

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83497 / June 22, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-17791

In the Matter of :
 :
Orthofix International N.V. :
 :
Respondent. :

**ORDER APPROVING PLAN
OF DISTRIBUTION**

ADMINISTRATIVE PROCEEDING
File No. 3-17792

In the Matter of :
 :
Jeffrey Hammel, CPA :
 :
Respondent. :

ADMINISTRATIVE PROCEEDING
File No. 3-17793

In the Matter of :
 :
Brian McCollum :
 :
Respondent. :

ADMINISTRATIVE PROCEEDING
3-17794

In the Matter of :
 :
Kenneth Mack and Bryan McMillan :
 :
Respondents. :

On January 18, 2017, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Orthofix Order”)¹ against Orthofix International N.V. (“Orthofix”). The Orthofix Order required Orthofix to pay an \$8,250,000.00 civil money penalty, and created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, so the penalty could be distributed to harmed investors (the “Orthofix Fair Fund”). The Orthofix Order further provided that the Orthofix Fair Fund could receive funds from and/or be combined with fair funds established for civil penalties paid by other respondents for conduct arising in relation to the violative conduct at issue in the Orthofix Order.

The Commission simultaneously issued three settled orders (together with the Orthofix Order, the “Orders”) in related matters (collectively, the “Related Matters”) against Hammel,² McCollum,³ and Mack and McMillan.⁴ Hammel’s order required him to pay a \$20,000.00 civil money penalty, and McCollum’s order required him to pay a \$35,000.00 civil penalty. Mack and McMillan’s order required them to pay a \$40,000.00 and \$25,000.00 civil money penalty, respectively. Each order created a fair fund and provided that it could be added or combined with the Orthofix Fair Fund and/or may be added to or combined with fair funds established for the civil penalties paid by other respondents for conduct arising in relation to the violative

¹ Securities Act Rel. No. 10281 (Jan. 18, 2017).

² See Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 4C and 21C of the Securities Exchange Act of 1934, and Rule 102(e) of the Commission’s Rules of Practice, Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order, Securities Act Rel. No. 10282 (Jan. 18, 2017), Admin. Proc. File No. 3-17792.

³ 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 Remedies, Exchange Act Rel. No. 79819 (Jan. 18, 2017), Admin. Proc. File No. 3-17793.

⁴ 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. 79820 (Jan. 18, 2017), Admin. Proc. File No. 3-17794.

conduct at issue in the order, so that the combined fair funds could be distributed to harmed investors affected by the same violative conduct.

On December 27, 2017, the Commission issued an order consolidating the fair funds created in the Related Matters with the Orthofix Fair Fund and appointed Strategic Claims Services, Inc. as the fund administrator.⁵ The Orthofix Fair Fund has a total of \$8,370,000.00 for distribution to harmed investors.

On April 30, 2018, the Notice of Proposed Plan of Distribution and Opportunity for Comment (the “Notice”)⁶ was published, pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103. The Notice advised interested persons that they could obtain a copy of the Proposed Plan of Distribution (the “Plan”) from the Commission’s public website or by submitting a written request to Keshia W. Ellis, United States Securities and Exchange Commission, Office of Distributions, 100 F Street, NE, Washington, DC 20549-5876. All persons who desired to comment on the Plan could submit their comments, in writing, no later than May 30, 2018. No comments were submitted within the thirty (30) day comment period.

The Fair Fund is comprised of the \$8,370,000.00 in civil money penalties paid pursuant to the Orders. The Plan provides for distribution of the Net Fair Fund⁷ to eligible investors, who suffered a Recognized Loss. The Plan proposes to distribute the Net Fair Fund in accordance with the methodology described in the Plan.

The Division of Enforcement now requests that the Commission approve the Plan.

⁵ See Order Consolidating Fair Funds, Appointing Fund Administrator, and Setting Administrator Bond Amount, Exchange Act Rel. No. 82410 (Dec. 27, 2017).

⁶ Exchange Act Rel. No. 83133 (Apr. 30, 2018).

⁷ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Plan.

Accordingly, IT IS HEREBY ORDERED that, pursuant to Rule 1104 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1104, the Plan is approved, and shall be posted simultaneously with this Order on the Commission's website at www.sec.gov.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary