

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-17212

In the Matter of

**LOGITECH INTERNATIONAL, S.A.,
MICHAEL DOKTORCZYK, and
SHERRALYN BOLLES, CPA,**

SECOND PLAN OF DISTRIBUTION

Respondents.

I. Introduction

1. The Division of Enforcement submits this second plan of distribution (the “Plan”) pursuant to Rule 1101 of the Securities and Exchange Commission’s Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”), 17 C.F.R. § 201.1101. The Plan provides for the distribution of funds remaining in the Fair Fund¹ created for the monies paid by Logitech International, S.A. (“Logitech”), Michael Doktorczyk (“Doktorczyk”), and Sherralyn Bolles, CPA (“Bolles”) (collectively, the “Respondents”) in settlement of the above-captioned administrative proceeding.²

2. The first plan of distribution (“First Plan”) was approved by the Securities and Exchange Commission (the “Commission”) on October 26, 2018,³ and resulted in the full compensation, including reasonable interest, of all eligible claimants who purchased shares of Logitech common stock on the Nasdaq Global Select Market. Approximately \$5 million, comprised of undistributed funds; unused reserves for taxes, fees, and expenses; interest; and tax refunds remains in the Fair Fund. The Plan seeks to distribute the funds that remain in the Fair Fund, plus interest, less taxes, fees, and expenses (the “Net Available Fair Fund”), to investors who purchased Logitech ordinary stock on the SIX Swiss Exchange at inflated prices during the period from May 28, 2011 through July 27, 2011, inclusive (the “Relevant Period”), and who suffered losses in the value of their investment subsequent to disclosures by the Respondents.

¹ See Order Establishing a Fair Fund, Exchange Act Rel. No. 82783 (Feb. 27, 2018).

² See 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, Exchange Act Rel. No. 77644 (Apr. 19, 2016).

³ See Order Approving Corrected Plan of Distribution, Exchange Act Rel. No. 84493 (Oct. 26, 2018).

II. Background

3. On April 19, 2016, 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 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 that 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 Respondents paid in full.

4. On February 27, 2018, the Commission established the Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act, so that the \$7.575 million in civil money penalties paid by the Respondents could be distributed for the benefit of the injured investors.⁴

5. On September 6, 2018, in connection with the First Plan, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment⁵ pursuant to Rule 1103 of the Commission’s Rules. The Commission received no comments on the First Plan during the comment period and, by Order dated October 26, 2018, the Commission approved the First Plan.⁶

6. By Order dated November 5, 2020, the Commission ordered the disbursement of \$2,892,751.29 to the escrow account established for the Fair Fund for distribution by the Fund Administrator to the claimants determined to be eligible under the First Plan.⁷ Approximately \$5 million, comprised of undistributed funds; reserves for taxes, fees, and expenses; interest; and tax refunds remains in the Fair Fund.

7. In view of the balance in the Fair Fund, the Fund Administrator, in consultation with the Commission staff, has determined it feasible to distribute the Net Available Fair Fund, to compensate investors who purchased Logitech ordinary stock on the SIX Swiss Exchange at inflated prices during the Relevant Period, and who suffered losses in the value of their investment subsequent to disclosures by the Respondents.

8. The majority of the Fair Fund is deposited in an interest-bearing account at the United States Department of the Treasury’s Bureau of the Fiscal Service (“BFS”), where it will be held until ordered disbursed by the Commission; the remainder remains in the Fair Fund’s escrow account at The Huntington National Bank in accordance with the First Plan.

9. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. All BFS fees will be paid from the Fair Fund. Interest and any additional

⁴ Order Establishing a Fair Fund, Exchange Act Rel. No. 82783 (Feb. 27, 2018).

⁵ Exchange Act Rel. No. 84044 (Sept. 6, 2018).

⁶ Order Approving Corrected Plan of Distribution, Exchange Act Rel. No. 84493 (Oct. 26, 2018).

⁷ Order Directing Disbursement of Fair Fund, Exchange Act Rel. No. 90347 (Nov. 5, 2020).

funds received pursuant to Commission or Court order, agreement, or otherwise, will be added to the Fair Fund for disbursement in accordance with the Plan pursuant to Commission Order.

10. The Plan sets forth the methodology and procedures for distributing the Net Available Fair Fund. The Fund Administrator and the Commission staff have concluded that distributing the funds pursuant to the Plan, including the Plan of Allocation set forth below, is a fair and reasonable way to compensate investors who purchased Logitech ordinary stock on the SIX Swiss Exchange and who were harmed as the result of the conduct described in the Order.

11. The Plan has been approved by the Commission, and the Commission retains jurisdiction over its implementation.

III. Defined Terms

12. “Administrative Costs” means the fees and expenses related to the distribution of the Fair Fund, including without limitation, taxes, investment fees, bond premium(s), and the fees and expenses of tax and fund administration.

13. “Claim Form” means the form designed by the Fund Administrator and approved by Commission staff for the filing of claims in accordance with the Plan. The Claim Form will require, at a minimum, sufficient documentation of transactions in the Security such that eligibility under the Plan can be determined, tax identification and related information as determined necessary by the Fund Administrator in coordination with the Tax Administrator, and a certification that the Potential Claimant is not an Excluded Party.

14. “Claims Bar Date” means the date established in accordance with the Plan by which Claim Forms must be postmarked or submitted electronically in order to receive consideration under the Plan. Subject to extension as permitted under the Plan, the Claims Bar Date will be one hundred twenty (120) days from the commencement of the Claims Packet mailing.

15. “Claims Packet” means the materials relevant to submitting a claim that may be provided to Potential Claimants, including Potential Claimants who request such materials through a website or otherwise prior to the Claims Bar Date. The Claims Packet will include, at minimum, a copy of the Plan Notice and a Claim Form, together with instructions for completion of the Claim Form. The Claim Form will require all Potential Claimants to certify that they are not an Excluded Party.

16. “Determination Notice” means the notice sent by the Fund Administrator within one hundred twenty (120) days of the Claims Bar Date to all Potential Claimants that submitted a Claim Form. The Determination Notice will set forth the Fund Administrator’s determination of the eligibility of the claim (eligible, partially or wholly deficient, or ineligible). The Determination Notice will provide to each Potential Claimant whose claim is deficient, in whole or in part, the reason(s) for the deficiency, notify the Potential Claimant of the opportunity to cure such deficiency, and provide instructions regarding further necessary actions. In the event

the claim is denied, the Determination Notice will state the reason for such denial and notify the Potential Claimant of their opportunity to request reconsideration of their claim.

17. “Distribution Payment” means a payment from the Fair Fund to an Eligible Claimant in accordance with the Plan.

18. “Eligible Claimant” means an investor who purchased Logitech ordinary stock on the SIX Swiss Exchange at inflated prices during the Relevant Period and who suffered losses in the value of their investment subsequent to disclosures by the Respondents, who is not an Excluded Party and who is determined by the Fund Administrator to be eligible under the Plan for a Distribution Payment.

19. “Eligible Loss Amount” will be calculated as set forth in ¶ 43, below.

20. “Excluded Parties” means the following entities or individuals:

- (a) Doktorczyk and Bolles and their assigns, heirs, spouses, parents, children, dependents, or controlled entities;
- (b) Logitech and its directors, officers, advisers, agents, affiliates who served in such capacity during the Relevant Period;
- (c) Eric K. Bardman and Jennifer F. Wolf, the Defendants in *SEC v. Bardman, et al.*, Civ. Act. No. 3:16-2023 (N.D. Cal.), and any of their assigns, heirs, spouses, parents, children, dependents, or controlled entities;
- (d) The Fund Administrator, its employees, and those persons assisting the Fund Administrator in its role as Fund Administrator; and
- (e) Any purchaser or assignee of a Potential Claimant’s right to obtain a recovery from the Fair Fund for value; provided, however, that this provision shall not be construed to exclude those Potential Claimants who obtained such a right by gift, inheritance, devise or operation of law.

21. “Final Determination Notice” means the Fund Administrator’s written reply to each Potential Claimant who timely responded to the Determination Notice in an effort to cure a deficiency or seek reconsideration of a rejected claim. The Final Determination Notice will constitute the Fund Administrator’s final ruling regarding the status of the claim.

22. “Net Available Fair Fund” means the remaining assets of the Fair Fund, plus accrued interest, less Administrative Costs.

23. “Plan Notice” means the written notice from the Fund Administrator to Potential Claimants informing them of the Fair Fund, the Plan, and its eligibility requirements; explaining

how to submit a claim; and stating how to obtain a copy of the approved Plan and Claim Form by request or from the Fair Fund website.

24. “Plan of Allocation” means the methodology set forth in Section V that will be used to determine eligibility and calculate Distribution Payments under the Plan.

25. “Potential Claimants” means individuals and entities, or their lawful successors, identified by the Fund Administrator as having possible claims to recover from the Fair Fund under this Plan, or those who assert to having possible claims to recover from the Fair Fund under this Plan.

26. “Recognized Loss” is calculated as set forth in ¶ 41, below.

27. “Relevant Period” means May 28, 2011 through July 27, 2011, inclusive.

28. “Security” means Logitech ordinary stock traded on the SIX Swiss Exchange under the trading symbol LOGN.

29. “Summary Notice” shall mean the notice published in print or internet media acceptable to the Commission staff within fourteen (14) days of the date of the mailing of Claims Packets to Potential Claimants. Such notice (the text of which shall be approved by the Commission staff) shall include, at a minimum, a statement of the purpose of the Fair Fund, the means of obtaining a Claims Packet, and the Claims Bar Date.

30. “Third-Party Filer” means a third-party, including without limitation a nominee, custodian, or an intermediary holding in street name, who is authorized to, and submits, a claim(s) on behalf of one or more Potential Claimants. Third-Party Filer does not include assignees or purchasers of claims, which are excluded from receiving distribution payments. *See* ¶ 20(e) above.

IV. Fund Administrator

31. Epiq Class Action and Claims Solutions, Inc. (“Epiq”) is the Fund Administrator (the “Fund Administrator”)⁸ and the Fund Administrator’s bond amount has been set at \$7,575,000, in accordance with Rules 1105(a) and 1105(c) of the Commission’s Rules, 17 C.F.R. §§ 201.1105(a) and 201.1105(c).

32. The Fund Administrator shall oversee the administration of the claims, procedures, and distribution of the Fair Fund as provided in the Plan. The Fund Administrator shall review all submitted claims and supporting documentation and make determinations under the criteria established herein as to the eligibility of each Potential Claimant to recover monies and the amount of money to be distributed from the Net Available Fair Fund to Eligible Claimants. This will include, among other things, taking reasonable steps to identify and contact

⁸ By Order Appointing Fund Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 82972 (Mar. 30, 2018), the Commission appointed Garden City Group, LLC (“GCG”) as the Fund Administrator. On June 18, 2018, Epiq acquired GCG and GCG has been rebranded as Epiq.

Potential Claimants; obtaining accurate mailing information for Potential Claimants; establishing a website and staffing a call center to address inquiries during the claims process; developing a claims database; preparing accountings; cooperating with the Tax Administrator to ensure compliance with tax laws, rules, and regulations; advising Potential Claimants of claim deficiencies and providing an opportunity to cure any documentary defects; determining and ensuring compliance with all foreign jurisdiction requirements for serving notices and otherwise implementing the Plan; taking antifraud measures, such as identifying false, ineligible and overstated claims; advising Potential Claimants of final claim determinations; and disbursing the Fair Fund in accordance with the Plan.

33. All fees and expenses of the Fund Administrator will be paid from the Fair Fund as an Administrative Cost. The Fund Administrator may submit an invoice for completed services to the Commission staff for approval by the Commission; upon Commission approval of the payment of fees and expenses, the Fund Administrator will be paid its reasonable fees and expenses for those services.

34. The Fund Administrator may be removed at any time by order of the Commission or hearing officer.

V. Tax Administration

35. Pursuant to the Omnibus Order Directing the Appointment of Tax Administrator in Administrative Proceedings that Establish Distribution Funds for the period beginning June 2017 and for calendar year 2018,⁹ the Commission appointed Miller Kaplan Arase LLP as the tax administrator (the “Tax Administrator”) for the Fair Fund.¹⁰

36. The Fund Administrator will cooperate with the Tax Administrator in providing information necessary to accomplish the income tax compliance and any other work of the Tax Administrator ordered by the Commission, including but not limited to the Foreign Account Tax Compliance Act.

37. The Tax Administrator shall prepare a description of the tax information reporting and other related tax matters, which shall be provided to the Fund Administrator for dissemination to Eligible Claimants before or contemporaneously with their distribution payments.

38. The Tax Administrator shall be compensated for all reasonable costs and expenses from the Fair Fund according to the terms of its Revised 2017-2018 Engagement Letter Agreement with the Commission, and tax obligations will be paid from the Fair Fund.

39. The Fair Fund constitutes a Qualified Settlement Fund (“QSF”) under Section 468B(g) of the Internal Revenue Code, 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

⁹ Exchange Act Rel. No. 81057 (June 30, 2017).

¹⁰ Order Appointing Tax Administrator, Exchange Act Rel. No. 82187 (Nov. 30, 2017).

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) timely requesting funds necessary for the timely payment of all applicable taxes, the timely 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 required for distributions from the Net Available Fair Fund, including but not limited to the Foreign Account Tax Compliance Act.

VI. Plan of Allocation

A. Purpose

40. This methodology is designed to compensate Eligible Claimants based on their losses from purchases of the Security during the Relevant Period due to the disclosures made by the Respondents. Potential Claimants who did not purchase the Security during the Relevant Period do not have any Recognized Losses under the Plan. The amount to be distributed to each Eligible Claimant will be determined as described in the following paragraphs.

41. For each share of the Security:

- (a) Purchased or held prior to the Relevant Period, or purchased after the Relevant Period, the Recognized Loss per share is US\$0.00.
- (b) Purchased during the Relevant Period, and
 - (1) Sold during the Relevant Period, the Recognized Loss per share is US\$0.00.
 - (2) Sold on or after July 28, 2011 and on or before October 26, 2011 (the period with dates inclusive being the 90-day lookback period), the Recognized Loss per share is equal to the lesser of (i) the purchase price per share minus the sale price per share, both denominated in CHF,¹¹ with the difference converted to USD by dividing by 0.8230 (the average exchange rate over the 90-day lookback period) and rounded to two decimal places; or (ii) \$0.69.
 - (3) Sold or held after October 26, 2011, the Recognized Loss per share is equal to the lesser of (i) the purchase price per share in CHF minus CHF 7.75 (the closing price on October 26, 2011) with the

¹¹ CHF refers to the Swiss franc.

difference converted to USD by dividing by 0.8230 (the average exchange rate of over the 90-day lookback period) and rounded to two decimal places; or (ii) \$0.69.

For example, a share purchased on June 28, 2011 at CHF 8.50 would have a Recognized Loss per share equal to:

- (a) \$0.00, if it was sold on July 26, 2011;
- (b) \$0.69, if it was held through the close of trading on July 27, 2011 and sold on or before October 26, 2011 at CHF 7.00 [$\$1.82$, or $(\text{CHF } 8.50 - \text{CHF } 7.00) \div 0.8230$, is greater than \$0.69];
- (c) \$0.61, if it was held through the close of trading on July 27, 2011 and sold on or before October 26, 2011 at CHF 8.00 [$\$0.61$, or $(\text{CHF } 8.50 - \text{CHF } 8.00) \div 0.8230$, is less than \$0.69];
- (d) \$0.00, if it was held through the close of trading on July 27, 2011 and sold on or before October 26, 2011 at CHF 9.00 or any price higher than CHF 8.50;
- (e) \$0.69, if it was sold on or after October 27, 2011 or continues to be held [$\$0.91$, or $(\text{CHF } 8.50 - \text{CHF } 7.75) \div 0.8230$, is less than \$0.69].

B. Additional Provisions

42. *Price.* All prices mentioned in the calculations exclude all taxes, fees, and commissions. Purchases and sales shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date. For purposes of the calculations in this Plan of Allocation, all prices denominated in CHF will be converted to USD by dividing by 0.8320, the average exchange rate during the 90-day lookback period.

43. *Eligible Loss Amount:* Subject to ¶ 49 below (*Market Loss Limitation*), an Eligible Claimant’s Eligible Loss Amount will be the sum of his, her, or its, Recognized Losses as calculated in accordance with ¶ 41 for all shares purchased or acquired during the Relevant Period. If the Eligible Loss Amount is negative, reflecting a gain, the Eligible Loss Amount is zero.

44. *Currency:* Calculations pursuant to this Plan of Allocation will be made in U.S. Dollars. Distribution payments can be converted to currencies other than U.S. Dollars upon request from the Eligible Claimant. Costs of conversion will be assessed against the Distribution Payment.

45. *FIFO Methodology:* For each Potential Claimant who made multiple purchases and sales of the Security during the Relevant Period, the transactions will be matched according to the first-in, first-out (“FIFO”) method. The earliest sales during the Relevant Period will be

matched first against any holdings at the opening of the Relevant Period. Once the beginning holdings have all been matched, or in the event that the Potential Claimant had no beginning holdings, any further sales will be matched against the earliest Relevant Period purchases and chronologically thereafter.

46. *Acquisitions*: The receipt or grant of the Security to the Potential Claimant by gift, devise, inheritance, or operation of law during the Relevant Period is not considered an eligible purchase if the original purchase or acquisition did not occur during the Relevant Period. Such shares will be excluded from the calculation of the Potential Claimant's Eligible Loss Amount.

47. *Options and Derivatives*: Logitech ordinary stock is the only security eligible for recovery under the Plan (*see* ¶ 28, "Security"). Option contracts to purchase or sell the Security are not securities eligible for recovery under the Plan. With respect to the Security purchased or sold through the exercise of an option, the purchase/sale date is the exercise date of the call and the assignment date of the put, and the purchase/sale price is the strike price of the call at the time of exercise and the strike price of the put at the time of assignment. Transactions in the Security during the Relevant Period that are pursuant to, or in connection with, a swap or another derivative will not be eligible for a recovery.

48. *Short Sales*: If the sale date for a share falls before the purchase date, then the share has a Recognized Loss of \$0.00. The date of covering a short sale is deemed to be the date of purchase of the Security and the date of a short sale is deemed to be the date of sale of the Security. The earliest Relevant Period purchases will be matched against any short position existing as of the start of the Relevant Period and will not be eligible for recovery under the Plan until that short position is fully covered.

49. *Market Loss Limitation*: If a Potential Claimant's actual market loss on shares of the Security purchased during the Relevant Period are less than his, her, or its Eligible Loss Amount, the Eligible Loss Amount shall be limited to the actual market loss. If the actual market loss calculates to a gain, then the Potential Claimant's Eligible Loss Amount will be \$0.00. The actual market loss will be calculated as (a) the sum of the purchase amounts for the shares of the Security purchased during the Relevant Period,¹² less (b) the sum of the sales proceeds on those shares sold during the Relevant Period or before October 26, 2011,¹³ plus the holding value on the remaining shares, which for the purposes of this calculation is CHF 7.75, the closing price of Logitech ordinary stock on October 26, 2011.¹⁴

50. *Pro Rata Distribution*: If the Net Available Fair Fund has sufficient funds, each Eligible Claimant will receive a Distribution Payment equal to the amount of his, her, or its Eligible Loss Amount. If the Net Available Fair Fund is less than the sum of the Eligible Loss

¹² Purchases/acquisitions that are not eligible for recovery will not be considered for purposes of calculating the actual market loss.

¹³ Sales of the Security during the Relevant Period will be matched first against the opening position and the proceeds of sales matched against the opening position will not be considered for purposes of calculating market gains or losses.

¹⁴ The actual market loss will also include realized gains/losses on short positions opened and closed in the Security during the Relevant Period.

Amounts of all Eligible Claimants, each Eligible Claimant will receive a Distribution Payment equal to the Net Available Fair Fund multiplied by the ratio of the Eligible Claimant's Eligible Loss Amount divided by the sum of the Eligible Loss Amounts of all Eligible Claimants.

51. *Reasonable Interest*: If the Net Available Fair Fund has funds in excess of that necessary to pay each Eligible Claimant a Distribution Payment equal to the amount of their Eligible Loss Amount, the Fund Administrator, in consultation with the Commission staff, may include in the Distribution Payments an additional amount to compensate each Eligible Claimant for the time value of their respective Eligible Loss Amount ("Reasonable Interest").¹⁵

52. *Minimum Distribution Amount*: If a Potential Claimant's calculated Distribution Payment is less than \$10.00, that Potential Claimant will not be eligible for a Distribution Payment and the funds will be distributed to other Eligible Claimants whose Distribution Payments are equal to or greater than \$10.00.

VII. Administration of the Claims Procedure

A. Identification of and Notification to Potential Claimants

53. The Fund Administrator will, as practicable, use its best efforts to identify Potential Claimants from a review of records and information provided by the transfer agent for Logitech, registered broker dealers, and any other sources available to it.

54. Within thirty (30) days of Commission approval of the Plan, the Fund Administrator shall:

- (a) create a mailing and claim database of all Potential Claimants based upon information provided by the Commission staff, the transfer agent for Logitech, or otherwise obtained by the Fund Administrator;
- (b) design and submit a Claims Packet to the Commission staff for review and approval;
- (c) mail a Claims Packet to each Potential Claimant identified in the claim database and to the Fund Administrator's list of banks, brokers, and other nominees, including central securities depositories and brokers and nominees in Switzerland and elsewhere in Europe;
- (d) establish and maintain at www.LogitechFairFund.com pages dedicated to distributions under the Plan. The Fair Fund's website will clearly direct Potential Claimants to information relevant to the Plan as distinguished from the First Plan, including, in downloadable form, the approved Plan, the Claims Packet, a Claim Form and related materials, and such other

¹⁵ "Reasonable Interest" will be calculated by the Division of Economic and Risk Analysis ("DERA"), at a rate determined to be appropriate under the facts and circumstances of this case, compounded quarterly from the approximate date of the loss through the approximate date of the disbursement of the Fair Fund.

information that the Fund Administrator believes will be beneficial to investors;

- (e) establish and maintain a traditional mailing address and an email mailing address which will be listed on all correspondence from the Fund Administrator to Potential Claimants as well as on the Fair Fund's website;
- (f) establish and maintain a toll-free telephone number for Potential Claimants to call and speak to a live representative of the Fund Administrator during its regular business hours or, outside of such hours, to hear pre-recorded information about the Fair Fund; and
- (g) publish the Summary Notice approved by Commission staff.

55. The Fund Administrator will have available, and use as appropriate, translation services in connection with all contacts with Potential Claimants and Eligible Claimants so that all communications can be as effective as practicable. Translations may be requested by Potential Claimants by contacting the Fund Administrator by mail, email, or the toll-free number.

56. The Commission staff retains the right to review and approve any communications with Potential Claimants, including material posted on the Fair Fund's website, the Summary Notice and Plan Notice, and any scripts used in connection with communication with Potential Claimants.

57. The Fund Administrator will promptly provide a Claims Packet to any Potential Claimant upon request made via mail, phone, or email prior to the Claims Bar Date.

58. The Fund Administrator will mail a Claims Packet to the Fund Administrator's list of banks, brokers, and other nominees, including central securities depositories and brokers and nominees in Switzerland and elsewhere in Europe, as well as any other institutions identified that may have records of Logitech shareholders and holdings at relevant times. The Fund Administrator will request that these entities, to the extent that they were record holders for beneficial owners of the Security:

- (a) within seven (7) calendar days of receipt of the Claims Packet, request from the Fund Administrator sufficient copies of the Claims Packet to forward to all such beneficial owners, and within seven (7) calendar days of receipt of those Claims Packets, forward them to all such beneficial owners so that beneficial owners may timely file a claim; and/or
- (b) provide to the Fund Administrator within fourteen (14) days of receipt of the Claims Packet a list of last known names and addresses for all beneficial owners for whom the record holders purchased the Security during the Relevant Period so that the Fund Administrator can communicate with them directly.

59. Before commencing any mailing, the Fund Administrator shall run a National Change of Address search to retrieve updated U.S. addresses for all U.S. addresses recorded in the database.

60. The Fund Administrator will attempt to locate any Potential Claimant whose mailing is returned as undeliverable by the U.S. Postal Service or otherwise, including an advanced address search, if feasible, and will document all such efforts.

61. The Fund Administrator, with Commission staff approval, may engage a third-party search firm to conduct more rigorous searches for persons whose Claims Packet is returned as undeliverable. The Fund Administrator will utilize all means reasonably available, including LexisNexis, to obtain updated addresses in response to undeliverable notices, and forward any returned mail for which an updated address is provided or obtained. The Fund Administrator will make available, upon request by the Commission staff, a list of all Potential Claimants whose Claims Packets have been returned as “undeliverable” due to incorrect addresses and for which the Fund Administrator has been unable to locate current addresses.

B. Claims Process and Handling of Disputes

62. In all materials that refer to the Claims Bar Date deadline, the submission deadline will be clearly identified with the date, which is one hundred twenty (120) days from the commencement of the Claims Packet mailing.

63. To avoid being barred from asserting a claim, on or before the Claims Bar Date, each Potential Claimant must submit to the Fund Administrator a properly completed Claim Form reflecting such Potential Claimant’s claim, and it must be accompanied by such documentary evidence as the Fund Administrator deems necessary or appropriate to substantiate the claim. Without limitation, this information may include third-party documentary evidence of purchases and dispositions of the Security, as well as holdings of the Security, at relevant dates.

64. The burden to prove timely receipt of a claim by the Fund Administrator will be upon the Potential Claimant; therefore Potential Claimants will be instructed to submit their Claim Forms in a manner that will enable them to prove timely receipt of the Claim Form by the Fund Administrator. A Claim Form that is postmarked, or otherwise received by the Fund Administrator, after the Claims Bar Date will not be accepted unless the deadline is extended by the Fund Administrator for good cause shown, after consultation with the Commission staff.

65. The Fund Administrator shall review each claim and determine the eligibility of each Potential Claimant to participate in the Fair Fund by reviewing claim data and supporting documentation (or lack thereof), verifying the claim, and calculating each Potential Claimant’s loss pursuant to the Plan.

66. Each Potential Claimant will have the burden of proof to establish the validity and amount of his or her claim, and that they qualify as an Eligible Claimant, including the burden to certify that they are not an Excluded Party. The Fund Administrator will have the right to request, and the Potential Claimant will have the burden to promptly provide to the Fund

Administrator, any additional information and/or documentation deemed relevant by the Fund Administrator.

67. All claims and supporting documentation necessary to determine a Potential Claimant's eligibility to receive a distribution from the Fair Fund under the terms of the Plan must be verified by a declaration executed by the Potential Claimant under penalty of perjury under the laws of the United States. The declaration must be executed by the Potential Claimant, unless the Fund Administrator accepts such declaration from someone authorized to act on the Potential Claimant's behalf, whose authority is supported by such documentary evidence as the Fund Administrator deems necessary.

68. Electronic claims submission is encouraged; the Claims Packet will include instructions on how Potential Claimants can submit their claims electronically via the Fair Fund's website. If using the web-based claim filing option, a Potential Claimant must submit their claim to the Fund Administrator by 11:59 p.m. Eastern Standard Time on the Claims Bar Date. The Claims Packet will also include instructions for submission of claims if the Potential Claimant is unable to submit their claim electronically. All claims must be postmarked, or received by the Fund Administrator, on or before the Claims Bar Date.

69. Claims containing (a) one hundred (100) or more transactions or (b) claims submitted by an intermediary on behalf of twenty (20) or more accounts must be submitted electronically using the format provided by the Fund Administrator. The electronic filing template will be made available on the Fair Fund's website. Files that do not comply with the format provided by the Fund Administrator may be rejected.

70. When submitting claims to the Fair Fund on behalf of its clients, all Third-Party Filers must use the electronic filing template provided by the Fund Administrator for this matter. Files that do not comply with the template and format provided by the Fund Administrator may be rejected. Third-Party Filers must also submit a signed master proof of claim and release, as well as proof of authority to file on behalf of the claimant(s) at the time the electronic file of transactions is submitted. Failure to do so may result in rejection of the claim(s).

71. Each Third-Party Filer must establish the validity and amount of each claim in its submission. Like all other Potential Claimants, Third-Party Filers must submit such supporting documentary evidence of purchases, dispositions, and holdings of the Security as the Fund Administrator deems necessary or appropriate to substantiate each individual claim. Without limitation, this includes the complete name of the Potential Claimant (beneficial account owner) and its TIN (for individuals) or EIN (for companies), sufficient contact information to confirm the identity of the beneficial owner, and documentation from the original bank, broker or other institution of purchases and dispositions of the Security (account statements, confirmations and other documentation of purchases and dispositions), as well as holdings of the Security on pertinent dates. Documentation generated by the Third-Party Filer as well as affidavits in lieu of supporting documentation, will not be accepted unless, for good cause, the Fund Administrator determines it acceptable. The Fund Administrator will have the right to request, and the Third-Party Filer will have the burden of providing to the Fund Administrator, any additional information and/or documentation deemed necessary by the Fund Administrator to substantiate

the claim(s) contained in the submission. Documentation from a Third-Party Filer that is not acceptable to the Fund Administrator will result in rejection of the affected claim(s). The determination of the Fund Administrator to reject a claim for insufficient documentation, as reflected on the Final Determination Notice, is final and within the discretion of the Fund Administrator and is not appealable.

72. Distribution Payments must be made by check or electronic payment payable to the Eligible Claimant (beneficial account owner). The Third-Party Filer shall not be the payee of any Distribution Payment check or electronic Distribution Payment. Subject to ¶ 92 below (ERISA Plans), any other payment arrangement must be discussed with the Fund Administrator in consultation with the Commission staff and must be authorized by the Potential Claimant. Compensation to the Third-Party Filer for its services may not be paid or deducted from the Distribution Payment.

73. If, after discussion with the Fund Administrator in consultation with the Commission, and authorization by the Eligible Claimant(s), a Distribution Payment is to be made to a Third-Party Filer to distribute to the Eligible Claimant(s), the Third-Party Filer will be required to complete the certification on the Claim Form, which will require them, at a minimum, to attest that any distribution to the custodian, trustee, or investment professional representing multiple potentially eligible beneficial owners, will be allocated for the benefit of current or former pooled investors and not for the benefit of management. The certification, as part of the Claim Form, will be available on the Fair Fund website and upon request from the Fund Administrator. All such Third-Party Filers must have an auditable mechanism available to the Fund Administrator and the Commission staff to confirm that each Potential Claimant, if determined an Eligible Claimant, received the Distribution Payment directed to them.

74. The receipt of the Security by gift, inheritance, devise, or by operation of law will not be deemed to be a purchase of the Security, nor will it be deemed an assignment of any claim relating to the purchase of the Security unless specifically so provided in the instrument of inheritance. However, the recipient of the Security as a gift, inheritance, devise or by operation of law will be eligible to file a Claim Form and participate in the distribution of the Fair Fund to the extent the original purchaser would have been eligible under the terms of the Plan. Only one claim may be submitted with regard to the same transactions in the Security, and in cases where multiple claims are filed by the donor and donee, the donee claim will be honored, assuming it is supported by proper documentation.

75. The Fund Administrator will provide a Determination Notice within one hundred twenty (120) days from the Claims Bar Date to each Potential Claimant who has filed a Claim Form with the Fund Administrator, setting forth the Fund Administrator's conclusions concerning such claim. The Determination Notice will provide to each Potential Claimant whose claim is deficient, in whole or in part, the reason(s) for the deficiency (*e.g.*, failure to provide required information or documentation). The Determination Notice will also notify the Potential Claimant of the opportunity to cure such deficiency, and provide instructions regarding what is required to do so.

76. Any Potential Claimant with a deficient claim will have sixty (60) days from the date of the Determination Notice to cure any deficiencies identified in the Determination Notice.

77. In the event the claim is denied, in whole or in part, the Determination Notice will state the reason for such denial. Any Potential Claimant seeking reconsideration of a rejected claim must advise the Fund Administrator in writing within sixty (60) days of the date of the Determination Notice. All requests for reconsideration must include the necessary documentation to substantiate the basis upon which the Potential Claimant is requesting reconsideration of their claim.

78. The Fund Administrator will send, as appropriate, a Final Determination Notice to all Potential Claimants who responded to the Determination Notice in an effort to cure a deficiency or to seek reconsideration of a rejected claim. The Fund Administrator will send such Final Determination Notices no later than sixty (60) days following receipt of documentation or information in response to the Determination Notice, or such longer time as the Fund Administrator determines is necessary for a proper determination concerning the claim.

79. The Fund Administrator may consider disputes of any nature presented by Potential Claimants, and will consult Commission staff as appropriate. The Fund Administrator will have the authority to waive technical claim deficiencies and approve claims on a case-by-case basis, or in groups of claims. All determinations made by the Fund Administrator in accordance with the Plan in any dispute, request for reconsideration, or request to cure a deficient claim will be final and not subject to appeal.

80. Any Eligible Claimant who relocates or otherwise changes contact information after receipt of the Claims Packet must promptly communicate any change in address or contact information to the Fund Administrator.

C. Procedures for Distribution of the Net Available Fair Fund

81. The Fund Administrator shall distribute the Net Available Fair Fund to all Eligible Claimants only after all timely submitted Claim Forms have been processed; and all Potential Claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to cure pursuant to the procedures set forth above.

82. Within seventy-five (75) days following the date of the Final Determination Notices described above, ¶ 78, the Fund Administrator shall compile and send to the Commission staff the payee information, including the names, addresses, and Distribution Payments of all Eligible Claimants (“Payee List”). The Fund Administrator will simultaneously provide a “Reasonable Assurances Letter” to the Commission staff, representing that the Payee List: (a) was compiled in accordance with the Plan; (b) is accurate as to Eligible Claimants’ names, address, and Eligible Loss Amount; and (c) provides all information necessary to make a payment equal to the amount of the applicable Distribution Payment for such Eligible Claimant.

83. The Fund Administrator, in consultation with the Tax Administrator and the Commission staff, shall determine the Net Available Fair Fund by retaining a prudent reserve

(the “Reserve”) to pay Administrative Costs. After all distributions and payment of all tax obligations, any remaining amounts in the Reserve will become part of the residual described in ¶ 102.

84. Prior to the disbursement of the Net Available Fair Fund, the Fund Administrator will establish an escrow account (“Escrow Account”) with a United States commercial bank that is not unacceptable to the Commission staff (the “Bank”), pursuant to a form provided by Commission staff (the “Escrow Agreement”).

85. The Fund Administrator, pursuant to the Escrow Agreement, shall establish with the Bank a deposit account (e.g. controlled distribution account, managed distribution account, linked checking and investment account) (the “Deposit Account”), insured by the FDIC up to the guaranteed FDIC pass through limit. The Deposit Account shall be linked with the Escrow Account and shall be named, and records maintained, in accordance with the Escrow Agreement.

86. Upon the Commission staff’s receipt, review, and acceptance of the Payee List and the Reasonable Assurances Letter, the Commission staff will seek an order from the Commission pursuant to Rule 1101(b)(6) of the Commission’s Rules, 17 C.F.R. § 210.1101(b)(6) (“the Order to Disburse”), to disburse funds to the Bank in accordance with the Payee List (the “Escrow Property”) and pursuant to the Escrow Agreement, for distribution by the Fund Administrator in accordance with the Plan. All disbursements will be made pursuant to a Commission Order. Upon issuance of an order to disburse, the Commission staff will direct the transfer of funds to the Bank.

87. During the term of the Escrow Agreement, the Escrow Property shall be fully invested and reinvested by the Bank in short-term U.S. Treasury securities backed by the full faith and credit of the United States Government or an agency thereof, of a type and term necessary to meet the cash liquidity requirements for payments to Eligible Claimants and tax obligations, including money market mutual funds registered under the Investment Company Act of 1940 that invest 100% of their assets in direct obligations of the United States Government.

88. All interest, dividends, and/or income earned by the Escrow Property will accrue for the benefit of the Escrow Property. All Administrative Costs associated with the Escrow and Deposit Accounts will be the responsibility of the Fund Administrator, who may be reimbursed for said costs as provided in this Plan. No such Administrative Costs may be paid to the Bank, its agents, and/or its affiliates from the Escrow Property.

89. Within twenty (20) business days of the Bank’s transfer of the Escrow Property into the Escrow Account, the Fund Administrator shall use its best efforts to commence mailing Distribution Payment checks or effect electronic payments.

90. In consultation with Commission staff, the Fund Administrator shall work with the Bank on an ongoing basis to deposit or invest funds in the Escrow and Deposit Accounts so as to result in the maximum return, taking into account the safety of such deposits or investments and tax implications; and to determine an allocation of funds between the Escrow and the Deposit Accounts. The Fund Administrator shall provide duplicate bank and/or investment

statements on any accounts established by the Fund Administrator to the Tax Administrator on a monthly basis and shall assist the Tax Administrator in obtaining mid-cycle statements, as necessary.

91. All checks issued to Eligible Claimants by the Fund Administrator shall bear a stale date of ninety (90) days. Checks that are not negotiated before the stale date shall be voided and the issuing financial institution shall be instructed to stop payment on those checks. Such Eligible Claimant's claim is extinguished as of the stale date and the funds will remain in the Net Available Fair Fund. If a check reissue has been requested before the stale date, such request is governed by the following section.

92. Claims on behalf of a retirement plan covered by Section 3(3) of ERISA, 29 U.S.C. § 1002(3), which do not include individual retirement accounts, and such plan's participants, are properly made by the administrator, custodian or fiduciary of the plan and not by the plan's participants. The Fund Administrator will issue any payments on such claims directly to the administrator, custodian or fiduciary of the retirement plan. The custodian or fiduciary of the retirement plan will distribute any payments received in a manner consistent with its fiduciary duties and the governing account or plan provisions. With respect to any retirement plan that has been closed prior to the Fund Administrator's identification of Potential Claimants, the Fund Administrator will endeavor to distribute funds directly to the beneficial account holders of such retirement plans if the information required for such a distribution is known to or provided to the Fund Administrator.

93. All Distribution Payments shall be preceded or accompanied by a communication that will include, as appropriate: (a) a statement characterizing the distribution; (b) a statement from the Tax Administrator regarding the tax consequences of Distribution Payments and informing Eligible Claimants that the tax treatment of the distribution is the responsibility of each recipient and that the recipient should consult their tax advisor for advice regarding the tax treatment of the distribution; (c) a statement that checks will be void after ninety days (90) days; and (d) providing contact information for the Fund Administrator, to be used in the event of any questions regarding the distribution. All such communications shall be submitted to the Commission staff and the Tax Administrator for review and approval. Distribution Payments on their face or the accompanying communication shall clearly indicate that the money is being distributed from a Fair Fund established by the Commission for the benefit of investors for harm as a result of securities law violations.

D. Uncashed Checks, Undelivered Funds, and Reissues

94. The Fund Administrator will work with the Bank and maintain information about uncashed checks, returned and undelivered payments, 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 and for maintaining a record of such efforts. The amount of all uncashed and undelivered payments will continue to be held in the Fair Fund.

95. The Fund Administrator shall use its best efforts to make use of reasonable commercially available resources and other reasonably appropriate means to locate all Eligible Claimants whose checks are returned to the Fund Administrator as undeliverable by the USPS or otherwise.

96. The Fund Administrator will make and document reasonable efforts to contact Eligible Claimants to follow-up on the status of uncashed Distribution Payments (other than those returned as “undeliverable”) and undelivered electronic or non-check payments and take appropriate action to follow up on the status of those checks or payments at the request of the Commission staff.

97. Where new information becomes available, the Fund Administrator shall reissue the Distribution Payment check and send it to the new address. Where new address information is not available after a diligent search (and in no event later than ninety (90) days after the initial mailing of the original check) or if the Distribution Payment 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, despite best practicable efforts, is unable to find an Eligible Claimant’s correct address, the Fund Administrator, in its discretion, may remove such Eligible Claimant from the distribution and the allocated Distribution Payment will remain in the Net Available Fair Fund for distribution, if practicable, to the remaining Eligible Claimants.

98. When the Fund Administrator receives sufficient new or corrected payment information in connection with returned non-check payments, the Fund Administrator shall re-issue the payment based on the new information. If the Fund Administrator, despite best practicable efforts, is unable to find an Eligible Claimant’s correct payment information, the Fund Administrator may, in its discretion, remove such Eligible Claimant from the distribution and the allocated Distribution Payment will remain in the Net Available Fair Fund for distribution, if practicable, to the remaining Eligible Claimants.

99. At the discretion of the Fund Administrator in consultation with the Commission staff, costs of reissue that were not factored into the Reserve, such as bank fees offset upon the return of a payment, may reduce the Eligible Claimant’s Distribution Payment. In such situations, the Fund Administrator will immediately notify the Tax Administrator of the reduction in Distribution Payment.

100. The Fund Administrator will re-issue new checks to Eligible Claimants upon the receipt of a valid, written request from the Eligible Claimants prior to the initial stale date. Such reissued checks will be void if not negotiated by the later of ninety (90) days from issuance of the original check or sixty (60) days from the reissuance.

101. In cases where an Eligible Claimant is unable to endorse a Distribution Payment (e.g., as the result of a name change because of marriage or divorce, or as the result of death), any request by an Eligible Claimant or a lawful representative for reissuance of a Distribution Payment in a different name must be documented to the satisfaction of the Fund Administrator. If, in the sole discretion of the Fund Administrator, such change is properly documented, the Fund Administrator will issue an appropriately redrawn Distribution Payment, subject to the time limits detailed herein.

E. Residual and Disposition of Undistributed Funds

102. A residual within the Fair Fund will be established for any amounts remaining after all assets have been disbursed (the “Residual”). The Residual may include, among other things, funds reserved for Administrative Costs, amounts from Distribution Payment checks that have not been cashed, amounts from Distribution Payment checks that were not delivered or accepted upon delivery, or that were returned, and tax refunds.

103. With Commission approval pursuant to the Commission’s Rules, the Fund Administrator, in consultation with Commission staff, may distribute the Residual to Eligible Claimants, if any, who filed claims with the Fund Administrator after the Claims Bar Date or who were late in curing a deficient claim (“Late Claimants”), as well as to Eligible Claimants who have not been fully compensated under the Plan. Any such distribution will be subject to the available funds in the Residual and to the Minimum Distribution Amount of \$10.00, and Late Claimants will receive a Distribution Payment up to the Eligible Loss Amount that would have been received under the Plan if their claim had been filed on time.

104. If any funds remain after the payment of claims that were filed late or cured after the Claims Bar Date, or if no such claims exist, with Commission approval pursuant to the Commission’s Rules, the Fund Administrator, in consultation with Commission staff, may distribute the remaining residual funds on a *pro rata* basis to all Eligible Claimants that negotiated the checks issued in the immediately preceding distribution or that received electronic payments, subject to the Minimum Distribution Amount of \$10.00, and provided that their aggregate Distribution Payments do not exceed their Eligible Loss Amount plus, if applicable, Reasonable Interest.

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

F. Accountings and Termination of the Fair Fund

106. Pursuant to Rule 1105(f) of the Commission's Rules, 17 C.F.R. § 201.1105(f), once the Escrow Property has been transferred from BFS to the Bank, the Fund Administrator will provide an accounting to the Commission during the first ten (10) days of each calendar quarter in a format acceptable to the Commission staff. Each accounting shall detail all monies earned or received and all monies spent in connection with the administration of the Plan during the reporting period.

107. Upon completion of all distributions pursuant to the Plan, the Fund Administrator shall arrange for the payment of all Administrative Costs, transfer all remaining funds to the Commission and submit to the Commission staff a final fund accounting for Commission approval on the standardized accounting form provided by the Commission staff. The Fund Administrator also shall submit a final report to the Commission staff summarizing the distribution, including final distributions statistics regarding distributions to individuals and entities and such other information requested by the Commission staff.

108. The Fund Administrator will shut down the toll-free number, website, P.O. Box, and any electronic mail address established specifically for the administration of the Fair Fund upon the transfer of any remaining monies to the Commission.

109. 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 Commission staff, has been submitted by the Fund Administrator, and has been approved by the Commission; (b) all Administrative Costs have been paid; and (c) any amount remaining in the Residual has been received by the Commission for transfer to Treasury. Once the Commission has approved the final accounting, the Commission staff shall seek an order from the Commission terminating the Fair Fund, canceling the Fund Administrator's bond, discharging the Fund Administrator, and transferring any amount remaining in the Fair Fund that are infeasible to return to investors, and any amounts returned to it in the future that are infeasible to return to investors, to the general fund of the Treasury, subject to Section 21F(g)(3) of the Exchange Act.

110. Once the Fair Fund has been terminated, no further claims will be allowed and no additional payments will be made whatsoever.

G. Miscellaneous

111. All Administrative Costs will be paid from the Fair Fund, first from interest and then from the corpus of the Fair Fund.

112. The Fund Administrator is authorized to enter into agreements with financial institutions, ("Institutions") as may be appropriate or necessary in the administration of the Fair Fund, provided such Institutions are not excluded pursuant to other provisions of this Plan. In connection with such agreements, the Institutions shall be deemed to be agents of the Fund Administrator under this Plan.

113. The Fund Administrator, and/or each of its designees, agents and assistants, shall be entitled to rely on all outstanding rules of law; and any orders issued by the Commission, the Secretary by delegated authority or an Administrative Law Judge; and/or any investor information provided by Commission staff.

114. The Fund Administrator will retain all documents in any media for a period of six (6) years after approval of the final accounting. Pursuant to Commission staff's direction, the Fund Administrator will either turn over to the Commission or destroy all documents six (6) years after approval of the final accounting.

115. The Fund Administrator shall take reasonable and appropriate steps to distribute the Net Available Fair Fund according to the Plan. The Fund Administrator will inform Commission staff of any changes needed to the Plan. Upon approval by the Commission staff, the Fund Administrator may implement immaterial changes to this Plan to effectuate its general purposes. If a change is deemed to be material by Commission staff, Commission approval is required prior to implementation by amending the Plan.

116. The Fund Administrator may extend any of the procedural deadlines set forth in the Plan for good cause shown, if agreed upon by the Commission staff.