

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-13847

In the Matter of

**MORGAN ASSET MANAGEMENT, INC.,
MORGAN KEEGAN & COMPANY, INC.,
JAMES C. KELSOE, JR., AND JOSEPH
THOMPSON WELLER, CPA,**

Respondents.

**PROPOSED PLAN OF
DISTRIBUTION**

I. OVERVIEW

The Division of Enforcement (“Division”) submits the following Proposed Plan of Distribution (the “Distribution Plan”) to the United States Securities and Exchange Commission (the “Commission”) pursuant to Rule 1101 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101 (“Rules”). As described more specifically below, the Distribution Plan proposes a distribution of funds paid by Morgan Asset Management, Inc. (“Morgan Asset”), Morgan Keegan & Co., Inc. (“Morgan Keegan”) (together “Morgan”), James C. Kelsoe, Jr. (“Kelsoe”), and Joseph Thompson Weller, CPA (“Weller”) (collectively, “Respondents”), as a result of Respondents’ fraudulent valuation of certain subprime mortgage-backed securities in the portfolios of five (5) funds managed by Morgan (“Funds”), pursuant to a Commission order issued on June 22, 2011.¹ The affected Funds are:

- Helios High Income Fund, Inc. (f/k/a RMK High Income Fund, Inc.);
- Helios Multi-Sector High Income Fund, Inc. (f/k/a RMK Multi-Sector High Income Fund, Inc.);
- Helios Strategic Income Fund, Inc. (f/k/a RMK Strategic Income Fund, Inc.);
- Helios Advantage Income Fund, Inc. (f/k/a RMK Advantage Income Fund, Inc.); and

¹ See Corrected Order Making Findings and Imposing Remedial Sanctions and a Cease-and Desist Order Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203 (k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940, and Imposing Suspension Pursuant to Section 4C of the Securities Exchange Act of 1934 and Rule 102(e)(1)(iii) of the Commission’s Rules of Practice, Exchange Act Rel. No. 64720 (June 22, 2011) (“Order”). The Commission instituted these proceedings in an order dated April 7, 2010. Exchange Act Rel. No. 61856 (April 7, 2010).

Helios Select Fund, Inc. (f/k/a Morgan Keegan Select Fund, Inc.), an open-end series company with three open-end portfolios: a) Select High Income portfolio; b) Select Intermediate Bond portfolio; and c) Select Short Term Bond portfolio

The Distribution Plan proposes to distribute the Fair Fund to the Funds' investors who: a) held shares in one or more of the Funds at any time during the period from January 1, 2007, through August 10, 2007 ("Relevant Period"), and b) incurred a loss based on the Distribution Plan's eligible loss calculation defined in Paragraph seventeen (17) below.

The Distribution Plan contains the notice and comment procedures set forth in Paragraph sixty-nine (69) below. The Distribution Plan is subject to approval by the Commission and the Commission retains jurisdiction over the implementation of the Distribution Plan.

II. BACKGROUND

A. Procedural History

1. In the Order, the Commission found that Morgan failed to employ reasonable pricing procedures for subprime mortgage-backed securities in the Funds' portfolios, and consequently did not calculate accurate net asset values for the Funds containing those subprime mortgage-backed securities. As a result, Morgan published inaccurate daily net asset values and sold Fund shares to investors at inflated prices. The Order also stated that Kelsoe and Weller caused Morgan's false valuations of the Funds' subprime mortgage-backed securities.

2. The Commission ordered that Morgan Keegan and Morgan Asset jointly and severally pay disgorgement of \$20,500,000, prejudgment interest of \$4,500,000, and civil money penalties of \$75,000,000. The Commission ordered Kelsoe to pay a civil money penalty of \$250,000 and Weller to pay a civil money penalty of \$50,000. Respondents timely paid the total \$100,300,000 ordered by the Commission.

3. Morgan entered into a simultaneous settlement for similar misconduct relating to the Funds' valuations with thirteen states in which it agreed to certain undertakings and to pay \$100 million that would be distributed to harmed investors through a separate settlement fund (the "States' Fund").

4. The Order also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes Oxley Act of 2002, as amended, for a distribution of the \$100,300,000 paid by Respondents pursuant to the Order to harmed investors. The Fair Fund has been deposited at the United States Department of Treasury's Bureau of the Public Debt ("BPD") for investment. Other than potential interest income from the BPD investment, the Commission does not anticipate that the Fair Fund will receive additional funds. All BPD fees will be paid by the Fair Fund.

B. Fund Administrator

5. The Order provides that a fund administrator will be appointed by the Commission. The fund administrator will identify investors in the Funds who suffered losses as

a result of the violations described in the Order, evaluate investor claims, and propose and effectuate a plan to disburse the Fair Fund.

6. The Commission has appointed A.B. Data, Ltd. as the fund administrator (the “Administrator”).² The Administrator is a class action notice and claims administrator with principal business offices located in Milwaukee, Wisconsin. The Administrator has provided similar administrative services in a number of Commission actions. The Administrator is also the fund administrator for the States’ Fund.

7. The Administrator will obtain a bond in the manner prescribed in Rule 1105(c) in the proposed amount of \$100,300,000 to be approved by the Commission.

8. The Administrator will be entitled to reasonable fees and reimbursement for reasonable costs and expenses in connection with overseeing and administering the Fair Fund’s distribution. Pursuant to the Order, Morgan Keegan will pay all reasonable costs and expenses associated with the distribution, including the cost of the fund administrator bond.

9. The Administrator will take reasonable steps to identify and contact all investors that may be eligible to receive a Disbursement from the Fair Fund, verify each Potential Claimant’s eligibility to receive a Disbursement from the Fair Fund, calculate a payment amount for each Potential Claimant that is deemed eligible, resolve any disputes, and make a payment to a Potential Claimant whom the Administrator determines is eligible pursuant to a plan of distribution approved by the Commission (the “Approved Plan”). The Administrator will be responsible for, among other things, overseeing the administration of the Fair Fund, obtaining accurate mailing information for Potential Claimants, preparing accountings, cooperating with a Commission appointed tax administrator (the “Tax Administrator”) in providing the information necessary for compliance with income tax reporting requirements, disbursing the Fair Fund, setting up a website and staffing a call center for investor inquiries during the claims process.

10. The Administrator will coordinate with the Tax Administrator to ensure that sufficient amounts are withheld from the Fair Fund to satisfy any tax liability.

C. Tax Administrator

11. The Commission has appointed Damasco & Associates, LLP as the Tax Administrator of the Fair Fund.³ The Tax Administrator is responsible for all income tax related reporting requirements including the preparation and filing of tax returns. Tax compliance fees and costs will be paid by Morgan Keegan as part of the cost of administration of the Fair Fund.

12. Taxes on interest earned by the Fair Fund will be paid by the Fair Fund.

² See Order Appointing Fund Administrator, Exchange Act Rel. No. 65227 (Aug. 30, 2011).

³ See Order Appointing Tax Administrator Exchange Act Rel. No. 64917 (July 19, 2011).

III. DEFINED TERMS

13. “Days” means calendar days.
14. “Disbursements” means payments to Eligible Claimants pursuant to the Plan.
15. “Distribution Account” means the bank account into which the Administrator will deposit funds from the Fair Fund to make payments to Eligible Claimants.
16. “Eligible Claimant” means a claimant who incurred a loss pursuant to the eligible loss calculation definition in paragraph seventeen (17) below, and who files a claim that is accepted by the Administrator. The following persons are ineligible and, as a result, cannot be Eligible Claimants:
 - a) Respondents and their immediate families;
 - b) Any senior officer of Morgan Keegan or Morgan Asset and/or their respective directors; and
 - c) The Administrator, its employees, and those persons assisting the Administrator in its role as the Administrator.
17. “Eligible Loss Calculation” means the “Invested Amount” less the “Recovered Amount.” An Eligible Loss Calculation will include: a) proximately caused losses for those shareholders who purchased Fund shares at inflated prices during the Relevant Period and did not sell shares at similarly inflated prices, and b) losses for those shareholders who purchased shares prior to the Relevant Period but who, if proper disclosure had been made and had the shares been priced properly during the Relevant Period, potentially would have sold their shares.
18. “Fair Fund” means the \$100,300,000 fund created by the Commission for the benefit of investors harmed by Respondents’ violations discussed in the Order, plus interest accrued from the BPD investment.
19. “Initial Mailing” means a written notice from the Administrator to Potential Claimants informing them of the Fair Fund’s eligibility requirements and explaining how to submit a claim.
20. “Invested Amount” means the dollar value of the shareholdings as of January 1, 2007 (without regard to the cost basis for those shares), plus the dollar value of all purchases/acquisitions from January 1, 2007, through August 10, 2007.⁴ The shareholdings are calculated by aggregating all of the Funds’ shareholdings.
21. “Minimum Disbursement Amount” means \$10.00. The Fair Fund will not be disbursed to an otherwise Eligible Claimant unless the amount to be paid equals or exceeds the Minimum Disbursement Amount.

⁴ The dollar value of each investor’s shareholdings as of January 1, 2007, will be determined as of the close of trading on the last trading day prior to January 1, 2007, which was Friday, December 29, 2006.

22. “Net Fair Fund” means the Fair Fund plus any interest earned thereon, less payment of taxes and BPD fees.

23. “Notice and Proof of Claim Form” means the notice and claim form mailed by the Administrator to Potential Claimants.

24. “Potential Claimants” means individuals or entities, or their lawful successors, who held shares in one or more of the Funds during the Relevant Period and may be eligible for a Disbursement.

25. “Recovered Amount” means the dollar value of all cash interest or dividends received from January 1, 2007, through August 10, 2007, plus the dollar value of the net proceeds of all share sales from January 1, 2007, through and including August 10, 2007, plus the dollar value of shares owned at the close of trading on August 10, 2007, plus any distribution from the States’ Fund.⁵

26. “Relevant Period” means January 1, 2007 through August 10, 2007.

27. “Reverse Append Process” means a search conducted by the Administrator through a service such as LexisNexis in response to undeliverable notices using a Social Security Number (“SSN”) or Employer Identification Number (“EIN”) to find a Potential Claimant’s address.

IV. PLAN AND PROCEDURES

A. Identification of and Notification to Claimants

28. Within thirty (30) days after Commission approval of the Distribution Plan, the Administrator will send an Initial Mailing.

29. The Administrator will publish online notices describing the Fair Fund and eligibility requirements for participation in the Fair Fund at least twice in publications acceptable to the Commission staff. The first online notice will appear within ten (10) days of the Initial Mailing.

30. The Administrator will provide notice of the Fair Fund on the internet at MorganKeeganSettlement.com (the “Link”), in addition to making the same notice available on the Administrator’s website, abdataclassaction.com (the “Administrator Website”). The Link and the Administrator Website will provide a copy of the approved Distribution Plan, eligibility requirements for participation in the Fair Fund, a claim form, a link to an electronic claim processing option, an explanation of the Eligible Loss Calculation, the process for disputing a

⁵ The Order stated that Morgan failed to employ reasonable pricing procedures through July 31, 2007. Investor losses, however, were not fully realized until August 10, 2007, when Morgan’s newly hired third-party consultant assumed full pricing responsibility for the Funds. Therefore, for purposes of the distribution methodology, the Division proposes that the Relevant Period be from January 1, 2007, through August 10, 2007.

Disbursement amount, and the deadline for filing a claim. The Commission staff retains the right to review and approve any material posted on the Link or the Administrator Website.

31. The Administrator will maintain a toll-free telephone number for Potential Claimants to call to speak to a live representative of the Administrator during its regular business hours or, outside of such hours, to hear prerecorded information about the Fair Fund. The toll-free telephone number for use after approval of the Distribution Plan is 1-888-208-9083.

32. An email address, info@MorganKeeganSettlement.com, will be listed on the Notice and Proof of Claim Form as well as on the Link and the Administrator Website for inquiries from Potential Claimants.

33. The Administrator will also mail notices to the Administrator's list of banks, brokers, and other nominees that may have records of the Funds' shareholders and holdings during the Relevant Period, and request that these entities, to the extent that they were record holders for beneficial owners of the Funds' shares, a) file a claim on behalf of the beneficial owner(s) for whom they held shares; b) forward the Notice and Proof of Claim Form on to the beneficial owners within fourteen (14) days of receipt of the Notice and Proof of Claim Form so that beneficial owners may timely file a claim; or c) provide the Administrator with a list of last known names and addresses for all beneficial owners for whom the record holders purchased or held the Funds' shares during the Relevant Period.

34. For any notice returned as "undeliverable" within forty-five days (45) of the Initial Mailing, the Administrator will undertake an address update search for a Potential Claimant if a SSN or EIN is available through various proprietary databases. If a SSN or EIN is available, a Reverse Append Process will be used and, if successful, the Administrator will mail a replacement notice within ten (10) days of completing the Reverse Append Process to the updated address. If a SSN or EIN is unavailable, the Administrator will make reasonable efforts to determine a Potential Claimant's address. The Administrator will document all such efforts.

35. Periodically throughout the notice and claims process, at times to be determined by the Administrator, the Administrator will submit to the Commission staff a list by state of all Initial Mailing notifications that have been returned due to insufficient or incorrect addresses and for which the Administrator has been unable to locate up-to-date addresses through the Reverse Append Process.

B. Claims Process

36. Each notice will generally describe the claim and distribution processes, explain how to obtain a copy of the approved Distribution Plan by written request or from the Link or the Administrator Website, identify ways to submit a claim, and will be accompanied by a claim form prepared by the Administrator.

37. The claim filing deadline will be clearly identified in the notice and claim form as the calendar date one hundred twenty (120) days from the date of the Initial Mailing, the first publication of the notice, or from a re-mailing. A claim that is postmarked after the final

deadline will not be accepted unless the deadline is extended by the Administrator; any extension will be published on the Link, the Administrator Website, and noted on the recordings of the toll-free phone line.

38. All claims, which must be in writing or submitted electronically, must be accompanied by such documentary evidence as the Administrator deems necessary or appropriate to substantiate the claim, including, but not limited to, evidence of holdings, purchases, distributions from the States' Fund, and sales of Fund shares during the Relevant Period.

39. The Administrator will review all claim submissions and determine the eligibility of each Potential Claimant to participate in the Fair Fund by reviewing claim data, verifying the claim, and calculating each Potential Claimant's loss pursuant to the Eligible Loss Calculation definition in paragraph eighteen above. The Administrator will promptly notify a Potential Claimant of a rejected or deficient claim in writing.

40. Any Potential Claimant seeking reconsideration of a rejected claim or correction of a deficient claim must advise the Administrator in writing within thirty (30) days of the date of a rejection/deficiency notice. All requests for reconsideration and curing of deficiencies must include the necessary documentation to either: a) substantiate the basis upon which the Potential Claimant is requesting reconsideration, or b) cure the outstanding deficiency. The Administrator will, within twenty-five days (25) of a Potential Claimant's deadline, notify the Potential Claimant in writing of the Administrator's decision. The Administrator may, in its sole discretion, consider disputes of any other nature raised by Potential Claimants. The determination of the Administrator in any dispute, request for reconsideration, or request to cure a deficient claim will be final.

41. Once claim processing begins, Potential Claimants will be able to call a toll-free telephone number, 1-888-208-9083, to contact the Administrator to request copies of the notice and claim form, ask questions about how to complete and file the claim form, and inquire about how to correct a deficient claim. Potential Claimants will also be able to provide additional documentation or make inquiries using the email address noted above or by mailing correspondence to the Administrator. Any additional information supplied to the Administrator must be received by or, if mailed, postmarked no later than, the deadline set for submission of claims or responses to deficiency notices or requests for reconsideration of rejected claims.

C. Calculation of Disbursement Amounts

42. The Fair Fund will be disbursed to Eligible Claimants in proportion to their Eligible Loss Calculation as defined in paragraph seventeen (17) above, except that any otherwise Eligible Claimant with an estimated Eligible Loss Calculation that is less than the Minimum Disbursement Amount will not receive a Disbursement.

V. ADMINISTRATION OF THE PLAN

A. Control of the Fair Fund

43. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund is currently deposited at the BPD.

44. The Fair Fund constitutes a Qualified Settlement Fund under Section 468B(g) of the Internal Revenue Code, 26 U.S.C. §468B(g), and related regulations, 26 C.F.R. §§1.468B-1 through 1.468B-5.

45. Upon approval by the Commission of the Distribution Plan, and pursuant to an escrow agreement acceptable to the Commission staff, the Administrator will establish an escrow account (the “QSF Account”) and a Distribution Account at Huntington Bank (the “Bank”) in the name of and bearing the taxpayer identification number (“TIN”) of the QSF Account as custodian for the distributees of the Fair Fund. The name of each account will be in the following form: Name of QSF Account, TIN, as custodian for the benefit of investors allocated a Disbursement from the Morgan Asset Fair Fund.

46. Any funds in the QSF Account will be invested in instruments backed by the full faith and credit of the United States Government, including a AAA-rated United States Treasury money market fund that directly invests 100% in short term United States Treasury securities and obligations, provided however, that the money market mutual funds’ investments in short term United States Treasury securities will not be made through repurchase agreements or other derivative products.

47. Prior to the receipt of any funds in the QSF Account, the Bank will provide the Administrator an attestation, in a form acceptable to the Commission staff, that all funds in the QSF Account will be held for the Fair Fund and that the Bank will not place any lien or encumbrance of any kind upon the funds.

48. All interest earned will accrue for the benefit of the Fair Fund except as otherwise provided herein. All costs associated with the QSF Account will be paid by Morgan Keegan.

49. The Bank will hold the Fair Fund assets during the check-cashing period. The Administrator will be the signatory on the QSF Account, subject to the continuing jurisdiction and control of the Commission.

50. Upon transfer from the BPD, the assets of the Fair Fund will be held in the QSF Account, separate from Bank assets, until the presentation of checks. Presented checks will be subject to positive pay controls before they are honored by the Bank. The positive pay system provides protection against fraud arising from counterfeit or amount-altered checks. The positive pay system will require, at a minimum, confirmation by the Bank that all checks presented for payment match the identifiers and amounts on the payee list prior to payment of the presented obligation. In each instance, funds will be transferred from the QSF Account to

the Distribution Account on the Bank's confirmation that a presented check matches the relevant positive pay criteria.

51. The Administrator will authorize the Bank to provide the QSF Account information to the Tax Administrator, including duplicate statements for the QSF Account, to prepare federal and state tax returns.

B. Procedures for Disbursing the Fair Fund

52. In order to disburse the Fair Fund, the Administrator will compile and submit a list of payees (including payee names, addresses, and SSNs or TINs) and payment amounts to the Commission staff no later than twenty (20) days after mailing the final rejection letters to Potential Claimants.

53. The Administrator will also provide a reasonable assurances letter to the Commission staff, representing that the list of payees: a) was compiled in accordance with the approved Distribution Plan; b) is accurate as to Eligible Claimant names, addresses, and amounts; and c) provides all information necessary to make payments to each Eligible Claimant whose Disbursement amount equals or exceeds the Minimum Disbursement Amount. A copy of the list of payees including names, addresses, SSNs or TINs, and payment amounts will be provided to Morgan Keegan.

54. Upon receipt and review of the payee list, the Commission staff will obtain authorization from the Commission to disburse pursuant to Rule 1101(b)(6). Upon approval of the Commission, the Commission staff will cause the transfer of funds to the QSF Account. The Administrator will then use its best efforts to mail Disbursement checks or effect wire transfers within five (5) business days of the release of the funds into the QSF Account ("Distribution Date"). All efforts will be coordinated to keep the time between the receipt of the funds and the transmittal process to a minimum.

55. All checks will be issued by the Administrator from the Distribution Account set up at the Bank. All checks will bear a stale date of ninety (90) days from the Distribution Date. Checks that are not negotiated within the stale date will be voided, and the Bank will be instructed to stop payment on those checks, except as provided below.

56. All payments will be preceded or accompanied by a communication that includes, as appropriate a) statement characterizing the Disbursement; b) description of the tax information, reporting, and other related tax matters, as provided by the Tax Administrator; c) statement that checks will be void ninety (90) days from the Distribution Date, and thereafter subject to forfeiture; and d) contact information for the Administrator for questions regarding the Disbursement ("Disbursement Letter"). The Disbursement Letter and other mailings to Eligible Claimants characterizing a Disbursement will be submitted to the Commission staff for review and approval. A Disbursement check, on the face of the check or in the Disbursement Letter, will clearly indicate that the money is being disbursed from the Fair Fund established by the Commission for the benefit of the injured investors of the Funds.

57. Electronic or wire transfers may be utilized to transfer funds in accordance with the approved Disbursement amounts to third-party filers of claims on behalf of twenty (20) or more Eligible Claimants. Wire transfers will be initiated by the Administrator using a two-party check and balance system, whereby completion of a wire transfer will require an authorization by the Administrator's accountant and Chief Financial Officer.

58. The Administrator will continue to provide support and communications programs using the same toll-free number in the Notice and Proof of Claim Form as well as posting additional information on the Administrator Website and Link throughout fund administration.

C. Procedures for Handling Returned or Un-Cashed Checks

59. The Administrator is responsible for all payments and transactions related to the Fair Fund, including any checks that expire or are un-cashed. The Administrator is responsible for researching and reconciling all returned items due to non-delivery, insufficient addresses, or any other deficiencies. The Administrator will reissue checks in accordance with this Section V.C. of the Distribution Plan.

60. In cases where an Eligible Claimant is unable to endorse a Disbursement check as written (e.g., name changes as a result of divorce, IRA custodian changes, or recipient is deceased) and the Eligible Claimant or a lawful representative requests the reissuance of a Disbursement check in a different name, the Administrator will request, and must receive, documentation to support the requested change. The Administrator will review the documentation to determine the authenticity and propriety of the change request. If such change request is properly documented, the Administrator will issue an appropriately redrawn Disbursement check to the requesting party.

61. Any Eligible Claimant contacting the Administrator to request reissuance of a Disbursement check will be required to wait until the initial ninety (90) day window for presentment has passed unless the original Disbursement check is returned to the Administrator.

62. If any Disbursement check is returned as "undeliverable," the Administrator will undertake a Reverse Append Process to locate the most up-to-date address on file within fourteen (14) business days after receipt of such check. The Administrator will mail a reissued check to the updated address obtained through the database search. If the reissued check is not negotiated by its ninety (90) day stale date, that check will be voided and the Administrator will instruct Huntington Bank to delete the check from the register.

63. If any money remains in the Fair Fund ninety (90) days after the Distribution Date, the Administrator will make reasonable efforts to contact Eligible Claimants who have failed to negotiate any Disbursement checks over \$50.00 (other than Disbursement checks returned as "undeliverable") and take appropriate action to reissue any such Disbursement checks. If any reissued Disbursement checks remain un-cashed one hundred eighty days after the Distribution Date, the Administrator will void all such Disbursement checks with the Bank and such Eligible Claimants' shares of the Fair Fund will be deemed forfeited. However,

Eligible Claimants receiving reissued checks more than one hundred and fifty days after the Distribution Date will have ninety (90) days from the date checks are reissued to cash their checks.

64. A residual within the Fair Fund will be established for any amounts remaining after all assets have been disbursed. The residual may include funds reserved for future taxes and related expenses, amounts from Disbursement checks that have not been cashed, amounts from Disbursement checks that were not delivered or accepted upon delivery, and tax refunds. Any funds remaining in the residual after the Commission approves the final accounting will be sent to the Commission for transfer to the United States Treasury.

D. Accountings

65. Pursuant to Rule 1105(f), once the Fair Fund has been transferred from the BPD to the Bank, the Administrator will file an accounting with the Commission during the first ten (10) days of each calendar quarter on a standardized accounting form provided by the Commission staff. The Administrator will file an accounting of all monies earned or received and all monies spent in connection with the administration of the Distribution Plan. The accounting will also report all monies billed to Morgan Keegan in connection with the administration of the Distribution Plan. Upon final distributions to Eligible Claimants pursuant to the procedures described above, and the payment of all taxes, the Administrator will submit a final accounting for approval by the Commission on a standardized form provided by the Commission staff prior to the discharge of the Administrator and cancellation of the fund administrator bond.

E. Termination of the Fair Fund

66. The Fair Fund will be eligible for termination and the Administrator will be eligible for discharge after all of the following have occurred: a) a final accounting, in a standard accounting format provided by the Commission staff, has been submitted by the Administrator, and has been approved by the Commission; b) all taxes and BPD fees have been paid by the Fair Fund; and c) any amount remaining in the Fair Fund has been received by the Commission. When the Commission has approved the final accounting, the Commission staff will seek an order from the Commission to approve the termination of the Fair Fund, the discharge of the Administrator, the cancellation of the bond, and the transfer of any amount remaining in the Fair Fund to the United States Treasury.

F. Amendments

67. The Administrator will take reasonable and appropriate steps to disburse the Fair Fund pursuant to the approved Distribution Plan. The Administrator will inform the Commission staff of any changes needed in the approved Distribution Plan. Upon agreement with the Commission staff, the Administrator may implement immaterial changes to the approved Distribution Plan to effectuate its general purposes. If a change is deemed to be material by the Commission staff, Commission approval of the change is required prior to the

implementation of the change by amending the approved Distribution Plan, which may be done upon the motion of any party or the Administrator or upon the Commission's own motion.

68. For good cause shown, and in consultation with the Commission staff, the Administrator may extend any of the procedural deadlines set forth in the approved Distribution Plan.

VI. NOTICE AND COMMENT PERIOD

69. The Notice of the Proposed Plan and Opportunity for Comment ("Notice") will be published in the SEC Docket, on the Commission's website, <http://www.sec.gov>, on the Link, and on the Administrator Website. Any person or entity wishing to comment on the Distribution Plan must do so in writing by submitting their comments to the Commission within thirty (30) days of the date of the Notice. Written comments may be submitted using the methods described in the Notice, including the following: a) via a letter to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, N.E., Washington, DC 20549-1090; b) by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or c) by sending an email to rule-comments@sec.gov. Please include the appropriate Administrative Proceeding File Number (3-13847) on the subject line. Comments received will be publicly available, so persons should only submit comments that they wish to make publicly available.