

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**

**Release No. 85791 / May 6, 2019**

**ADMINISTRATIVE PROCEEDING**

**File No. 3-12540**

**In the Matter of**

**FRED ALGER MANAGEMENT, INC.  
AND FRED ALGER & COMPANY,  
INCORPORATED,**

**Respondents.**

**ORDER DIRECTING THIRD  
DISBURSEMENT OF FAIR FUND**

On May 5, 2015, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”)<sup>1</sup> pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”).<sup>2</sup> The Notice advised interested persons that they could obtain a copy of the Proposed Plan of Distribution from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm> or by submitting a written request to Nancy Burton, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5631. The Notice also advised that all persons desiring to comment on the Proposed Plan of Distribution could submit their comments, in writing, no later than thirty (30) days from the date of the Notice. The Commission received no comments in response to the Notice and issued an order approving the Plan of Distribution (“Distribution Plan”) on July 24, 2015.<sup>3</sup>

The Distribution Plan provides for the distribution of the disgorgement, prejudgment interest and civil penalty paid by the Respondents, plus any accumulated interest earned, less a reserve for taxes, to investors according to the methodology set forth in the Distribution Plan. The Distribution Plan seeks to distribute to accountholders a proportionate share of the Fair Fund as compensation for dilution losses they may have suffered as a result of market timing and late trading during the period spanning September 12, 2001 through October 15, 2003, in the Alger Fund<sup>4</sup> portfolios, and a proportionate share of the advisory fees paid during the relevant period.

<sup>1</sup> Exchange Act Rel. No. 74871 (May 5, 2015).

<sup>2</sup> 17 C.F.R. § 201.1103.

<sup>3</sup> See Order Approving a Plan of Distribution, Exchange Act Rel. No. 75520 (July 24, 2015).

<sup>4</sup> All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Distribution Plan.

On September 25, 2017, the Commission issued an order directing the transfer of \$18,340,472.97 from the Fair Fund to The Huntington National Bank for the first distribution in accordance with the Distribution Plan.<sup>5</sup>

On August 23, 2018, the Commission issued an order directing the transfer of \$6,408,584.59 from the Fair Fund to The Huntington National Bank for the second distribution in accordance with the Distribution Plan.<sup>6</sup>

At the direction of the Independent Distribution Consultant (“IDC”), the Fund Administrator has submitted to the Commission staff a third validated list of 27,568 payees and payment amounts approved by the IDC. Commission staff has reviewed the validated list and requests that, pursuant to Rule 1101(b)(6) of the Commission’s Rules,<sup>7</sup> the Commission authorize the transfer of \$6,849,725.63 from the Fair Fund to The Huntington National Bank for a third distribution in accordance with the Distribution Plan.

Accordingly, it is ORDERED that the Commission staff shall transfer \$6,849,725.63 from the Fair Fund to the Fair Fund’s Escrow Account at The Huntington National Bank, and the Fund Administrator shall distribute such monies to investors as provided for in the Distribution Plan.

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

Vanessa A. Countryman  
Acting Secretary

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<sup>5</sup> Order Directing Disbursement of Fair Fund, Exchange Act Rel. No. 81698 (Sept. 25, 2017).

<sup>6</sup> Order Directing Second Disbursement of Fair Fund, Exchange Act Rel. No. 83915 (Aug. 23, 2018).

<sup>7</sup> 17 C.F.R. § 201.1101(b)(6).