

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

CHRISTOPHER FREEMAN BROGDON,

Defendant,

-and-

CONNIE BROGDON, et al.,

Relief Defendants.

Civil Action No.: 15-cv-08173 (JXN) (JBC)

ORDER APPOINTING A DISTRIBUTION AGENT AND
APPROVING THE DISTRIBUTION PLAN

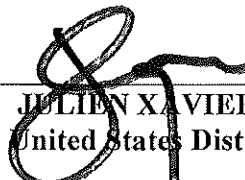
The Court, having reviewed Plaintiff Securities and Exchange Commission's ("SEC" or "Commission") unopposed Motion for an Order Appointing a Distribution Agent and Approving the Distribution Plan (the "Motion") (ECF No. 740), and for good cause shown,

IT IS HERBY ORDERED:

- 1) The Motion (ECF No. 740) is **GRANTED**;
- 2) Jennifer Cardello, a Commission employee, is hereby appointed as the Distribution Agent for the Fair Fund; and
- 3) The Distribution Plan appended hereto is **APPROVED** in its entirety. The Distribution Plan shall govern the administration and distribution of the Fair Fund.

IT IS SO ORDERED.

Dated: September 3rd, 2025


JULIEN XAVIER NEALS
United States District Judge

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DISTRIBUTION PLAN

I. INTRODUCTION AND BACKGROUND

1. The Securities and Exchange Commission (the “SEC” or the “Commission”) submits this Distribution Plan (the “Plan”) to fairly and reasonably distribute the funds in this matter to investors harmed by the actions described in the Complaint. The Plan provides for the distribution of the Fair Fund comprised of disgorgement, civil money penalties, and post-judgment interest collected from Defendant Christopher Freeman Brogdon (the “Defendant”) and Relief Defendant Connie Brogdon (collectively, the “Brogdons”) in this proceeding.

2. The SEC incorporates by reference the background of this matter as set forth in the accompanying Memorandum of Law in Support of its Motion for an Order Appointing a Distribution Agent and Approving the Distribution Plan. Dkt. No. 740. As described more specifically below, the Plan provides for the distribution of the Fair Fund, including any future collections from the Brogdons in this proceeding, less a reserve for taxes and fees, to compensate investors in certain fraudulent securities offerings which closed on or after November 20, 2010

and remain outstanding (“Securities Offerings”).¹ *Id.* at p 6. As calculated using the methodology detailed in the Plan of Allocation (attached hereto as Exhibit A), investors will be compensated in a *pro-rata* fashion based on their losses in the Securities Offerings. Based on information obtained by the Commission during its investigation and litigation and the review and analysis of applicable records, the Commission has reasonably concluded it has all records necessary to calculate investor harm. As a result, the Fair Fund is not being distributed according to a claims-made process.

3. The Commission’s Office of Distributions in consultation with Commission staff economists has determined that a two-stage methodology is appropriate for the distribution. First, the Net Available Fair Fund (as the term is defined below) will be allocated across the Securities Offerings in a *pro-rata* fashion, based on each Securities Offering’s amount of Court-ordered disgorgement not yet paid by the Defendants. Second, the distribution amount for each Securities Offering will be allocated among its investors in a *pro-rata* fashion based on the investors’ investment amounts.

4. The Commission has custody of the Fair Fund and shall retain control of the assets of the Fair Fund. As of June 16, 2025, the balance of the Fair Fund is \$3,665,222.74. The Fair Fund has been deposited in an interest-bearing account at the U.S. Treasury. The Plan is subject to approval by the Court, and the Court retains jurisdiction over its implementation.

II. DEFINITIONS

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

5. “**Administrative Costs**” shall mean any administrative costs and expenses,

¹ The Securities Offerings are listed in Exhibit A to the Final Judgment as to Defendant Christopher Brogdon and Relief Defendant Connie Brogdon (the “Final Judgment”). Dkt. No. 543 at Ex. A. Certificates of Participation in Development Authority of Clayton County, et al. (“Clayton V”) has been paid in full, and therefore will not receive any distributions from the Fair Fund. Dkt. No. 712 ¶9.

including without limitation tax obligations, the fees and expenses of the Tax Administrator and Third-Party, investment and banking costs, and costs incurred by the Indenture Trustee in complying with the requirements of the Plan. All Administrative Costs will be paid by the Fair Fund.

6. **“Disgorgement Offsets”** are the principal repayments made by the Brogdons or the entities they own and/or control for distribution to Eligible Investors that are approved by the SEC and filed in the pleadings in this litigation. Def. Proof of Disgorgement Offset, Dkt. Nos. 548, 553, 610, 651, 659, 660, 683, 706-708, 710, 712, 713, 717-721, 725, 735, 739.

7. **“Distribution Payment”** means a payment from the Fair Fund to an Eligible Investor in accordance with the terms of this Plan.

8. **“Eligible Investor”** means an Identified Investor who is determined to be eligible for a Distribution Payment under the methodology described in the Plan of Allocation and who is not an Unresponsive Investor or an Excluded Party.

9. **“Excluded Party”** means: (a) the Defendant, Relief Defendants and Defendant’s and Relief Defendants’ advisers, agents, nominees, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities; (b) the Third-Party, its employees, and those Persons assisting the Third-Party in its role as the Third-Party; and (c) any purchaser or assignee of another Person’s right to obtain a recovery from the Fair Fund for value; provided, however, that this provision shall not be construed to exclude current bond holders or those Persons who obtained such a right by gift, inheritance or devise.

10. **“Fair Fund”** means the fund created by the Court pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, for the benefit of investors harmed by the Defendant’s violations alleged in the Complaint. The Fair Fund is comprised of collections on judgments in

the captioned matter, funds paid to the SEC by the Brogdons, post-judgment interest and accrued interest. Any additional funds collected from the Brogdons will be added to the Fair Fund.

11. **“Identified Investor”** means the investors, or their lawful successors, identified by the Distribution Agent based on her review and analysis of the applicable records obtained by the Commission during its investigation and litigation, who invested in the Securities Offerings. The Securities Offerings are listed on Table A of the Plan of Allocation.

12. **“Indenture Trustee”** means the entity or individual that has received payment on behalf of the Eligible Investors who are bondholders and assumed the responsibility for distributing payments to the bondholders under the Monitorship. The Indenture Trustee was previously designated in the Monitorship. *See* Defendant’s Third Amended Plan Pursuant to Paragraph XII(2) of the December 28, 2025 Judgment (the “Monitorship Plan”), Dkt. No 127-2 at Section 1.21. The Indenture Trustee will continue to distribute payments to the underlying bondholders in the Securities Offerings who are deemed Payees through the Depository Trust Company (“DTC”) in accordance with this Plan.

13. **“Investor Notice”** means the written notice from the Third-Party or Indenture Trustee to each Identified Investor upon the Court’s approval of the Plan. The Investor Notice, among other things, alerts the Identified Investor of the Court’s approval of the Plan including a statement characterizing the distribution; provides a link to the approved Plan posted on the Commission’s website and instructions for requesting a copy of the Plan; specifies any information needed from the Identified Investor to prevent him, her or it from being deemed an Unresponsive Investor, provides information about the tax consequences of distributions, and provides contact information for the Third-Party and Distribution Agent as a resource for additional information or to contact with questions regarding the distribution. The Investor

Notice will be sent to the last known address of each Identified Investor. With respect to the bondholders, the Indenture Trustee will provide the Investor Notice to DCT who will use the systems available to it to disseminate the notice to underlying investors.

14. **“Minimum Investor Distribution Amount”** will be \$20.00. If an Eligible Investor’s calculated distribution amount is less than the Minimum Investor Distribution Amount, that Eligible Investor will be deemed ineligible to receive a Distribution Payment.

15. **“Minimum Offering Distribution Amount”** will be \$1,000.00. If a Securities Offering’s distribution amount is less than the Minimum Offering Distribution Amount, the Securities Offering will be deemed ineligible to receive a payment in the instant round.

16. **“Monitorship”** refers to the appointment of a Monitor by the Court on December 28, 2015 in this action to oversee the fair, prompt, and efficient sale or other disposition of the entities or assets owned or controlled by the Defendant or Relief Defendant Connie Brogdon as necessary to repay all investors. *See* Order Appointing Monitor on Consent, Dkt. No. 57.

17. **“Net Available Fair Fund”** means the Fair Fund, plus any interest or earnings, less Administrative Costs.

18. **“Offering Distribution Payment”** means a payment from the Fair Fund to a Securities Offering in accordance with the terms of this Plan of Allocation.

19. **“Payee”** means an Eligible Investor whose distribution amount equals or exceeds the Minimum Investor Distribution Amount.” A Payee will receive a Distribution Payment equal to his, her or its calculated distribution amount.

20. **“Plan of Allocation”** means the methodology by which the Net Available Fair Fund is allocated among Securities Offerings and then among the underlying investors. The Plan of Allocation is attached as Exhibit A.

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

22. **“Remaining Disgorgement”** means the amount of principal owed to each Securities Offering. Remaining Disgorgement is the amount of disgorgement attributable to each Securities Offering as listed in Exhibit A of the Final Judgment less any Disgorgement Offsets made to each Securities Offering as reflected in the Disgorgement Offsets filed with the Court and in Table A of the Plan of Allocation. Def. Proof of Disgorgement Offset, Dkt. Nos. 548, 553, 610, 651, 659, 660, 683, 706-708, 710, 712, 713, 717-721, 725, 735, 739.

23. **“Remaining PJI”** means the amount of prejudgment interest owed to each Securities Offering as listed in Exhibit A of the Final Judgment and in Table A of the Plan of Allocation.

24. **“Securities Offerings”** means collectively the bonds offerings designated to be paid in full and redeemed and the private placement offerings designated to be paid in full and satisfied under the Monitorship Plan, that remain outstanding and are listed in Exhibit A of the Final Judgment (Dkt. No. 543) and in Table A of the Plan of Allocation.

25. **“Third-Party”** means the third-party engaged by the Distribution Agent to perform some of the administrative tasks associated with implementing the Plan.

26. **“Unresponsive Investor”** means any Identified Investor whose address the Distribution Agent or Third-Party has not been able to verify and/or who does not timely respond to the Distribution Agent’s or Third-Party’s attempts to obtain information sought, including tax compliance related information. Identified Investors who relocate after being contacted by the Distribution Agent or Third-Party must promptly provide new contact information in order not to be classified as an Unresponsive Investor. Unresponsive Investors will not be eligible for a

distribution under the Plan.

III. TAX COMPLIANCE

27. The Tax Administrator shall handle the tax obligations of the Fair Fund. The Tax Administrator will be compensated for reasonable fees and expenses from the Fair Fund.

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

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

IV. THE DISTRIBUTION AGENT

29. The Commission has requested that the Court appoint Jennifer Cardello as the distribution agent for the Fair Fund (the “Distribution Agent”). As a Commission employee, the Distribution Agent shall receive no compensation, other than her regular salary as a Commission employee, for her services in administering the Fair Fund.

30. The Distribution Agent will be responsible for administering the Fair Fund in accordance with the Plan. This will include, among other things, taking reasonable steps to

obtain accurate mailing information for Identified Investors; address inquiries regarding the Plan, disseminating the Investor Notice; preparing accountings; and coordinating with the Tax Administrator to ensure compliance with income tax reporting requirements, including but not limited to Foreign Account Tax Compliance Act (FATCA); disbursing the Fair Fund in accordance with this Plan, as ordered by the Court; and researching and reconciling errors and reissuing payments, when possible. The Distribution Agent will engage a Third-Party, Simpluris Inc., to perform some of the administrative tasks associated with implementing the Plan. The Third-Party's fees and expenses will be paid from the Fair Fund as an Administrative Cost, pursuant to a cost proposal submitted to and approved by the Commission staff.

31. To carry out this Plan, the Distribution Agent is authorized to make and implement immaterial changes to the Plan upon agreement of the Commission staff. If a change is deemed to be material by the Commission staff, Court approval is required prior to implementation by amending the Plan.

32. The Distribution Agent may extend any procedural deadline contained in the Plan for good cause shown, if agreed upon by the Commission staff.

V. PLAN PROCEDURES

Specification of Preliminary Investors

33. The Identified Investors are limited to the underlying investors in the Securities Offerings listed in Table A of the Plan of Allocation. The Securities Offerings consist collectively of the bond offerings designated to be paid in full and redeemed and the private placement offerings designated to be paid in full and satisfied under the Monitorship Plan, that are listed in Exhibit A of the Final Judgment (Dkt. No. 543) and remain outstanding.

34. Within thirty (30) days of Court approval of the Plan, the Third-Party will send an

Investor Notice to all the Identified Investors in the private placement Securities Offerings.

Likewise, the Indenture Trustee will send an Investor Notice to DTC, who will in turn provide the Investor Notice to all the Identified Investors in the bond Securities Offerings by means of the various brokerage firms who maintain records of the beneficial owners of the respective bonds. The Investor Notice will be sent to the last known address of each Identified Investor.

Undeliverable Mail

35. If any mailing is returned as undeliverable, the Third-Party will make the best practicable efforts to ascertain the Identified Investor's correct address. If another address is obtained, the Third-Party will then resend it to the Identified Investor's new address within ten (10) days of receipt of the returned mail. If the mailing is returned again, and the Third-Party, despite best practicable efforts, is unable to find the Identified Investor's correct address, the Distribution Agent, in consultation with the Third-Party may deem such Identified Investor an Unresponsive Investor.

36. Any Identified Investor who relocates or otherwise changes contact information after receipt of the Investor Notice must promptly communicate any change in address or contact information to the Third-Party in order not to be classified as an Unresponsive Investor.

Procedure to Request Investor Notice

37. Any Person who does not receive an Investor Notice, as described in paragraph 34, but who is aware of this Plan (e.g. through other Identified Investors or on www.sec.gov) and believes they should be included as an Identified Investor should contact the Distribution Agent within forty-five (45) days from approval of the Plan to establish that they should be considered an Identified Investor. Such Person should include with that communication, documentation sufficient to support their claim that they should be considered a Preliminary Claimant, as well as

contact information (physical address, telephone number and email address, if available) for responsive communications. The Distribution Agent will direct the Third-Party or Indenture Trustee to send the Person an Investor Notice within fifteen (15) days of receiving the Person's documentation, if the Distribution Agent determines that the Person should have received a Plan Notice.

Distribution Methodology

38. The Distribution Agent in consultation with Commission staff economists will calculate each Securities Offering's allocation of the Net Available Fair Fund or Offering Distribution Payment. The Offering Distribution Payments for all bond offerings will be provided to the Indenture Trustee to distribute in accordance with the Plan of Allocation. The Offering Distribution Payments for all private placement offerings will be provided to the Third-Party to distribute in accordance with the Plan of Allocation.

39. The Third-Party will calculate for each Eligible Investor in each private placement offering, his, her or its distribution amount in accordance with the Plan of Allocation. No Distribution Payments will be made for less than \$20.00. If an Eligible Investor's distribution amount calculates to less than \$20.00, in accordance with the Plan of Allocation, the Eligible Investor will be deemed ineligible to receive a Distribution Payment and his, her or its distribution amount will be reallocated on a *pro-rata* basis to the Eligible Investors whose distribution amounts are greater than or equal to \$20.00 within the same Securities Offering. All Eligible Investors whose distribution amount is equal to or greater than \$20.00, as calculated in accordance with the Plan of Allocation, will be deemed a Payee and receive a Distribution Payment.

Establishment of a Reserve

40. Before determining the amount of funds available for distribution and calculating the Offering Distribution Payments, the Distribution Agent, in conjunction with the Tax Administrator, will establish a reserve to pay Administrative Costs and to accommodate any unexpected expenditures (the "Reserve").

41. After all Distribution Payments are made and all Administrative Costs are paid, any remaining amounts in the Reserve will become part of the Residual described in paragraph 61.

Preparation of the Payment File

42. Within one hundred twenty (120) days of Court approval of the Plan, the Distribution Agent will calculate the Offering Distribution Payment for each Securities Offering and provide a list of applicable Offering Distribution Payments to the Indenture Trustee and Third-Party, respectively.

43. Within thirty days (30) days of receiving the list of Offering Distribution Payments for the private placement Securities Offerings, the Third-Party will compile and send to the Distribution Agent, the Payee information, including the name, address, and calculated Distribution Payment for all Payees (the "Third-Party Payee List").

44. Prior to the distribution of funds from the Net Available Fair Fund, the Third-Party will establish an escrow account at a commercial bank (the "Bank") not unacceptable to the Commission, pursuant to an escrow agreement provided by the Commission staff.

45. Within thirty days (30) days of receiving the list of Offering Distribution Payments for the bond Securities Offerings, the Indenture Trustee will compile and send to the Distribution Agent, the list of brokerage firms, including the name and address, who will

distribute funds to the Payees of the bond offerings (the “Indenture Trustee Payee List”).

Distribution of the Fair Fund

46. Upon the Distribution Agent’s receipt, review and acceptance of the Third-Party Payee List and the Indenture Trustee Payee List (collectively, “Payee Lists”), the Commission will petition the Court for authority to disburse funds from the Net Available Fair Fund to the Bank and to the Indenture Trustee in accordance with the Payee Lists for distribution by the Third-Party and Indenture Trustee in accordance with the Plan.²

47. Upon issuance of an order to disburse by this Court, the Distribution Agent will direct the transfer of the funds in accordance with the Third-Party Payee List to the Bank, and the Third-Party will be responsible for issuing Distribution Payments to the Payees in accordance with the Third-Party Payee List. The Third-Party will then use its best efforts to commence mailing Distribution Payments checks and/or effect electronic payments within ten (10) business days of the release of funds into the Escrow Account.

48. Similarly, upon issuance of an order to disburse by this Court, the Distribution Agent will direct the transfer of the funds in accordance with the Indenture Trustee Payee List to the Indenture Trustee, and the Indenture Trustee will be responsible for issuing Distribution Payments to the DTC who will in turn send the funds to the brokerage firms in accordance with the Indenture Trustee Payee List within ten (10) business days of the receiving the funds.

49. All checks will bear a stale date of one hundred and twenty (120) days from the date of issuance. Checks that are not negotiated by the stale date will be voided, and the Bank or Indenture Trustee will be instructed to stop payment on those checks. A Payee’s claim will be extinguished if he, she, or it fails to negotiate his, her or its check by the stale date, and the

² A copy of the Payee Lists will be provided, under seal, to the Court upon request.

funds will remain in the Fair Fund for disposition in accordance with this Plan, except as provided in paragraph 53.

50. All Distribution Payments will be preceded or accompanied by a communication that includes, as appropriate: (a) a statement characterizing the distribution; (b) a statement that the tax treatment of the distribution is the responsibility of each Eligible Investor and that the Eligible Investor should consult his, her or its tax advisor for advice regarding the tax treatment of the distribution; (c) a statement that checks will be void and cannot be reissued after one hundred twenty (120) days from the date the original check was issued; and (d) contact information for the Distribution Agent for questions regarding the Distribution Payment. The letter or other mailings to the Eligible Investor characterizing a Distribution Payment will be prepared by the Distribution Agent in coordination with the Tax Administrator.

51. All Distribution Payments, either on their face or in the accompany mailing, will clearly indicate the money is being distributed from the Fair Fund established by the Court to compensate investors for harm as a result of securities law violations.

VI. POST DISTRIBUTION: HANDLING OF RETURNED OR UNCASHED CHECKS AND REISSUES

52. The Third-Party shall use their best efforts to make use of commercially available resources and other reasonably appropriate means to locate all Payees whose checks are returned as "undeliverable." If new address information becomes available, the Third-Party will repackage the distribution check and send it to the new address. If new address information is not available after a diligent search (and in no event no later than one hundred twenty (120) days after the initial mailing of the original check) or if the distribution check is returned again, the check shall be voided. The Third-Party shall instruct the Bank to stop payment on such a check. If the Third-Party is unable to find a Payee's correct address, the Distribution Agent in

consultation with the Third-Party may remove such Payee from the distribution and the allocated Distribution Payment will remain in the Fair Fund for distribution, if feasible, to the remaining Payees.

53. The Distribution Agent will direct the Third-Party to reissue checks or electronic payments to Payees upon the receipt of a valid, written request from the Payee if prior to the initial stale date. In cases where the Payee is unable to endorse a Distribution Payment check as written (e.g., name changes, IRA custodian changes, or recipient is deceased), and the Payee or a lawful representative requests the reissuance of a Distribution Payment check in a different name, the Distribution Agent will request, and must receive, documentation to support the requested change. The Distribution Agent will review the documentation to determine the authenticity and propriety of the change request. If, in the discretion of the Distribution Agent, such change request is properly documented, the Distribution Agent will direct the Third-Party to issue an appropriately redrawn Distribution Payment to the requesting party. In no event will a check be reissued after the stale date of the original check without good cause found by the Distribution Agent.

54. The Third-Party will work with the Bank and maintain information about uncashed checks and any returned items due to non-delivery, insufficient addresses, and/or other deficiencies. The Third-Party is responsible for researching and reconciling errors and reissuing payments when possible. The Third-Party is also responsible for accounting for all payments. The amount of all uncashed and undelivered payments will continue to be held in the Fair Fund.

55. Likewise, the Indenture Trustee will maintain information about any uncashed checks or wires returned from DTC and/or the brokerage firms due to non-delivery, insufficient addresses, and/or other deficiencies. The Indenture Trustee is responsible for researching and

reconciling errors and reissuing payments when possible. The Indenture Trustee is also responsible for accounting for all payments. The amount of all uncashed and undelivered payments will continue to be held in the Fair Fund.

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

Additional Distribution

57. If funds remain in the Net Available Fair Fund after an initial distribution and/or additional funds are collected, the Distribution Agent in her sole discretion will make an assessment as to whether it is feasible and justifiable to attempt to distribute the remaining funds ("Additional Distribution").

58. In the event of an Additional Distribution, the Third-Party will submit a fixed fee cost proposal to the Commission staff for review and approval. The Third-Party's additional fees and expenses will be paid from the Fair Fund as an Administrative Cost, pursuant to the newly approved cost proposal.

59. Any Additional Distribution will be made pursuant to the Plan but will not be made to any Payee who failed to negotiate the immediately prior Distribution Payment. The Distribution Agent, in conjunction with the Third-Party and Indenture Trustee, will compile the information, prepare payee lists, and petition the Court for a subsequent Order to Disburse.

Final Accounting and Termination

60. Upon completion of all distributions under this Plan and the payment of all Administrative Costs, the Third-Party will return any remaining funds disbursed to the Bank in

paragraph 47 to the Commission. Likewise, the Indenture Trustee will return any remaining funds disbursed to it in paragraph 48 to the Commission. These remaining funds will be included in the Residual as defined below.

61. A residual will be established for any amounts remaining after the final disbursement to Eligible Investors from the Fair Fund and the payment of all Administrative Costs (the “Residual”). The Residual may include funds from, among other things, amounts remaining in the Reserve, distribution checks that have not been cashed, checks or electronic payments that were not delivered or were returned to the Commission, and tax refunds for overpayment of taxes or for waiver of IRS penalties.

62. All funds remaining in the Residual that are infeasible to distribute to investors will be held pending a final accounting.

63. Upon completion of all distributions to Eligible Investors, the Third-Party will submit to the Distribution Agent a final report (the “Third-Party Report”) that includes an accounting of all funds disbursed to the Bank. The Third-Party Report will include, at a minimum, the number and total amount of Distributions Payments sent to Payees, the number and total amount of Distribution Payments successfully disbursed (i.e., cashed or electronically transferred) to Payees, and the amount of funds returned to the Commission, pursuant to paragraph 60 above. The Third-Party Report must be accompanied by a declaration executed by the Third-Party under penalty of perjury under the laws of the United States.

64. Upon completion of all distributions to Eligible Investors, the Indenture Trustee will submit to the Distribution Agent a final report (the “Indenture Trustee Report”) that includes an accounting of all funds disbursed to the Indenture Trustee. The Indenture Trustee Report will include, at a minimum, the number and total amount of Distributions Payments sent to the

brokerage firms through DTC, the number and total amount of Distribution Payments successfully disbursed (i.e., cashed or electronically transferred) to Payees, and the amount of funds returned to the Commission, pursuant to paragraph 60 above. The Indenture Trustee Report must be accompanied by a declaration executed by the Indenture Trustee under penalty of perjury under the laws of the United States.

65. Upon receipt of the Third-Party and Indenture Trustee Final Reports described above, the Distribution Agent shall arrange for the payment of any remaining Administrative Costs, pursuant to the procedures described above, and will prepare, in consultation with the Tax Administrator, a final accounting of the Fair Fund on a Commission standardized form.

66. Once the Commission staff has reviewed and accepted the final accounting, the Distribution Agent will petition the Court for an order, as appropriate, approving the final accounting, discharging the Distribution Agent, disposing of the Residual, and terminating the Fair Fund. If distribution of the Residual to investors is infeasible, the Commission may recommend the transfer of the Residual to the general fund of the Treasury subject to Section 21F(g)(3) of the Exchange Act.³

Termination of the Fair Fund

67. The Fair Fund will be eligible for termination and the Distribution Agent will be eligible for discharge after all of the following have occurred (a) a final accounting, in a standard accounting format, has been submitted by the Distribution Agent and approved by the Court; (b) all Administrative Costs have been paid; and (c) the Court has approved the Commission's recommendation as to the final disposition of the Residual consistent with Sections 21(d)(7) of

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

the Exchange Act, and *Liu v. SEC*, 140 S. Ct. 1936 (2020).

68. Once the Fair Fund has been terminated, no further claims will be allowed, and no additional payments will be made whatsoever.

69. All proceedings with respect to the administration, processing, and determination of claims and the determination of all related controversies, shall be subject to the exclusive jurisdiction of this Court.

70. The Court reserves the right to amend the Plan from time to time and retains jurisdiction over this matter for this purpose and for any and all other matters that may arise under or relate to the Plan.

Exhibit A

PLAN OF ALLOCATION

This Plan of Allocation is designed to compensate investors for their losses in certain fraudulent securities offerings made by Defendant Brogdon which closed on or after November 20, 2010, and that remain outstanding (the Securities Offerings as listed in column [1] of Table A below). The distribution calculations first allocate the Net Available Fair Fund across the Securities Offerings, then across the underlying investors within each Securities Offering.

The Court ordered disgorgement and prejudgment interest from the Brogdons for each of the Securities Offerings in the amounts listed in columns [2] and [3] of Table A.¹ To date, the Brogdons have made principal repayments to certain of the Securities Offerings as listed in column [5] of Table A (“Disgorgement Offsets through July 2025”).

First Round Distribution: In the first-round distribution, the Distribution Agent will allocate the Net Available Fair Fund in a *pro-rata* fashion to the Securities Offerings based on Remaining Disgorgement in column [6] of Table A, as the Offering Distribution Payment, subject to the Minimum Offering Distribution Amount provision below.

Subsequent Distributions: In the event additional funds are collected from the Brogdons in a sufficient amount, the Distribution Agent will allocate the collected funds in a subsequent distribution, after subtracting a) the previous distribution payment(s), and b) any Disgorgement Offsets paid by the Brogdons in the intervening time, from the Remaining Disgorgement for each Securities Offering. The Distribution Agent will allocate the collected funds in a *pro-rata* fashion to the Securities Offerings based on the new Remaining Disgorgement amount, subject to the Minimum Offering Distribution Amount provision below.

Once the Remaining Disgorgement amounts have been paid in full to all Securities Offerings, either through subsequent rounds of distribution or from additional Disgorgement Offsets, the Distribution Agent will allocate any collected funds in a *pro-rata* fashion to the Securities Offerings based on the Remaining PJI amount in column [7] of Table A, subject to the Minimum Offering Distribution Amount Provision below.

Minimum Offering Distribution Amount: The Minimum Offering Distribution Amount will be \$1,000.00. If the calculated Offering Distribution Payment calculated in any distribution round is less than the Minimum Offering Distribution Amount, the Securities Offering will be deemed ineligible to receive a payment in the instant round and its distribution amount will be reallocated on a *pro-rata* basis to the other Securities Offerings whose distribution amounts are greater than or equal to the Minimum Offering Distribution Amount.

Distribution Payments to Eligible Investors: Based upon records obtained by the Commission during its investigation and litigation, the Distribution Agent has identified those

¹ Final Judgment as to Defendant Christopher Brogdon and Relief Defendant Connie Brogdon. Dkt. No. 543 at Ex. A.

investors, or their lawful successors, who may have suffered a loss on their investments in the Securities Offerings (“Identified Investors”). Any Identified Investor who suffered a loss pursuant to this Plan of Allocation, and who is not an Excluded Party or deemed an Unresponsive Investor as defined in the Plan, will be deemed an Eligible Investor.

In each distribution round, the Offering Distribution Amount will be allocated to Eligible Investors in a *pro-rata* fashion based on the Eligible Investor’s investment in the Securities Offering, as the “Eligible Investor Distribution Amount.” For the private placement offerings in Table A, the Third-Party will calculate for each Eligible Investor, his, her or its distribution amount.

Minimum Investor Distribution Amount: The Minimum Investor Distribution Amount will be \$20.00. If the Eligible Investor’s Distribution Amount is less than the Minimum Investor Distribution Amount, the Eligible Investor will be deemed ineligible to receive a payment in the instant round, and its distribution amount will be reallocated on a *pro-rata* basis to the other Eligible Investors within the same Securities Offering whose Eligible Investor Distribution Amounts are greater than or equal to the Minimum Investor Distribution Amount.

Payee: An Eligible Investor whose Eligible Investor Distribution Amount equals or exceeds the Minimum Investor Distribution Amount will be deemed a Payee and receive a Distribution Payment equal to his, her or its Eligible Investor Distribution Amount.

Table A: Securities Offerings, Ordered Remedies and Remaining Amounts

Securities Offerings [1]	Ordered Disgorgement [2]	Ordered Prejudgement Interest [3]	Total Ordered Amount [4]	Disgorgement Offsets through July 2025 [5]	Remaining Disgorgement [6]	Remaining PJI [7]
Chestnut Financial LLC [private placement]	\$ 1,947,833.33	\$ 723,960.28	\$ 2,671,793.61	\$ 1,947,833.33	\$ -	\$ 723,960.28
Oklahoma Financial LLC [private placement]	\$ 2,800,000.00	\$ 980,343.35	\$ 3,780,343.35	\$ 500,000.00	\$ 2,300,000.00	\$ 980,343.35
Cherokee Financial LLC [private placement]	\$ 1,675,000.00	\$ 462,347.84	\$ 2,137,347.84	\$ 1,016,939.96	\$ 658,060.04	\$ 462,347.84
Development Authority of Clayton County, Georgia First Mortgage Revenue Bonds [Clayton IV]	\$ 2,028,350.75	\$ 700,929.83	\$ 2,729,280.58	\$ 415,238.92	\$ 1,613,111.83	\$ 700,929.83
Medical Clinic Board of the City of Mobile (2nd) First Mortgage healthcare Facility Revenue Bonds [Mobile I]	\$ 11,155,977.57	\$ 3,365,077.27	\$ 14,521,054.84	\$ 1,403,056.98	\$ 9,752,920.59	\$ 3,365,077.27
Medical Clinic Board of the City of Mobile (2nd) First Mortgage healthcare Facility Revenue Bonds [Mobile II]	\$ 5,446,707.38	\$ 1,607,756.14	\$ 7,054,463.52	\$ 714,124.24	\$ 4,732,583.14	\$ 1,607,756.14
Crisp-Dooley Joint Development Authority First Mortgage Healthcare Facility Revenue Bonds	\$ 1,052,747.81	\$ 283,895.55	\$ 1,336,643.36	\$ -	\$ 1,052,747.81	\$ 283,895.55
The Medical Clinic Board of the City of Mobile First Mortgage Healthcare Facility Revenue Bonds [Mobile III]	\$ 7,992,061.97	\$ 2,104,605.82	\$ 10,096,667.79	\$ 2,943,970.08	\$ 5,048,091.89	\$ 2,104,605.82
Thomaston-Upson County Industrial Development Authority First Mortgage Healthcare Facility Revenue Bonds	\$ 1,456,477.72	\$ 359,854.50	\$ 1,816,332.22	\$ -	\$ 1,456,477.72	\$ 359,854.50
TOTAL	\$ 35,555,156.53	\$ 10,588,770.58	\$ 46,143,927.11	\$ 8,941,163.51	\$ 26,613,993.02	\$ 10,588,770.58