

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**

**Release No. 78033 / June 10, 2016**

**ADMINISTRATIVE PROCEEDING**

**File No. 3-11359**

**In the Matter of**

**Alliance Capital Management, LP**

**Respondent.**

**ORDER DIRECTING  
DISBURSEMENT OF FAIR FUND**

On March 13, 2008, the Commission published a Notice of the Proposed Plan of Distribution (“Plan”) proposed by the Division of Enforcement in connection with this proceeding (Securities Exchange Act Rel. No. 57489). The Commission received no comments and on May 15, 2008, the Plan was approved (Exchange Act Rel. No. 57825). On January 9, 2014, the Commission issued an Order Amending the Plan of Distribution (Exchange Act Rel. No. 71274).

The Plan provides that a Fair Fund consisting of \$321,230,003 in disgorgement and civil penalties, plus any accrued interest, be transferred to Deutsche Bank to be distributed by the Fund Administrator to injured investors according to the methodology set forth in the Plan.<sup>1</sup> To date, approximately \$346 million has been disbursed in eight tranches, with a residual amount of approximately \$48.9 million, currently in the Final Settlement Account of the Fair Fund.<sup>2</sup>

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<sup>1</sup> The \$321,230,003 in disgorgements and civil penalties is comprised of the \$250 million from the Alliance Settlement, the \$70.38 million from the Daniel Calugar Settlement, and the total of \$850,003 paid by Alliance Officers Malone, Carifa and Laughlin, as described in the Order approving the Plan. *See* Exchange Act Rel. No. 57825.

<sup>2</sup> By Order Directing Disbursement of Fair Fund dated January 22, 2009, the Commission ordered the first disbursement, composed of \$46,166,264.96. *See* Exchange Act Rel. No. 59280. By Order Directing Disbursement of Fair Fund dated February 11, 2009, the Commission ordered the second disbursement, composed of \$79,178,672.81. *See* Exchange Act Rel. No. 59389. By Order Directing Disbursement of Fair Fund dated March 31, 2009, the Commission ordered the third disbursement, composed of \$63,141,852.24. *See* Exchange Act Rel. No. 59657. By Order Directing Disbursement of Fair Fund dated

Section 3.7.5 of the Plan provides that any residual amount in the Final Settlement Account after all Fair Fund assets have been distributed will be remitted to the Alliance Funds, based on the proportion of Adjusted Losses incurred in each Alliance Fund, after provisions for any taxes have been made and prior to the termination of the Fair Fund. Paragraph H of the Order Amending the Plan of Distribution states that: "Any amount remaining in the Final Settlement Account, less the Reserve Amount [\$605,000], after completion of the Enhanced Measures shall be considered the Residual and shall be distributed to the Alliance Funds in accordance with the Plan."<sup>3</sup> Thus, of the approximately \$48.9 million in residual, approximately \$48.3 million will be distributed to the Alliance Funds.

The Plan, as amended, further provides that the Commission staff will arrange for the distribution of the residual after the Commission staff receives and accepts a validated payment file listing the payees with the information required to make a residual distribution. The validated payment file for the residual distribution in the amount of \$48,294,481.40 is composed of \$3,350,461.97 of the Fair Fund's assets at Treasury and \$44,944,019.43 of the Fair Fund's assets at Deutsche Bank. Ten Alliance Funds will receive payments from the residual distribution. The validated payment file has been received and accepted by the Commission staff.

Accordingly, it is ORDERED that the Commission staff shall transfer \$3,350,461.97 from the Fair Fund's assets at Treasury to Fair Fund's account at Deutsche Bank and the Fund Administrator shall distribute \$48,294,481.40 to the Alliance Funds, as provided for in the Plan.

By the Commission.

Brent J. Fields  
Secretary

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April 28, 2009, the Commission ordered the fourth disbursement, composed of \$49,910,496.49. *See* Exchange Act Rel. No. 59832. By Order Directing Disbursement of Fair Fund dated May 14, 2009, the Commission ordered the fifth disbursement, composed of \$56,642,634.13. *See* Exchange Act Rel. No. 59926. By Order Directing Disbursement of Fair Fund dated August 5, 2009, the Commission ordered the sixth disbursement, composed of \$46,942,173.23. *See* Exchange Act Rel. No. 60446. By Order Directing Disbursement of Fair Fund dated May 31, 2011, the Commission ordered the seventh disbursement, composed of \$9,738,605.02. *See* Exchange Act Rel. No. 64568. By Order Directing Disbursement of Fair Fund dated February 20, 2014, the Commission ordered the eighth disbursement, composed of \$33,061,872.31 in previously disbursed but uncashed payments. *See* Exchange Act Rel. No. 71591.

<sup>3</sup> On January 9, 2014, the Commission issued an Order Amending the Plan of Distribution pursuant to which the IDC and Fund Administrator undertook enhanced measures to locate and encourage eligible investors with uncashed payments to cash their distribution checks. \$605,000 has been reserved from the Fair Fund's Final Settlement Account to pay for the costs of the enhanced measures and cover other Fair Fund obligations in accordance with Paragraph G of the Order Amending the Plan of Distribution. *See* Exchange Act Rel. No. 71274.