# NOTICE

**Effective Thursday, July 19, 2012 the U.S. Securities and Exchange Commission is extending the proposals deadline from Tuesday, July 31, 2012 to Friday, August 31, 2012. Proposals must be submitted by email to: taxadm@sec.gov no later than 11:00 p.m. on Friday, August 31, 2012. All of the requirements in this document remain the same.**

**Statement of Requirements**

Tax Administrator Services, U.S. Securities and Exchange Commission

The U.S. Securities and Exchange Commission (“SEC”) is requesting proposals to provide tax compliance and administration services during calendar years ending December 2013, 2014 and 2015 for Qualified Settlement Funds (“QSFs”) resulting from orders of the SEC in administrative proceedings as well as certain QSFs resulting from court orders in U.S. District Court litigation. These QSFs are created pursuant to the rules and regulations of the IRS, 26 C.F.R. 1.468B-1 and further subject to the SEC’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. 201.

Tax Compliance and Administration Services

As requested by SEC staff, the firm selected to perform the work described herein shall serve as the Tax Administrator for QSFs resulting from SEC orders or certain court orders during calendar years 2013, 2014, and 2015. Upon appointment as the Tax Administrator, the firm shall (1) act as administrator for tax purposes for each QSF; (2) prepare, sign, and file the necessary tax returns and tax-related documents for the QSFs; (3) make tax payments on behalf of the QSFs; (4) obtain the necessary tax-related documents and identifiers, such as employer tax identification numbers, on behalf of the QSFs; (5) perform other tax-related and reporting duties on behalf of the QSFs as required by Department of Treasury regulations relating to QSF administrators; (6) prepare a final accounting, when a QSF distribution has been completed, on a form provided by the SEC; (7) escrow funds, prepare distribution checks and mail to injured investors for small QSFs, when requested to do so by the fund administrator; (8) communicate on behalf of the QSFs on the matters described above; and (9) perform such other related tasks as requested by SEC staff.

Proposal Requirements

If your firm wishes to be considered to provide these services, you must submit a proposal that includes the following: (1) contact information including name, address, phone number, and email address; (2) a brief description of your firm, including an electronic copy of your firm brochure and/or personnel resume(s); (3) a detailed statement describing the steps your firm would take to perform the work; (4) a listing of key personnel your firm proposes to utilize, describing their educational and professional achievements and relevant work experience; (5) how your firm would staff the various tasks outlined; (6) all the information requested in A-C below; and (7) experience in preparing and filing returns for QSFs, including the approximate number of QSF returns handled annually by your firm, and a listing of at least three other matters or projects, describing in detail your firm’s experience in those projects, and how that experience relates to performing the work described herein. This listing should include references for each project and point of contact information for each reference.

You may also submit questions or request other information that you may believe you need in order to submit your proposal to which the SEC may respond at its discretion, if it deems the request appropriate. Subject to the Proposal Requirements herein, you may also submit any other information you believe relevant to the SEC's requirements.

Your proposal must be submitted in pdf format via email to taxadm@sec.gov. No hard copy proposals will be considered. For consideration, your proposal must be **received on or before**11:00 p.m., EST, July 31, 2012.

Evaluation of Proposals

The SEC reserves the right to select a firm based on initial proposals received, without discussions or negotiations of such proposals. Therefore, each proposal should be fully responsive to this Statement of Requirements without exception to any provision. The SEC anticipates selecting the firm whose proposal presents the best value, considering price and other factors. The SEC may consider selecting a firm other than the lowest priced firm, or a firm other than the highest technically rated firm when in the best interest of the SEC and the QSFs. The SEC reserves the right to make no selection pursuant to the request for proposals. The SEC may contact references or others outside the SEC to provide input to the staff in making its selection.

Technical Factors. The SEC will evaluate proposals based on the following technical factors, all of which are of equal importance: (1) whether your firm demonstrates an overall understanding of and ability to perform the work required; (2) whether the personnel you propose to perform the work have the qualifications and ability to satisfactorily perform the work; and (3) your firm's and personnel's experience and past performance in performing similar work.

Price Factors. The SEC will evaluate proposals based on the following price factors, which are of equal importance: (1) the reasonableness and fairness of your proposed prices and fees; and (2) whether your proposed prices and fees are realistic for the work to be performed.

Overall technical ability to perform the work, all factors considered, shall be more important than price factors. The importance of price among proposals, however, will increase when the technical merits of such proposals are generally equivalent.

Additional Requirements and Terms:

The obligations of the firm selected will be set forth in a letter agreement to be executed by the firm and the SEC. The agreement will include the requirements set forth herein, the fees outlined in your proposal, and other requirements to be specified and agreed to by the firm and the SEC.

1. Your firm will be required to establish a separate escrow account to be used solely for the receipt and disbursement of tax payments required for tax compliance for the QSFs.

A copy of the account agreement with the banking institution must be supplied to the SEC. Additionally, your firm will ensure that the SEC receives directly from the banking institution the monthly statement for the escrow account established.

2. Your proposal must present evidence that your firm has in place, or will be able to obtain, a bond sufficient to protect the QSFs against losses resulting from your duties as Tax Administrator. In lieu of a bond, your firm may propose other arrangements to protect the QSFs from losses. The bond or other arrangements your firm proposes will be evaluated as part of the selection.

3. You firm will be required to acknowledge that you are providing services for the QSFs only and not for the SEC. Your firm must acknowledge and agree that it will not be compensated from any appropriated funds of the SEC or the United States. Your firm will agree that it will not make any claim for payment from the SEC, the United States, or from any SEC employee in their personal or official capacity.

4. Your firm will agree that the SEC may terminate your firm's appointment as a Tax Administrator and terminate any agreement reached with your firm at any time and without cause.

5. The proposed fees delineated below should be the same whether provided in administrative matters or in Federal district court cases, unless your proposal specifies otherwise and provides a justification.

<u>A. Fixed Fee Services:</u>
Please state one fixed fee for performing the aggregate services below:

1. Obtain a federal employer tax identification number ("FEIN") for each QSF.

2. Prepare and file federal and state income tax returns.

3. Calculate quarterly estimated tax payments and provide information to the SEC so that payments may be made timely.

4. Make arrangements with the SEC or its agent to pay the tax liability.

5. Calculate and recommend retention of a reserve for penalties and interest to be assessed as a result of any late filing of tax returns and late payment of taxes.

6. Determine and comply with tax reporting obligations of a QSF relating to distributions or payments to vendors.

<u>B. Not to Exceed Fee Service:</u>
Please state the not to exceed fee for the services below:

1. Seek abatement of tax related penalties.

2. Loss Carryback returns.

3. Prepare final accountings for QSFs in a SEC approved format. (The Consolidated Final Accounting Report form will be emailed to you upon request.)

4. For QSFs with a small number of investors receiving payments, if requested by the fund administrator, escrow funds, prepare distribution checks and mail to injured investors. Included with such distribution will be transmittal correspondence explaining the purpose of the distribution. (Please provide a price per item, with a not to exceed fee for 50 or fewer checks.)

C. Hourly Rates:

Please state hourly rate for the services that include, but are not limited to, the following:

1. Analyze information reporting and withholding and deposit requirements of the QSF related to distributions to claimants, and comply with those requirements by issuing information reports to claimants and filing information with the IRS and state tax authorities.

2. Other tax-related and reporting tasks on behalf of the QSFs as requested by the SEC.

Selection of Tax Administrator

The SEC has discretion to appoint any person to perform Tax Administrator duties for QSFs. This Statement of Requirements shall not be construed as an obligation on the part of the SEC to enter into any agreement or contract or to conduct any further discussions or negotiations. The SEC does not pay for the information provided in response to this request. No appropriated funds are authorized or intended to be utilized in connection with any activities of firms responding to this request. Agreements entered into to perform the services described herein shall not be for the procurements of goods and services for the SEC or the United States under the procurement laws. No express or implied contract and no entitlement to payment of any costs or charges by the SEC will arise as a result of the submission of responses to this request or use by the SEC of the information submitted. The SEC reserves the right to reject in whole or in part any proposal submitted. Unless otherwise expressly specified by the responding firm, information provided in response to this request shall be provided with unlimited rights to the SEC.