

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 93109 / September 23, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-12540

In the Matter of

Fred Alger Management, Inc. and
Fred Alger & Company,
Incorporated,

Respondents.

ORDER DIRECTING FOURTH
DISBURSEMENT OF FAIR FUND

On May 5, 2015, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),¹ pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”);² and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Nancy Burton, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received no comments on the Proposed Plan during the comment period. On July 24, 2015, the Secretary, pursuant to delegated authority,

¹ Exchange Act Rel. No. 74871 (May 5, 2015).

² 17 C.F.R. § 201.1103.

issued an order approving the Proposed Plan,³ and posted the approved Plan of Distribution (the “Plan”).

The 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 Plan. The 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 portfolios, and a proportionate share of the advisory fees paid during the relevant period. The Plan further provides that the monies remaining in the Fair Fund in excess of \$10 million after distribution to individual accountholders and omnibus accounts will be distributed to the Alger Fund portfolios based on the proportion of aggregate excess profits by market timers accounted for by each Alger Fund portfolio that experienced dilution.

On September 25, 2017, August 23, 2018, and May 6, 2019, the Commission issued orders directing the transfer of a total of \$31,598,783.19 from the Fair Fund to the Fair Fund’s escrow account at The Huntington National Bank, for distribution to harmed investors in accordance with the Plan.⁴

Pursuant to the Plan, the Fund Administrator has submitted a payment file to Commission staff with a reasonable assurance letter as to the completeness and accuracy of the information contained therein. The Commission staff has reviewed and accepted the payment file and requests, pursuant to Rule 1101(b)(6) of the Commission’s Rules, 17 C.F.R. § 201.1101(b)(6), that the Commission authorize the transfer of \$329,919.89 from the Fair Fund to the Fair Fund’s

³ See Order Approving Plan of Distribution, Exchange Act Rel. No. 75520 (July 24, 2015).

⁴ Exchange Act Rel. Nos. 81698 (Sept. 25, 2017), 83915 (Aug. 23, 2018), and 85791 (May 6, 2019).

escrow account at The Huntington National Bank, and for it to be added to the remaining \$13,093,403.63 held at The Huntington National Bank, for a total distribution of \$13,423,323.52, in accordance with the Plan.

Accordingly, it is hereby ORDERED, that Commission staff shall transfer \$329,919.89 from the Fair Fund to the Fair Fund's escrow account at The Huntington National Bank, and the Fund Administrator shall distribute this sum, along with \$13,093,403.63 held at The Huntington National Bank, for a total distribution of \$13,423,323.52 in accordance with the Plan.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.

Vanessa A. Countryman
Secretary