On April 19, 2016, the Securities and Exchange Commission (the “Commission”) issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Cease-and-Desist Orders and Penalties (the “Order”)¹ against Logitech International, S.A. (“Logitech”), Michael Doktorczyk (“Doktorczyk”), and Sherralyn Bolles, CPA (“Bolles”) (collectively, the “Respondents”). In the Order, the Commission found Logitech responsible for recurring instances of improper accounting between 2008 and 2013 related to a product write-down, warranty liabilities, and revenue recognition. The Commission further found Doktorczyk and Bolles, both former officers of Logitech, responsible for the improper accounting for warranty liabilities, which occurred during their employment. The Commission ordered Logitech, Doktorczyk, and Bolles to pay civil money penalties of $7,500,000.00, $50,000.00, and $25,000.00, respectively. The Order provides that the Commission can distribute the civil money penalties if, in its discretion, it orders the establishment of a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended (“Sarbanes-Oxley Act”). The Respondents have since paid in full and the Commission holds more than $7.575 million, comprised of the civil money penalties paid by the Respondents and accrued interest.

The Division of Enforcement recommends that a Fair Fund be established, pursuant to Section 308(a) of the Sarbanes-Oxley Act, so that the civil money penalties collected from the Respondents can be distributed for the benefit of the injured investors.

Accordingly, IT IS HEREBY ORDERED that, pursuant to Section 308(a) of the Sarbanes-Oxley Act, a Fair Fund is established for the civil money penalties collected from the Respondents in this matter.

By the Commission.

Brent J. Fields
Secretary