ORDER APPROVING APPLICATION OF FUND ADMINISTRATOR FOR PAYMENT OF FEES AND EXPENSES AND APPROVAL OF FUTURE FEES AND EXPENSES

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 (“Sarbanes-Oxley Act”). The Respondents have since paid in full and the Commission holds more than $7.7 million, comprised of the civil money penalties paid by the Respondents, civil money penalties and disgorgement collected in a related action, and accrued interest.²

On February 27, 2018, the Commission issued an Order establishing a Fair Fund (the “Fair Fund”), pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 (the “Fair Fund Order”), so that the civil money penalties collected from the Respondents can be distributed for the benefit of the injured investors.³

² Final judgments have been entered against the defendants in the related civil action, SEC v. Bardman, 16-cv-2023 (N.D. Cal.), and on December 18, 2018, the United States District Court for the Northern District of California ordered that the $224,000 in disgorgement and civil penalties collected from the defendants be included in the distribution in the captioned administrative proceeding.
On March 30, 2018, the Commission issued an order appointing Garden City Group, LLC ("GCG") as the Fund Administrator of the Fair Fund\(^4\) and setting the administrator’s bond at $7.575 million.\(^5\)

On September 6, 2018, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment ("Notice")\(^6\) pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans ("Rules").\(^7\) The Commission received no comments and on October 26, 2018, the Commission approved a plan of distribution (the “Plan”).\(^8\)

The Plan contemplates the payment of taxes, fees, and expenses of a distribution will be paid from the Fair Fund.\(^9\) In accordance with Rule 1105(d) of the Rules, 17 C.F.R. § 201.1105(d), the Fund Administrator has submitted to the Commission staff invoices for services rendered from April 4, 2018 through December 31, 2018, totaling $35,570.47. The Commission staff has reviewed the Fund Administrator’s invoices, confirmed that the services have been provided, and finds the fees and expenses of $35,570.47 to be reasonable. The Commission staff has requested that the Commission authorize the Office of Financial Management ("OFM") to pay the Fund Administrator’s current fees and expenses of $35,570.47 from the Fair Fund.

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of the Assistant Director of the Office of Distributions, to pay the Fund Administrator’s future fees and expenses, so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of approved cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission’s Rules, 17 C.F.R. § 201.1105(d), that OFM pay the Fund Administrator’s current fees and expenses of $35,570.47 from the Fair Fund. Further, OFM is authorized to pay, at the direction of the Assistant Director of the Office of Distributions, any future fees and expenses of the Fund Administrator from the Fair Fund, so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

By the Commission.

Vanessa A. Countryman
Acting Secretary

\(^4\) On June 18, 2018, Epiq Class Action and Claims Solutions, Inc. ("Epiq") acquired GCG and GCG has been rebranded as Epiq.
\(^6\) Exchange Act Rel. No. 84044 (Sept. 6, 2018).
\(^7\) 17 C.F.R. § 201.1103.