

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 74871 / May 5, 2015

ADMINISTRATIVE PROCEEDING

File No. 3-12540

In the Matter of

**FRED ALGER MANAGEMENT, INC.
AND FRED ALGER & COMPANY,
INCORPORATED,**

Respondents.

**NOTICE OF PROPOSED PLAN OF
DISTRIBUTION AND OPPORTUNITY
FOR COMMENT**

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

On January 18, 2007, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Sections 15(b) and 21C of the Securities Exchange Act of 1934, Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940 ("Order") against Fred Alger Management, Inc. and Fred Alger & Company, Incorporated (collectively, "Respondents" or "Alger") (Exchange Act Rel. No. 55118). The Order stated that Respondents allowed market timing and late trading of mutual funds in the Alger Fund Group ("Alger Fund"), which contradicted representations set out in the Statement of Additional Information ("SAI") attached to the Alger Fund's prospectuses that limited shareholders to six exchanges per year. Additionally, Alger failed to disclose that Alger Inc. had entered into numerous arrangements with select investors, including "sticky asset" arrangements, to permit them to time the Alger Fund portfolios. The Order required the Respondents to pay \$30,000,000 in disgorgement and \$10,000,000 as a civil penalty for a total of \$40,000,000, and created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended.

The Fair Fund has been deposited at the United States Department of the Treasury's Bureau of the Fiscal Service ("BFS") for investment. Other than potential interest income from the BFS investment, the Commission does not anticipate that the Fair Fund will receive additional funds. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Distribution Plan from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Distribution Plan by submitting a written request to Nancy Burton, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5631. All persons who desire to comment on the Distribution 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 (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an email to rule-comments@sec.gov.

Comments submitted should include "Administrative Proceeding File No. 3-12540" in the subject line. Comments received will be publicly available. Persons should submit only information that they wish to make publicly available.

DISTRIBUTION PLAN

The Fair Fund is comprised of \$40,000,000 in disgorgement and a civil penalty paid by Respondents, plus any accumulated interest and less any federal, state, or local taxes and fees and expenses. The Distribution Plan seeks to distribute to accountholders, in order of priority: (1) a proportionate share of the Fair Fund as compensation for dilution losses they may have suffered as a result of market timing and late trading during the period spanning September 12, 2001 through October 15, 2003, in the Alger Fund portfolios and (2) a proportionate share of advisory fees paid by Alger Fund portfolios that suffered such losses during the period of such market timing and late trading.

The Distribution Plan describes the procedures by which eligible accountholders are identified, the procedures used to calculate the amounts to be paid, and how these amounts will be distributed. Accordingly, eligible accountholders will not need to go through a claims process.

By the Commission.

Brent J. Fields
Secretary