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission’s public website at <https://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Proposed Plan by submitting a written request to Ilana Z. Sultan, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission’s Internet comment form (<https://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted by email or via the Commission’s website should include “Administrative Proceeding File No. 3-22309” in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

THE PROPOSED PLAN

The Net Available Fair Fund² is comprised of the \$15,000,000.00 in civil money penalties collected from the Respondent, plus any interest and income earned thereon, less taxes, fees, and expenses. The Proposed Plan provides for the distribution of the Net Available Fair Fund to investors who were harmed by the Respondent’s conduct described in the Order, in connection with Elanco’s failure to disclose material information concerning its sales practices that rendered statements it made about its revenue growth misleading. As calculated using the methodology detailed in the Plan of Allocation, investors will be compensated for their losses on shares of Elanco’s common stock, with trading symbol ELAN, purchased or acquired on May 9, 2019, through May 6, 2020, inclusive.

² All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.³

Vanessa A. Countryman
Secretary

³ 17 C.F.R. § 200.30-4(a)(21)(iii).