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(*pro hac* pursuant to LR IC 2-1)
2 SECURITIES AND EXCHANGE COMMISSION
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5 Securities and Exchange Commission

6 **UNITED STATES DISTRICT COURT**
7 **DISTRICT OF NEVADA**

8 **SECURITIES AND EXCHANGE**
COMMISSION,
9 **Plaintiff,**
10 **v.**
11 **EDWIN YOSHIHIRO FUJINAGA, et al.,**
Defendants,
12 **and**
13 **JUNE FUJINAGA,**
14 **CSA SERVICE CENTER, LLC,**
15 **THE FACTORING CO., and**
THE YUNJU TRUST,
16 **Relief Defendants.**

Case No.: 2:13-cv-1658-JCM-CWH

17 **Notice of First Status Report**

18 Pursuant to paragraph 2(h) of the Order Appointing a Distribution Agent and a Tax
19 Administrator and Authorizing Payment of Administrative Fees and Expenses and Tax
20 Obligations (ECF No. 509, the “Appointment Order”), and paragraph 63 of the distribution plan
21 approved by this Court on October 4, 2023 (ECF No. 594, the “Plan”), Plaintiff Securities and
22 Exchange Commission (the “SEC”) hereby files the attached Distribution Agent’s First Status
23 Report. *See* Exhibit 1. In accordance with the Appointment Order and the Plan, the SEC
24
25

1 anticipates that it will file the Distribution Agent's Second Status Report on or before April 30,
2 2024.

3
4 Dated: February 6, 2024

Respectfully submitted,

5
6 /s/ Catherine E. Pappas
7 Catherine E. Pappas
8 (*pro hac* pursuant to LR IC 2-1)
9 Attorney for Plaintiff
10 SECURITIES AND EXCHANGE
11 COMMISSION
12 One Penn Center
13 1617 JFK Blvd., Ste. 520
14 Philadelphia, Pa. 19103
15 Tel: 215-597-0657
16 Fax: 215-597-2740
17 pappasc@SEC.gov

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Att: Exhibit 1 (Distribution Agent's First Status Report)

CERTIFICATE OF SERVICE PURSUANT TO LR 5-1

I certify that on February 6, 2024, I served counsel of record with the foregoing Status Report via the Court's ECF system.

/s/ Catherine E. Pappas
Catherine E. Pappas

Exhibit 1

(The Distribution Agent's First Status Report)

1 UNITED STATES DISTRICT COURT
2 DISTRICT OF NEVADA

3 SECURITIES AND EXCHANGE
4 COMMISSION,

5 Plaintiff,

6 v.

Case No.: 2:13-cv-1658-JCM-CWH

7 EDWIN YOSHIHIRO FUJINAGA, *et al.*,

8 Defendants,

9 and

10
11 JUNE FUJINAGA,
12 CSA SERVICE CENTER, LLC,
13 THE FACTORING CO., and
14 THE YUNJU TRUST,

Relief Defendants.

15 **THE DISTRIBUTION AGENT’S FIRST STATUS REPORT**

16
17 Kroll Settlement Administration LLC (“Kroll”),¹ the Court-appointed Distribution Agent
18 in the above-captioned matter, respectfully submits this Status Report pursuant to the Court’s
19 *Order Appointing a Distribution Agent and a Tax Administrator and Authorizing Payment of*
20 *Administrative Fees and Expenses and Tax Obligations*, entered March 18, 2019 (the “Order,”
21 ECF No. 509) and the Distribution Plan approved by the Court on October 4, 2023 (ECF No.
22

23
24 ¹ At the time of the Court’s appointment of the Distribution Agent and the Tax Administrator,
25 Heffler Claims Group (“HCG”) and HRS were affiliates. In July 2019, HCG was indirectly
acquired by Duff & Phelps, LLC (n/k/a Kroll, LLC). Upon acquisition, HCG’s name was
changed to Claims Acquisition, LLC, and it was later further changed to Kroll Settlement
Administration LLC. HRS, while no longer affiliated with Kroll, continues as the Tax
Administrator.

1 594). By the Order, this Court appointed Kroll as the Distribution Agent for the collections in
2 this action (the “Distribution Fund”), to oversee the administration and distribution of the
3 Distribution Fund in coordination with the Securities and Exchange Commission’s (“SEC”)
4 counsel of record. Pursuant to paragraph 2(h) of the Order, the Distribution Agent is required to
5 file with the Court or provide to the SEC’s counsel of record to file with the Court, quarterly
6 status reports. This report covers the period from Kroll’s appointment through December 31,
7 2023.²

8
9 **Tasks Performed by the Distribution Agent Since Its Appointment**

10 Since Kroll’s appointment, Kroll has performed the following tasks in connection with its
11 role as the Court-appointed Distribution Agent in the instant case:

- 12 • Kroll staff worked with the SEC’s counsel to draft and finalize the Distribution Plan and
13 submit for Court approval;
- 14 • Upon the Distribution Plan’s approval, in consultation with the SEC’s counsel, Kroll
15 began to implement the Distribution Plan by, among other things:
 - 16 ○ Establishing a dedicated website, www.secfujinagadistributionfund.com, and
17 drafting the content of the same, including a home page, frequently asked
18 questions, documents, and contact information; finalizing the content; and
19 publishing the website in both English and Japanese;
 - 20 ○ Establishing a toll-free telephone number that utilizes an interactive voice
21 response system with specific information about the Distribution Fund in English
22
23
24

25 _____
² The Distribution Agent respectfully acknowledges that this First Status Report is untimely under the Order. The Distribution Agent intends to timely file a second report within thirty days of the end of the first quarter, 2024.

1 and Japanese that is staffed by operators who will assist Preliminary Claimants³
2 with their inquiries;

- 3 ○ Establishing and maintaining a case specific database of all Preliminary Claimants
4 and Opt-Out Investors based upon information provided to and obtained by the
5 Distribution Agent from the related class action, *Shige Takiguchi, et al. v. MRI*
6 *International, Inc., et al.*, 2:13-cv-01183-GMN-VCF (D. Nev.);
- 7 ○ Establishing and maintaining a traditional mailing address, *SEC v. MRI Fund, c/o*
8 Kroll Settlement Administration, PO Box 5324, New York, NY 10150-5324, and
9 an email address, info@SECFujinagaDistributionFund.com, which were both
10 listed on all correspondence from the Distribution Agent to Preliminary Claimants
11 as well as on the Distribution Fund's website;

- 12 • Within forty-five (45) days of Court approval of the Distribution Plan, Kroll, in
13 consultation with the SEC, drafted and finalized the Plan Notice. On November 17, 2023,
14 Kroll sent the Plan Notice by mail to Preliminary Claimants' last known physical mailing
15 address. The Plan Notice solicited from Preliminary Claimants payment information to
16 assist the Distribution Agent in making Distribution Payments if and when that
17 Preliminary Claimant is determined to be eligible for the Distribution Payment.
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21 **Anticipated Next Steps**

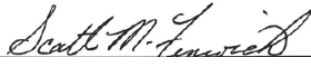
22 Following the mailing of the Plan Notice, Kroll will continue to execute the Distribution
23 Plan, including:
24
25

³ Capitalized terms not defined herein are used as defined in the Plan.

- 1 • Reviewing submissions from Preliminary Claimants and updating the database with
2 corrected and/or payment information;
- 3 • Responding to inquiries by Preliminary Claimants and their representatives and assisting
4 them in submitting the information requested;
- 5 • Working with Preliminary Claimants who seek payment to a name other than that known
6 to the Distribution Agent, in accordance with paragraph 53 of the Distribution Plan;
- 7 • Establishing the Escrow Account;
- 8 • Working with the Tax Administrator and the SEC to determine the Net Available
9 Distribution Fund;
- 10 • Compiling the Payee List and drafting a Declaration to the SEC Staff consistent with the
11 Plan, paragraph 38;
- 12 • Issuing Distribution Payments in accordance with the Plan upon Court Order and upon
13 receipt of the funds from the SEC; and
- 14 • Filing a second status report on or before April 30, 2024.
15

16 Dated: February 6, 2024

17
18 Respectfully submitted,

19
20
21 By: 
22 Scott M. Fenwick
23 Kroll Settlement Administration LLC
24 Distribution Agent
25 2000 Market Street, Suite 2700
Philadelphia, PA 19103