

Harrison Katzen Fair Fund  
c/o Analytics Consulting LLC  
P.O. Box 2002  
Chanhassen, MN 55317-2002

## HARRISON KATZEN DISTRIBUTION PLAN NOTICE

**The United States Securities and Exchange Commission authorized this Distribution Plan Notice (“Notice”).  
This is not a solicitation from a lawyer.**

Dear Investor:

This Notice is to inform you of a Fair Fund (“Fair Fund”) established by the district court in the civil action *SEC v Harrison Katzen*, Case No. 1:16-cv-06606 (Southern District of New York) comprised of disgorgement, prejudgment interest, and penalties paid pursuant to the Defendant’s final judgement in this matter. On November 29, 2016, the Commission filed a complaint (the “Complaint”) against Harrison Katzen alleging that, from at least 2012 to mid-2013, the Defendant violated the antifraud provisions of the federal securities laws by participating in schemes to offer and sell sham securities to investors. The Commission alleged that the Defendant prepared offering materials touting the purported issuers and containing materially false and misleading statements.

You have been identified as a Preliminary Claimant<sup>1</sup> because you are an individual, or their lawful successors, who may have suffered losses on the Securities purchased in connection with the sale of debt bonds issued by Altmark Holdings Ltd. and equity securities issued by PDL Portfolio (XIC) Ltd. during the period May 1, 2012 through April 30, 2013 (the “Relevant Period”).

To be able to recover from the Fair Fund, you must submit a completed Substitute W-9 Form which must be postmarked **no later than 90 days** from the date of this Notice.<sup>2</sup>

### **Fair Fund**

The Fair Fund is comprised of disgorgement, prejudgment interest, and penalties paid by the Respondent. The Fair Fund currently consists of approximately \$349,000.<sup>3</sup>

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed in the Distribution Plan.

<sup>2</sup> You may be excluded from a distribution if you fall within one of the categories outlined in Paragraph 12 of the Distribution Plan. Participation in the distribution of the Fair Fund will not result in the release of any rights or potential claims an investor may have against any party (other than with respect to the Distribution Agent), including, but not limited to, any party’s past and present directors, officers, promoters, advisers, agents, affiliates, nominees, assigns, creditors, or controlled entities.

<sup>3</sup> This amount is approximate. The final calculation of the Net Fair Fund will be determined after calculating any interest earned, less any amounts expended for investment and banking fees, tax obligations, and fees and expenses of the Fund Administrator and Tax Administrator.

## Distribution Plan

On July 25, 2023, the Court approved the Plan of Distribution (“Distribution Plan”). A copy of the Distribution Plan is available to view and download at [www.HarrisonKatzenFairFund.com](http://www.HarrisonKatzenFairFund.com). In addition, you can request a copy of the Distribution Plan from the Fund Administrator by phone, e-mail, or mail:

Harrison Katzen Fair Fund  
c/o Analytics Consulting LLC  
Fund Administrator  
P.O. Box 2002  
Chanhassen, MN 55317-2002  
1-833-310-4557  
[info@HarrisonKatzenFairFund.com](mailto:info@HarrisonKatzenFairFund.com)

## Your Recognized Loss Amount

Pursuant to the Plan of Allocation, your is Recognized Loss is equal to the Preliminary Claimant’s total losses incurred minus any payments received by the Preliminary Claimant from the Defendants as recorded in documents obtained by the Commission during its investigation. If the Recognized Loss calculates to a gain, then the Recognized Loss will be \$0.

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, as defined in the Plan, will be deemed an Eligible Claimant:

If the Net Available Fair Fund is equal to or exceeds the sum of Recognized Loss Amounts for all Eligible Claimants, each Eligible Claimant’s distribution amount will be equal his,her or its Recognized Loss. 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. In either case, the distribution amount will be subject to the \$10.00 “Minimum Distribution Amount.”

### Eligible Claimant's Participation Options for this Fair Fund

In order to receive a payment from the Fair Fund, if you <b>have no Dispute</b> as to your Recognized Loss Amount, you must:	Submit Substitute W-9 so that it is postmarked <b>no later than 90 days</b> from the date of this Notice.
In order to receive a payment from the Fair Fund, if you <b>have a Dispute</b> as to your Recognized Loss Amount, you must:	Complete the Substitute W-9 Form and write to the Fund Administrator detailing the reasons for your objection and return it so that it is postmarked <b>no later than 90 days</b> from the date of this Notice.

**IF YOU DO NOT COMPLETE THE SUBSTITUTE W-9 FORM AND RETURN IT TO THE FUND ADMINISTRATOR WITHIN THE DEADLINES DESCRIBED ABOVE, YOU WILL NOT RECEIVE A DISTRIBUTION PAYMENT**

If you agree with your Recognized Loss Amounts, then return the enclosed Substitute W-9 Form.

If this amount does not appear to be accurate, then you can dispute the Recognized Loss Amounts (“Dispute”) by returning a completed Substitute Form W-9 and sending a written communication to the Fund Administrator detailing any dispute along with any supporting documentation.

The Substitute Form W-9 must be postmarked no **later than 90 days** from the date of this Notice. Any Dispute must be postmarked no **later than 90 days** from the date of this Notice.

The Fund Administrator will notify you of the resolution of your Dispute within **180** days of the initial mailing of the Plan Notices in the form of a Final Determination Notice.

## Background

This Distribution Plan provides for distribution of funds collected in the above-captioned matter to compensate investors harmed by the purchase of debt bonds issued by Altmark Holdings Ltd. and equity securities issued by PDK Portfolio (XIX) Ltd. (collectively, the “Securities”) during the period May 1, 2012, through April 30, 2013.

According to the Complaint, from at least 2012 to mid-2013, the Defendant violated the antifraud provisions of the federal securities laws by participating in schemes to offer and sell sham securities to investors. The schemes entailed offering and selling securities through a web of phony websites, internet advertisements, and an aggressive cold calling campaign promising investors low risk and high rates of return.

Harrison Katzen has paid, as ordered, a total of \$349,900.

The Order also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty paid, along with the disgorgement and interest paid, could be distributed to those harmed by the Respondent’s conduct described in the Order.

## Fund Administrator

On August 26, 2019, Analytics Consulting LLC was appointed as the Distribution Agent to assist in overseeing the administration and distribution of the Fair Fund in coordination with Commission staff, pursuant to the terms of the Distribution Plan.<sup>4</sup>

## Tax Administrator

On January 29, 2018, Miller Kaplan Arase LLP was appointed as the Tax Administrator by the Commission to handle the tax obligations of the Fair Fund.<sup>5</sup>

**Tax Consequences of Your Distribution Payment.** The Fair Fund is a “Qualified Settlement Fund” (“QSF”) as defined in Section 468B(g) of the Internal Revenue Code, 26 U.S.C. Section 468B(g), as amended, and the Treasury regulations promulgated thereunder, 26 C.F.R. 1.468B-1 *et seq.* This distribution is intended to compensate you for losses incurred with respect to your investment as a result of the violations described in the SEC’s Complaint. The distribution from this Fair Fund may have tax consequences.

Generally, the losses component of your distribution is not income to you to the extent of your basis in your investment. However, you must reduce your basis by the amount of your distribution. If your distribution exceeds your tax basis in your investment, then the excess is includable in your income as capital gain. Any such capital gain is long-term capital gain unless you disposed of your investment before holding it for longer than one year. If you do not have reasonable access to records indicating the tax basis of your investment, then you may assume that your tax basis is zero and that the entire distribution is includable in your income as capital gain. ***The QSF is not required to - and will not - issue a Form 1099 to you with respect to the losses component of your distribution.***

**Interest Component.** The interest component constitutes taxable interest income to you; however, you will only receive a Form 1099-INT if your distribution contains \$600 or more of such interest. Under certain circumstances, the interest component may have been subject to 24% backup withholding (as well as state withholding, as applicable). To the extent that the interest component is subject to such withholding, it will be reflected on the Form 1099-INT that will be issued to you (as well as any related state forms, as applicable). If you are, or are presumed to be, a nonresident alien of the U.S. (“NRA”), or a payee subject to withholding under the Foreign Account Tax Compliance Act (“FATCA”), you may receive Form 1042-S with respect to the interest component of your distribution. Your interest component may also have been subject to 30% NRA withholding or 30% FATCA withholding under certain circumstances, which has been remitted to the IRS on your behalf (if applicable). To the extent your interest component is subject to such withholding, it will be reflected on the Form 1042-S that will be issued to you in the first quarter of the year subsequent to the year you receive your distribution payment.

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<sup>4</sup> Order To Appoint A Distribution Agent United States District Court, Eastern District New York, 1:16-cv-06606 (BMC), Document 21 (August 26, 2019).

<sup>5</sup> Order To Establish a Fair Fund, Appoint a Tax Administrator, And To Authorize Payment of Future Taxes, Fees, and Expenses of the Tax Administrator, United States District Court, Eastern District New York, 1:16-cv-06606 (BMC), Document 19 (January 29, 2018).

Please note that the Fund Administrator and the Tax Administrator cannot provide tax advice to Eligible Investors. The information contained herein is being provided for informational purposes only to assist you in determining the United States (“U.S.”) federal income tax consequences of the distribution payment if you are a citizen or resident of the U.S. The tax consequences of the distribution may vary depending on your individual circumstances. The information provided herein may not be applicable if you are a nonresident alien of the U.S. or a FATCA-subject payee and it does not address the alternative minimum tax provisions of federal tax law, nor state, local and non-U.S. tax rules, nor the effect of possible changes in laws. ***THE INFORMATION CONTAINED HEREIN IS NOT AND SHOULD NOT BE RELIED UPON AS TAX ADVICE. CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE DISTRIBUTION TO YOU.***

### **Participation**

Participation in the Fair Fund will not result in the release of any rights or potential claims an Eligible Claimant may have against any party (other than with respect to the Fund Administrator), including, but not limited to, any party’s past and present directors, officers, promoters, advisers, agents, affiliates, nominees, assigns, creditors, or controlled entities.

### **Questions?**

If you have any questions about the Fair Fund, or the calculation of your Recognized Loss Amount, you may obtain more information by visiting the Fund website at [www.HarrisonKatzenFairFund.com](http://www.HarrisonKatzenFairFund.com) or the SEC’s Information for Harmed Investors webpage at <https://www.sec.gov/divisions/enforce/claims.htm>, by phone at 1-833-310-4557, or by email to [info@HarrisonKatzenFairFund.com](mailto:info@HarrisonKatzenFairFund.com).

### **Reminder Checklist**

- Return the Substitute Form W-9 so that it is postmarked within 90 days of the date of this Notice if you are not submitting a Dispute; or
- Return the Substitute Form W-9 with any Dispute to the Distribution Agent by so that it is postmarked within 90 days of the date of this Notice.

Very truly yours,

Analytics Consulting LLC  
Distribution Agent