UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-18897

In the Matter of

Paragon Coin, Inc.
Respondent.

PLAN OF DISTRIBUTION

I. OVERVIEW

1. The Division of Enforcement has prepared this Plan of Distribution (the “Plan”) to the United States Securities and Exchange Commission (the “Commission”) pursuant to Rule 1101 of the Commission’s Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”), 17 C.F.R. § 201.1101. This Plan provides for the distribution of a Fair Fund (the “Fair Fund”) comprised of civil money penalties paid by Paragon Coin, Inc. (“Paragon” or “Respondent”) in the above-captioned matter.1

2. As described more specifically below, the Plan seeks to compensate investors who were harmed, by Respondent’s conduct described in the Order, in connection with its sale of unregistered securities in the form of digital tokens known as “PRG Tokens” during the period from August 2017 through October 2017. Based on information obtained by the Commission staff during its investigation and the review and analysis of applicable records, the Commission staff has reasonably concluded that it has all records necessary to calculate each investor’s harm. As a result, the Fair Fund is not being distributed according to a claims-made process, so procedures for making and approving claims in accordance with Rule 1101(b)(4) of the Commission’s Rules, 17 C.F.R. § 201.1101(b)(4), are not applicable.

3. As calculated using the methodology detailed in the Plan of Allocation (attached as Exhibit A), investors will be compensated for their out-of-pocket losses incurred from purchasing or acquiring PRG Tokens (the “Security”) from Respondent between August 1, 2017 and October 23, 2017 (the “Relevant Period”).

4. In the view of the Commission staff, this methodology constitutes a fair and reasonable allocation of the Fair Fund.

5. The Commission has custody of the Fair Fund and shall retain control of the assets of the Fair Fund. The Plan has been approved by the Commission, and the Commission retains jurisdiction over its implementation.

II. BACKGROUND

6. On November 16, 2018, the Commission issued the Order instituting and simultaneously settling cease-and-desist proceedings against Respondent. In the Order, the Commission found that between August 2017 and October 2017, Respondent offered and sold the Security to be issued on a blockchain, or a distribution ledger (the “Offering”) to raise capital to develop and implement its business plan to add blockchain technology to the cannabis industry and work towards legalization of cannabis. According to the Order, Paragon raised approximately $12 million during the Offering. The Commission found that the Respondent violated Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”) by offering and selling the Security without having a registration statement filed or in effect with the Commission or qualifying for exemption from registration with the Commission.

7. In the Order, among other things, the Respondent undertook to register the Security as a class of securities; to distribute a notice and claim form notifying all eligible purchasers of their potential claims under Section 12(a) of the Securities Act, including their right to sue “to recover the consideration paid for such security with interest thereon, less the amount of any income received thereon, upon the tender of such security, or for damages if [the purchaser] no longer owns the security” and informing purchasers that they may submit a written claim directly to the Respondent and that such claims must be submitted within three (3) months from the claim form deadline.

8. In anticipation of Respondent’s compliance with the undertakings set forth in the Order, it was determined no further funds would be needed to fully compensate the harmed investors. Therefore, the $250,000 civil money penalty that the Commission imposed was ordered to be paid to the Commission for transfer to the general fund of the U.S. Treasury, pursuant to the payment plan detailed therein.

9. Respondent defaulted on its obligation to perform a respondent-administered claims process under the terms of the Order. Commission staff subsequently determined that it was feasible to distribute the $175,000 civil money penalty that was sent to the U.S. Treasury and recalled the funds.

10. On April 9, 2021, the Commission issued an order establishing the Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, for the $175,000 in recalled funds and any future funds paid by the Respondent pursuant to the Order, so the civil money penalty paid by Respondent can be distributed for the benefit of harmed investors.2

11. The Fair Fund consists of the $175,000 paid by Respondent, and any additional monies received from Respondent, pursuant to the Order, will be added to the Fair Fund. The

---

Fair Fund has been deposited at the United States Department of the Treasury’s Bureau of the Fiscal Service (“BFS”) for investment.

III. DEFINITIONS

As used in this Plan, the following definitions will apply:

12. “Administrative Costs” shall mean any administrative costs and expenses, including without limitation tax obligations, the fees and expenses of the Tax Administrator, and investment and banking costs.

13. “Distribution Payment” means a payment from the Fair Fund to a Payee in accordance with the terms of this Plan.

14. “Eligible Claimant” means a Preliminary Claimant, who is determined to have suffered a Recognized Loss, pursuant to the Plan of Allocation, and who is not an Excluded Party or an Unresponsive Preliminary Claimant.

15. “Excluded Party” shall mean: (a) Respondent and Respondent’s advisers, agents, nominees, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities; (b) the Fund Administrator, its employees, and those Persons assisting the Fund Administrator in its role as the Fund Administrator; and (c) any purchaser or assignee of another Person’s right to obtain a recovery from the Fair Fund for value; provided, however, that this provision shall not be construed to exclude those Persons who obtained such a right by gift, inheritance or devise.

16. “Fair Fund” means the fund created by the Commission pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, for the benefit of investors harmed by Respondent’s violations described in the Order.

17. “Final Determination Notice” means the written notice sent by the Fund Administrator to (a) any Preliminary Claimant who timely submitted a written dispute of his, her, or its calculated Recognized Loss notifying the Preliminary Claimant of her resolution of the dispute; and (b) those Preliminary Claimants who have not responded to the Plan Notice as described in paragraph 40, except for those whose Plan Notice were returned as “undeliverable,” notifying the Preliminary Claimant that he, she, or it has been deemed an Unresponsive Preliminary Claimant. The Final Determination Notice will constitute the Fund Administrator’s final ruling regarding the status of the claim.

18. “Net Available Fair Fund” means the Fair Fund, plus any interest or earnings, less Administrative Costs.

19. “Payee” means an Eligible Claimant whose distribution amount is equal to or greater than $10.00, as calculated in accordance with the Plan of Allocation, who will receive a Distribution Payment.
20. “Person” means natural individuals as well as legal entities such as corporations, partnerships, or limited liability companies.

21. “Plan Notice” means a written notice from the Fund Administrator to each Preliminary Claimant regarding the Commission’s approval of the Plan, including, as appropriate: a statement characterizing the distribution; a link to the approved Plan posted on the Commission’s website and instructions for requesting a copy of the Plan; specification of any information needed from the Preliminary Claimant to prevent him, her, or it from being deemed an Unresponsive Preliminary Claimant; his, her, or its preliminary Recognized Loss; a description of the tax information reporting and other related tax matters; the procedure for the distribution as set forth in the Plan; and the name and contact information for the Fund Administrator as a resource for additional information or to contact with questions regarding the distribution.

22. “Plan of Allocation” means the methodology by which a Preliminary Claimant’s Recognized Loss is calculated. The Plan of Allocation is attached as Exhibit A.

23. “Preliminary Claimant” means a Person, or their lawful successors, identified by the Fund Administrator based on her review and analysis of applicable records obtained by the Commission staff during its investigation, who may have suffered a loss as a result of transactions in the Security during the Relevant Period.

24. “Recognized Loss” means the amount of loss calculated in accordance with the Plan of Allocation.


27. “Unresponsive Preliminary Claimant” means a Preliminary Claimant whose address the Fund Administrator has not been able to verify and/or who does not timely respond to the Fund Administrator’s attempts to obtain information, including any information sought in the Plan Notice. Unresponsive Preliminary Claimants will not be eligible for a distribution under the Plan.

IV. TAX COMPLIANCE

28. On June 28, 2021, the Commission appointed Miller Kaplan Arase LLP as the tax administrator (the “Tax Administrator”) for the Fair Fund to handle the tax obligations of the Fair Fund. The Tax Administrator will be compensated for reasonable fees and expenses from the Fair Fund in accordance with its 2019-2021 Engagement Letter Agreement with the Commission.


29. The Fair Fund constitutes a Qualified Settlement Fund (“QSF”) under Section 468B(g) of the Internal Revenue Code of 1986, as amended, 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5. The Tax Administrator is the administrator of such QSF for purposes of Treas. Reg. § 1.468B-2(k)(3)(I) and shall satisfy the tax-related administrative requirements imposed by Treas. Reg. § 1.468B-2, including, but not limited to:

(a) Obtaining a taxpayer identification number;

(b) Requesting funds necessary for the timely payment of all applicable taxes, the payment of taxes for which the Tax Administrator has received funds, and the filing of applicable returns; and

(c) Fulfilling any information reporting or withholding requirements imposed on distributions from the Fair Fund.

30. All tax obligations will be paid from the Fair Fund, subject to the review and approval of Commission staff.

V. FUND ADMINISTRATOR

31. Keshia Ellis is the fund administrator for the Fair Fund (“Fund Administrator”). As a Commission employee, the Fund Administrator shall receive no compensation, other than her regular salary as a Commission employee, for her services in administering the Fair Fund. In accordance with Rule 1105(c) of the Commission’s Rules, no bond is required since the Fund Administrator is a Commission employee.

32. The Fund Administrator will be responsible for administering the Fair Fund in accordance with the Plan. This will include, among other things, taking reasonable steps to obtain accurate mailing information for Preliminary Claimants; disseminating the Plan Notice; preparing accountings; cooperating with the Tax Administrator appointed by the Commission to satisfy any tax liabilities and to ensure compliance with income tax reporting requirements, including but not limited to Foreign Account Tax Compliance Act (FATCA); disbursing the Fair Fund in accordance with this Plan, as ordered by the Commission; and researching and reconciling errors and reissuing payments, when possible.

33. To carry out the purposes of this Plan, the Fund Administrator is authorized to make and implement immaterial changes to the Plan upon agreement of the Commission staff. If a change is deemed to be material by the Commission staff, Commission approval is required prior to implementation by amending the Plan.

34. The Fund Administrator may extend any procedural deadline contained in the Plan for good cause shown, if agreed upon by the Commission staff.

5 17 C.F.R. § 201.1105(c).
VI. PLAN PROCEDURES

Specification of Preliminary Claimants

35. Using information obtained during its investigation, the Commission has identified the Preliminary Claimants. Preliminary Claimants are limited to only those Persons who may have suffered a loss as a result of purchasing or acquiring the Security from the Respondent during the Relevant Period.

Procedures for Locating and Notifying Preliminary Claimants

36. Within ten (10) days of Commission approval of the Plan, the Fund Administrator will send the Plan Notice to each Preliminary Claimant’s last known email address (if known) and/or mailing address.

Undeliverable Mail

37. If any mailing is returned as undeliverable, the Fund Administrator will make the best practicable efforts to ascertain a Preliminary Claimant’s correct address. If another address is obtained, the Fund Administrator will then resend it to the Preliminary Claimant’s new address within fourteen (14) days of receipt of the returned mail. If the mailing is returned again, and the Fund Administrator, despite best practicable efforts, is unable to find a Preliminary Claimant’s correct address, the Fund Administrator, in its discretion, may deem such Preliminary Claimant an Unresponsive Preliminary Claimant.

38. Any Preliminary Claimant who relocates or otherwise changes contact information after receipt of the Plan Notice must promptly communicate any change in address or contact information to the Fund Administrator.

Procedures to Request Plan Notice

39. Any Person who does not receive a Plan Notice, as described in paragraph 36 but who is aware of this Plan (e.g., through other Preliminary Claimants or on www.sec.gov) and believes they should be included as a Preliminary Claimant should contact the Fund Administrator within fourteen (14) days from the approval of the Plan to establish that they should be considered a Preliminary Claimant. The Fund Administrator will send the Person a Plan Notice within seven (7) days of receiving the Person’s documentation, if the Fund Administrator determines that the Person should have received a Plan Notice.

Failure to Respond to Plan Notice

40. If a Preliminary Claimant is requested to respond and fails to respond within twenty-one (21) days from the initial mailing of the Plan Notice, the Fund Administrator will make no fewer than two (2) attempts to contact the Preliminary Claimant by telephone or email. The second attempt will in no event take place more than thirty (30) days from the initial mailing of the Plan Notice. If a Preliminary Claimant fails to respond to the Fund Administrator’s
contact attempts as described in this paragraph, the Fund Administrator, in its discretion, may
deeem such Preliminary Claimant an Unresponsive Preliminary Claimant.

Dispute Process

41. Disputes will be limited to the calculation of a Preliminary Claimant’s
Recognized Loss. Within fourteen (14) days of the initial mailing Plan Notice, the Fund
Administrator must receive a written communication detailing any dispute along with any
supporting documentation. The Fund Administrator will investigate the dispute, and such
investigation will include a review of the written dispute as well as any supporting
documentation.

Final Determination Notices

42. Within forty-five (45) days of the initial mailing of the Plan Notices, the Fund
Administrator will send a Final Determination Notice to (a) any Preliminary Claimant who
timely submitted a written dispute as described in paragraph 41 above, notifying the Preliminary
Claimant of her resolution of the dispute; and (b) those Preliminary Claimants who have not
responded to the Plan Notice, as described in paragraph 40 above, except for those whose Plan
Notice were returned as undeliverable, notifying the Preliminary Claimant that he, she, or it has
been deemed an Unresponsive Preliminary Claimant.

Distribution Methodology

43. The Fund Administrator will calculate each Preliminary Claimant’s Recognized
Loss in accordance with the Plan of Allocation. All Preliminary Claimants who are determined
to have a Recognized Loss, and who are not deemed an Excluded Party or an Unresponsive
Preliminary Claimant will be deemed an Eligible Claimant.

44. No Distribution Payments will be made for less than $10.00. If an Eligible
Claimant’s Recognized Loss calculates to a distribution amount less than $10.00, that Eligible Claimant will be deemed ineligible to receive
a Distribution Payment and his, her, or its distribution amount will be reallocated on a pro-rata
basis to Eligible Claimants whose distribution amounts are greater than or equal to $10.00. All
Eligible Claimants whose Recognized Loss calculates to a distribution amount equal to or greater
than $10.00 will be deemed a Payee and receive a Distribution Payment.

Establishment of a Reserve

45. Before determining the amount of funds available for distribution and calculating
each Payee’s Distribution Payment, the Fund Administrator, in conjunction with the Tax
Administrator, will establish a reserve to pay Administrative Costs and to accommodate any
unexpected expenditures (the “Reserve”).
46. After all Distribution Payments are made and Administrative Costs paid, any remaining amounts in the Reserve will become part of the Residual described in paragraph 59 below.

Preparation of the Payment File

47. Within sixty (60) days of Commission approval of the Plan, the Fund Administrator will compile and send to the Commission staff the Payee information, including the name, address, calculated Recognized Loss, and the amount of the Distribution Payment for all Payees (the “Payee List”) to make disbursements through BFS.

Distribution of the Fair Fund

48. Pursuant to Rule 1101(b)(6) of the Commission’s Rules, 17 C.F.R. § 201.1101(b)(6), the Commission staff will obtain an order from the Commission authorizing the disbursement of funds from the Net Available Fair Fund for distribution to Payees in accordance with the Payee List. The BFS will mail checks or electronically transfer funds to each Payee as instructed by the Fund Administrator in accordance with the Payee List.

49. All checks will bear a stale date of one (1) year from the date of issuance. Checks that are not negotiated by the stale date will be voided, and the BFS will be instructed to stop payment on those checks. A Payee’s claim will be extinguished if he, she, or it fails to negotiate his, her or its check by the stale date, and the funds will remain in the Fair Fund, except as provided in paragraph 53.

50. All Distribution Payments will be preceded or accompanied by a communication that includes, as appropriate: (a) a statement characterizing the distribution; (b) a statement that the tax treatment of the distribution is the responsibility of each Payee and that the Payee should consult his, her or its tax advisor for advice regarding the tax treatment of the distribution; (c) a statement that checks will be void and cannot be reissued after one (1) year from the date the original check was issued; and (d) contact information for the Fund Administrator for questions regarding the Distribution Payment. The letter or other mailings to Payees characterizing a Distribution Payment will be submitted to the Tax Administrator and Commission staff for review and approval.

51. All Distribution Payments, either on their face or in the accompanying mailing, will clearly indicate that the money is being distributed from the Fair Fund established by the Commission to compensate investors for harm as a result of securities law violations.

Post Distribution; Handing of Returned or Uncashed Checks; and Reissues

52. The Fund Administrator shall use its best efforts to make use of commercially available resources and other reasonably appropriate means to locate all Payees whose checks are returned to the Fund Administrator as “undeliverable.” If new address information becomes available, the Fund Administrator will repackage the distribution check and send it to the new address. If new address information is not available after a diligent search (and in no event no
later than thirty (30) days after the initial mailing of the original check) or if the distribution check is returned again, the check shall be voided and the Fund Administrator shall instruct the issuing financial institution to stop payment on such check. If the Fund Administrator is unable to find a Payee’s correct address, the Fund Administrator, in her discretion, may remove such Payee from the distribution and the allocated Distribution Payment will remain in the Fair Fund for distribution, if feasible, to the remaining Payees.

53. The Fund Administrator will reissue checks or electronic payments to Payees upon the receipt of a valid, written request from the Payee if prior to the initial stale date. In cases where a Payee is unable to endorse a Distribution Payment check as written (e.g., name changes, IRA custodian changes, or recipient is deceased) and the Payee or a lawful representative requests the reissuance of a Distribution Payment check in a different name, the Fund Administrator will request, and must receive, documentation to support the requested change. The Fund Administrator will review the documentation to determine the authenticity and propriety of the change request. If, in the discretion of the Fund Administrator, such change request is properly documented, the Fund Administrator will issue an appropriately redrawn Distribution Payment to the requesting party. Reissued checks will be void one (1) year from issuance, and in no event will a check be reissued after one (1) year from the date of the original issuance without Commission staff approval.

54. The Fund Administrator will work with the Bank and maintain information about uncashed checks and any returned items due to non-delivery, insufficient addresses, and/or other deficiencies. The Fund Administrator is responsible for researching and reconciling errors and reissuing payments when possible. The Fund Administrator is also responsible for accounting for all payments. The amount of all uncashed and undelivered payments will continue to be held in the Fair Fund.

55. The Fund Administrator will make and document its best efforts to contact Payees to follow-up on the status of uncashed distribution checks over $100 (other than those returned as “undeliverable”) and take appropriate action to follow-up on the status of uncashed checks. The Fund Administrator may reissue such checks, subject to the time limits detailed herein.

56. At the discretion of the Fund Administrator, certain costs that were not factored into the Reserve, such as bank fees for the return of a payment, may reduce the Payee’s Distribution Payment. In such situations, the Fund Administrator will immediately notify the Tax Administrator of the reduction in the Distribution Payment.

Receipt of Additional Funds

57. Should any additional funds be received pursuant to Commission or Court order, agreement, or otherwise, prior to the Commission’s termination of the Fair Fund, such funds will be added to the Fair Fund and distributed, if feasible, in accordance with the Plan, pursuant to the Commission’s Rules.
Disposition of Undistributed Funds

58. If funds remain following the initial distribution and payment of all Administrative Costs, the Fund Administrator, in consultation with the Commission staff, may seek subsequent distribution(s) of any available remaining funds, pursuant to the Commission’s Rules. All subsequent distributions shall be made in a manner that is consistent with this Plan.

59. A residual within the Fair Fund will be established for any amounts remaining after the final disbursement to Payees from the Fair Fund and the payment of all Administrative Costs (the “Residual”). The Residual may include funds from, among other things, amounts remaining in the Reserve, distribution checks that have not been cashed, checks or electronic payments that were not delivered or were returned to the Commission, and tax refunds for overpayment of taxes or for waiver of IRS penalties.

60. All funds remaining in the Residual that are infeasible to distribute to investors will be transferred to the U.S. Treasury, subject to Section 21F(g)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”), after the final accounting is approved by the Commission.

Administrative Costs

61. All Administrative Costs will be paid from the Fair Fund in accordance with the Commission’s Rules.

Accountings

62. When all funds have been disbursed, except for the Residual described in paragraph 59 of the Plan, the Fund Administrator will submit a final accounting pursuant to Rule 1105(f) of the Commission’s Rules, 17 C.F.R. § 201.1105(f), for the Commission’s approval prior to termination of the Fair Fund and discharge of the Fund Administrator. Since the funds are being held in a Commission designated account at the U.S. Treasury and the Fund Administrator is a Commission employee, no interim accountings will be made.

Termination of the Fair Fund

63. The Fair Fund will be eligible for termination and the Fund Administrator will be eligible for discharge after all of the following have occurred (a) a final accounting, in a standard accounting format provided by the Commission staff, has been submitted by the Fund Administrator and approved by the Commission; and (b) all Administrative Costs have been paid. Once the Commission has approved the final accounting, the Commission staff will seek an order from the Commission authorizing: (a) the transfer of the Residual that is infeasible to return to investors, and any amounts returned to the Fair Fund in the future that is infeasible to return to investors, to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act; (b) discharge of the Fund Administrator; and (c) termination of the Fair Fund.
Exhibit A

PLAN OF ALLOCATION

This Plan of Allocation is designed to compensate investors for their out-of-pocket losses incurred from purchasing or acquiring digital tokens known as “PRG Tokens” (the “Security”) from Respondent between August 1, 2017 and October 23, 2017 (the “Relevant Period”). Based on records obtained by the Commission, Commission staff have identified those investors, or their lawful successors, who may have suffered losses from purchasing or acquiring the Security from the Respondent during the Relevant Period (the “Preliminary Claimants”). Investors who did not purchase or acquire the Security from the Respondent during the Relevant Period are ineligible to recover under this Plan.

The Recognized Loss for each Preliminary Claimant is calculated as the total purchase cost of all Securities purchased by the Preliminary Claimant minus the proceeds from the sale of those Securities. Securities that were acquired from the Respondent without monetary consideration (e.g., “bonus” tokens) are deemed to have a purchase cost of $0.00.

Purchase price and sales proceeds exclude all taxes, fees, and commissions. All purchase costs and sales proceeds shall be converted to U.S. dollars as of the transaction date. Purchases and sales shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

If the Recognized Loss calculates to a negative number reflecting a gain, then the Recognized Loss will be $0.00.

To avoid payment of a windfall, the Recognized Loss will be reduced by the amount of any compensation for the loss that resulted from the conduct described in the Order that was received from another source (e.g., class action settlement), to the extent known by the Fund Administrator.

Any Preliminary Claimant who suffered a Recognized Loss pursuant to this Plan of Allocation, and who is not an Excluded Party or an Unresponsive Preliminary Claimant, will be deemed an Eligible Claimant.

Additional Provisions

Allocation of Funds: If the Net Available Fair Fund is equal to or exceeds the sum of Recognized Losses of all Eligible Claimants, each Eligible Claimant’s distribution amount will equal his, her or its Recognized Loss, plus “Reasonable Interest” if applicable. If the Net Available Fair Fund is less than the sum of the Recognized Losses of all Eligible Claimants, each Eligible Claimant’s distribution amount will equal his, her or its “Pro Rata Share” of the Net Available Fair Fund (and no Reasonable Interest). In either case, the distribution amount will be subject to the “Minimum Distribution Amount.”

---

1 All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Plan.
**Reasonable Interest:** If the Net Available Fair Fund exceeds that necessary to pay all Eligible Claimants their Recognized Losses in full, the Fund Administrator, in consultation with the Commission staff, may include interest in the distribution amount to compensate Eligible Claimants for the time value of their respective Recognized Losses. Reasonable interest will be calculated using the Short-term Applicable Federal Rate plus three percent (3%), compounded quarterly from the end of the Relevant Period through the approximate date of the disbursement of the funds. If there are insufficient funds to pay Reasonable Interest in full to all Eligible Claimants, each Eligible Claimant’s Reasonable Interest amount will be equal to his, her, or its Pro Rata Share of the excess funds.

**Pro Rata Share:** A Pro Rata Share computation is intended to measure Eligible Claimants’ Recognized Losses against one another. The Fund Administrator shall determine each Eligible Claimant’s Pro Rata Share as the ratio of his, her, or its Recognized Loss to the sum of Recognized Losses of all Eligible Claimants.

**Minimum Distribution Amount:** The Minimum Distribution Amount will be $10.00 (inclusive of Reasonable Interest, if any). If an Eligible Claimant’s distribution amount is less than the Minimum Distribution Amount, that Eligible Claimant will be deemed ineligible to receive a Distribution Payment and his, her, or its distribution amount will be reallocated on a pro-rata basis to Eligible Claimants whose distribution amounts are greater than or equal to the Minimum Distribution Amount.

**Payee:** An Eligible Claimant whose distribution amount equals or exceeds the Minimum Distribution Amount will be deemed a Payee and receive a Distribution Payment equal to his, her, or its distribution amount. In no event will a Payee receive from the Fair Fund more than his, her, or its Recognized Loss, plus Reasonable Interest, if applicable.