On August 16, 2013, the Commission issued an Order Approving Modified Plan and Setting Fund Administrator Bond Amount. The Modified Plan of Distribution (“Modified Plan”) provides for the distribution of over $100 million to harmed investors of five Funds managed by Morgan according to the methodology set forth in the Modified Plan. On July 11, 2014, the Commission issued an Order Directing Disbursement of Fair Fund (“Disbursement Order”). Pursuant to the Disbursement Order, on or about July 25, 2014, the Administrator disbursed $100,398,383.91 to 21,186 Eligible Claimants. There is approximately $464,000 left in the Fair Fund (or approximately 0.46% of the Fair Fund) primarily as a result of the Fair Fund’s provisions voiding certain uncashed payments.

The Administrator has received twenty-eight (28) late claims that would have been eligible for a distribution if received in a timely manner. Because the amount remaining in the Fair Fund is too small to make a meaningful additional distribution to the 21,186 Eligible Claimants who filed timely claims, the Administrator has decided to extend the deadline for claimants to include all claims received as of April 1, 2016 to allow the previously noted twenty-eight (28) claimants to become Eligible Claimants.

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2 Capitalized terms used but not defined herein shall have the same meaning ascribed to them in the Modified Plan.
4 See, Modified Plan paragraphs 55, 62, and 63.
5 Paragraph 37 of the Modified Plan contemplates that the Administrator has the authority to extend the deadline for claimants. The paragraph provides that “[a] claim that is postmarked after the final deadline will not be accepted unless the deadline is extended by the Administrator . . . .” (Emphasis added.)
The Administrator has advised the staff and the staff concurs that the Administrator’s proposed change to the Modified Plan is immaterial given the *de minimis* impact on timely Eligible Claimants. Paragraph 67 of the Modified Plan provides that “the Administrator may implement immaterial changes to the approved Distribution Plan to effectuate its general purposes.” Because the proposed change will distribute funds to harmed investors who have an otherwise valid claim, the change will effectuate the Modified Plan’s general purposes.

Pursuant to the Modified Plan, the Administrator has submitted to Commission staff a list of payees and payment amounts, together with a reasonable assurances letter representing that the list of payees: (a) was compiled in accordance with the approved Modified Plan; (b) is accurate as to the late claimants’ names, addresses, and amounts; and (c) provides all information necessary to make payments to each late claimant whose Disbursement equals or exceeds the Minimum Disbursement Amount. Commission staff has reviewed the payee list and requests that, pursuant to Rule 1101(b)(6) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101(b)(6), the Commission authorize the Administrator to disburse $301,092.20 from the Fair Fund to the twenty-eight (28) previously noted claimants.

Accordingly, it is ORDERED that the Administrator shall distribute $301,092.20 from the funds held at Huntington National Bank to the additional twenty-eight (28) Eligible Claimants who have submitted an otherwise valid claim to the Administrator on or before April 1, 2016.

By the Commission.

Brent J. Fields  
Secretary