

**UNITED STATES DISTRICT COURT
OF CONNECTICUT**

SECURITIES AND
EXCHANGE COMMISSION,

Plaintiff,

Civil No. 3:13-cv-01643

v.

RBS SECURITIES INC.,

Defendant.

DISTRIBUTION PLAN FOR RBS FAIR FUND

I. OVERVIEW

1. This Distribution Plan (the “Plan”) was developed by the Securities and Exchange Commission (the “SEC” or the “Commission”) in accordance with practices and procedures customary in Fair Fund administrations. This Plan provides for the distribution of a Fair Fund (the “Fair Fund”) comprised of disgorgement, prejudgment interest, and civil money penalties paid by RBS Securities Inc. (“RBS” or the “Defendant”) in this proceeding.

2. The purpose of this distribution is to compensate investors in the Soundview Home Loan Trust Asset 2007-OPT1 (“Soundview Trust”) who a) purchased Eligible Certificates in the initial offering or purchased on the secondary market from May 4, 2007 through and including August 27, 2007 (the “Eligible Purchase Period”), and b) held the Eligible Certificates through August 27, 2007, as a result of Defendants’ misrepresentations and omissions in the offering materials for the Soundview Trust. The methodology allocates the Fair Fund to Eligible Claimants based on the proportion of their claim to all other Eligible Claimants.

3. The Commission has custody of the Fair Fund and shall retain control of the assets of the Fair Fund.

4. This Plan is subject to approval by the Court, and the Court retains exclusive jurisdiction over the implementation of this Plan.

II. BACKGROUND

5. On November 7, 2013, the SEC brought suit against Defendant RBS Securities Inc., formerly known as Greenwich Capital Markets, Inc.¹ In its Complaint, the SEC alleged that RBS misrepresented and omitted certain material facts in promoting its \$2.2 billion offering of a subprime residential mortgage-backed security. Specifically, the SEC alleged that RBS misled investors about the quality and safety of their investments by claiming that the subprime loans backing the multi-billion dollar offering were “generally” in compliance with the lender’s underwriting guidelines when, in fact, RBS knew or should have known at the time that almost 30% of the loans backing the offering deviated so much from the lender’s underwriting guidelines that they should have been kicked out of the offering entirely.

6. Pursuant to the Final Judgment as to Defendant RBS Securities Inc. (the “Final Judgment”) dated November 25, 2013,² RBS consented to entry of a judgment for violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933, 15 U.S.C. §§77q(a)(2) and (a)(3), and agreed to pay disgorgement of \$80,352,639, prejudgment interest of \$25,190,552 and a civil penalty of \$48,211,583. The Final Judgment provided for the SEC to hold all funds paid, together with interest and income earned thereon (collectively, the “Fund”), pending further Court order.

7. The Court appointed Damasco & Associates LLP (“Damasco”), as the Tax Administrator of the Fund on October 16, 2014.³

¹ Docket entry (“DE”) 1.

² DE 6.

³ Order to Appoint a Tax Administrator, DE 9. As of October 1, 2016, Damasco became a part of Miller Kaplan Arase LLP. The firm’s engagement by the SEC and its ability to carry out its duties as appointed Tax Administrator for this matter has not changed.

8. On May 21, 2015, the Court entered an order that established the Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, for the monies paid by Defendant and appointed Garden City Group, LLC (“GCG”) as the Distribution Agent (the “Appointment Order”).⁴ GCG has since been acquired by Epiq Class Action and Claims Solutions, Inc.

9. The Defendant has paid a total of \$153,754,774.00 and has fully satisfied its judgment. The Fair Fund has been deposited at the United States Department of the Treasury’s Bureau of the Fiscal Service (“BFS”) for investment. It is not anticipated that the Fair Fund will receive additional funds, other than accumulated interest and earnings from investments.

III. DEFINITIONS

As used in this Plan, the following definitions will apply:

10. “**Administrative Costs**” shall mean any administrative costs and expenses, including without limitation the fees and expenses of the Tax Administrator and the Distribution Agent, tax obligations, and investment and banking costs. Administrative Costs will be paid from the Fair Fund with the approval of Commission staff.

11. “**Claim Form**” means the form designed by the Distribution Agent, in consultation with the Commission staff, for the filing of claims in accordance with this Plan. The Claim Form will require, at a minimum, sufficient documentation reflecting any Preliminary Claimant’s purchases and dispositions of Soundview Trust Asset 2007-OPT1 Certificates identified in Appendix A to this Plan during the Eligible Purchase Period such that eligibility under the Plan can be determined, tax identification and other related information from the Preliminary Claimant as determined necessary by the Distribution Agent in coordination with the Tax Administrator,

⁴ Order to Establish Fair Fund and Appoint a Distribution Agent, DE 23.

and a certification that the Preliminary Claimant is not an Excluded Party.

12. **“Claim Status Notice”** means the notice sent by the Distribution Agent within ninety(90) days of the Claims Bar Date to all Preliminary Claimants who submitted a deficient Claim Form. The Claim Status Notice will provide to each Preliminary Claimant whose claim is deficient, in whole or in part, the reason(s) for the deficiency and in the event the claim is denied, the Claim Status Notice will state the reason(s) for such denial. The Claim Status Notice will also notify the Preliminary Claimant of the opportunity to cure any deficiency, request reconsideration, or dispute the determination made by the Distribution Agent and provide instructions regarding what is required to do so.

13. **“Claims Bar Date”** means the date established in accordance with this Plan by which a Preliminary Claimant’s Claim Form must be postmarked or submitted electronically in order to receive consideration under the Plan. The Claims Bar Date shall be one hundred twenty (120) days after the initial mailing of the Plan Notice. Claim Forms submitted by Preliminary Claimants postmarked or, if not sent by U.S. Mail., received after the Claims Bar Date will not be accepted unless the Distribution Agent is directed to do so by the Commission staff.

14. **“Claims Packet”** means the materials relevant to submitting a claim that will be provided to Preliminary Claimants who request such materials through a website or otherwise prior to the Claims Bar Date. The Claims Packet will include, at a minimum, a copy of the Plan Notice and a Claim Form (together with instructions for completion of the Claim Form).

15. **“Days”** shall mean calendar days, unless otherwise specified herein.

16. **“Determination Notice”** shall mean the written notice sent by the Distribution Agent to all Preliminary Claimants who timely submitted a Claim Form, notifying the Preliminary Claimant of its eligibility determination. The Determination Notice will further provide each

Preliminary Claimant that is determined to be an Eligible Claimant with his, her, or its calculated Recognized Claim Amount. The Determination Notice will constitute the Distribution Agent's final ruling regarding the eligibility status of the claim.

17. **“Distribution Agent”** shall mean Garden City Group, now acquired by Epiq Class Action and Claims Solutions, Inc. (including its employees, agents, consultants or independent contractors), the Distribution Agent appointed by the Court to assist with the administration and distribution of the Fair Fund in accordance with the terms of this Plan and the Court's orders.

18. **“Distribution Payment”** means a payment from the Fair Fund to a Payee in accordance with the terms of this Plan. A Distribution Payment will be subject to certain minimum and maximum criteria explained in the Plan of Allocation.

19. **“Eligible Certificates”** shall mean the Soundview Home Loan Trust Asset 2007-OPT1 Certificates identified in Appendix A to this Plan.

20. **“Eligible Claimant”** means a Preliminary Claimant, who is not an Excluded Party, who submitted a valid Claim Form together with required supporting documentation, and has suffered a Recognized Claim Amount as calculated in accordance with the Plan of Allocation.

21. **“Eligible Purchase Period”** shall mean from the time of the initial offering of the Eligible Certificates on May 4, 2007 through and including August 27, 2007, the date of the issuance of the August 2007 monthly distribution report to investors by the securities administrator for the Soundview Trust.

22. **“Excluded Party”** shall mean:

- (a) The Defendant;
- (b) Present or former officers or directors of Defendant (during the period 2007 to the present) or any assigns, creditors, heirs, distributees, spouses, parents,

dependent children or controlled entities of any of the foregoing Persons or entities;

- (c) Any employee or former employee of the Defendant or any of its affiliates who has been terminated for cause or has otherwise resigned, in connection with the conduct alleged in the Complaint;
- (d) Any Person who, as of the Claims Bar Date, has been the subject of criminal charges related to the conduct alleged in the Complaint or any related Commission action;
- (e) Any firm, trust, corporation, officer, or other entity in which Defendant has or had a controlling interest;
- (f) The Distribution Agent, its employees, and those Persons assisting the Distribution Agent in its role as the Distribution Agent; or
- (g) Any purchaser or assignee of another Person's right to obtain a recovery from the Fair Fund for value; provided, however, that this provision shall not be construed to exclude those Persons who obtained such a right by gift, inheritance or devise.

The Claim Form will require claimants to certify that they are not an Excluded Party.

23. **“Fair Fund”** means the fund created by the Court pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, for the benefit of investors harmed by Defendant's violations alleged in the Complaint.

24. **“Net Available Fair Fund”** means the Fair Fund, plus any interest or earnings, less Administrative Costs.

25. **“Payee”** means an Eligible Claimant whose distribution amount (inclusive of

Reasonable Interest, if any) equals or exceeds the Minimum Distribution Amount will be deemed a Payee and will receive a Distribution Payment equal to his, her or its distribution amount.

26. “**Person**” means natural individuals as well as legal entities such as corporations, partnerships, or limited liability companies.

27. “**Plan Notice**” means a written notice from the Distribution Agent to Preliminary Claimants informing them of the Fair Fund; the Plan and its eligibility requirements; explaining how to submit a claim, including instructions for any online claims process; and how to obtain a copy of the approved Plan and Claim Form by request or from the Fair Fund’s website. The Plan Notice will also be available on the Fair Fund’s website that is maintained by the Distribution Agent.

28. “**Plan of Allocation**” means the methodology by which an Eligible Claimant’s Recognized Claim Amount and Distribution Payment is calculated. The Plan of Allocation is attached as Exhibit A.

29. “**Preliminary Claimant**” shall mean a Person, or their lawful successors, identified by the Distribution Agent as having possible claim to recover from the Fair Fund under this Plan, or a Person asserting prior to the Claims Bar Date that he, she, or it has a possible claim to recover from the Fair Fund under this Plan.

30. “**Preliminary Recovery Amount**” shall mean for each Eligible Claimant, the face value of the Eligible Claimant’s purchases of Eligible Certificates divided by the total offering size of all the Eligible Certificates, and multiplied by the Net Available Fair Fund.

31. “**Recognized Claim Amount**” shall be the Eligible Claimant’s compensable allocation amount calculated pursuant to the methodology of the Plan of Allocation set forth at Exhibit A.

32. **“Recovery Cap”** refers to certain calculations limiting the size of an Eligible Claimant’s Recognized Claim Amount as provided in the Plan of Allocation in Exhibit A.

33. **“Summary Notice”** means the notice published in print or internet media that shall include, at a minimum, a statement of the purpose of the Fair Fund and the Plan, the means of obtaining a Claims Packet, and the Claims Bar Date. The Summary Notice will be published on PR Newswire or other internet media and on www.RBSSecuritiesFairFund.com, from which each Preliminary Claimant may obtain a copy of the Plan, download a copy of the Claims Packet, request a Claims Packet by mail and obtain information regarding the claims process and eligibility requirements.

34. **“Tax Administrator”** shall mean Miller Kaplan Arase LLP.

35. **“Third-Party Filer”** means a third-party, including without limitation a nominee, custodian, or an intermediary holding in street name, who is authorized to submit and submits a claim(s) on behalf of one or more Preliminary Claimants. Third-Party Filer does not include assignees or purchasers of claims, who are excluded from receiving Distribution Payments.

IV. TAX COMPLIANCE

36. The Tax Administrator shall handle the tax obligations of the Fair Fund. The Tax Administrator will be compensated for reasonable fees and expenses from the Fair Fund.

37. The Fair Fund constitutes a Qualified Settlement Fund (“QSF”) under Section 468B(g) of the Internal Revenue Code of 1986, as amended, 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 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) Requesting funds necessary for the timely payment of all applicable taxes, the 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 imposed on distributions from the Fair Fund.

V. DISTRIBUTION AGENT

38. The Distribution Agent will be responsible for administering the Fair Fund in accordance with the Plan. This will include, among other things, taking reasonable steps to obtain accurate mailing information for Preliminary Claimants; establishing a website and staffing a call center to address inquiries regarding the Plan; disseminating the Plan Notice; preparing accountings; cooperating with the Tax Administrator appointed by the Court to satisfy any tax liabilities and to ensure compliance with income tax reporting requirements, including but not limited to Foreign Account Tax Compliance Act (FATCA); disbursing the Fair Fund in accordance with this Plan, as ordered by the Court; and researching and reconciling errors and reissuing payments, when possible.

39. To carry out the purposes of this Plan, the Distribution Agent is authorized to make and implement immaterial changes to the Plan upon agreement of the Commission staff. If a change is deemed to be material by the Commission staff, Court approval is required prior to implementation by amending the Plan.

40. The Distribution Agent may extend any procedural deadline contained in the Plan for good cause shown, if agreed upon by the Commission staff.

41. The Distribution Agent is entitled to rely on all outstanding rules of law and Court orders. The Distribution Agent will not be liable to anyone, except the Commission on behalf of

the Fair Fund for a pecuniary loss to the Fair Fund, for any action taken or omitted by the Distribution Agent in connection with the Plan and all Preliminary Claimants will have no claims against the Distribution Agent, its employees, agents, and attorneys in connection with the Plan and the administration of the Fair Fund, and will be deemed enjoined from prosecuting or asserting any such claims, except upon a finding by this Court of gross negligence or reckless disregard of duty under this Plan.

42. The Distribution Agent is authorized to enter into agreements with third-parties as may be appropriate or necessary in the administration of the Fair Fund, provided such third-parties are not excluded pursuant to other provisions of this Plan. In connection with such agreements, the third-parties shall be deemed to be agents of the Distribution Agent under this Plan.

43. The Distribution Agent may be removed at any time by the Court, and replaced with a successor. In the event the Distribution Agent decides to resign, it will first give written notice to the Commission staff and the Court of such intention, and such resignation will not be effective until the Court has appointed a successor. The Distribution Agent will then follow such instructions as such successor or the Court provides in turning over management of the Fair Fund.

VI. ADMINISTRATION OF THE FAIR FUND

Identification of and Notification to Preliminary Claimants

44. The Distribution Agent will, insofar as practicable, use its best efforts to identify Preliminary Claimants from a review of trading records, obtaining records from registered broker-dealers and investment advisors, and seeking information from any other source available to it. The Distribution Agent may also engage a third-party firm, after consultation with and approval of the Commission staff, to assist in identifying Preliminary Claimants to maximize the participation rate of subprime residential mortgage-backed security Soundview Home Loan

Trust Asset 2007-OPT1 investors in the Fair Fund.

45. Within sixty (60) days after Court approval of the Plan, the Distribution Agent shall:

- (a) design and submit a Claims Packet, including the Plan Notice and the Claim Form, to the Commission staff for review and approval;
- (b) create a mailing and claim database of all Preliminary Claimants based upon information identified by the Distribution Agent;
- (c) run a National Change of Address search to retrieve updated addresses for all records in the database, thereby ensuring the mailing information for Preliminary Claimants is up-to-date;
- (d) email and/or mail a Plan Notice to each Preliminary Claimant identified by the Distribution Agent and to the Distribution Agent's list of banks, brokers, and other nominees in accordance with paragraph 49 below;
- (e) establish and maintain a website devoted solely to the Fair Fund. The Fair Fund's website, located at www.RBSSecuritiesFairFund.com, will make available a copy of the approved Plan; provide information regarding the claims process and eligibility requirements for participation in the Fair Fund in the form of frequently asked questions; include in downloadable form, the Claim Form and other related materials; and such other information the Distribution Agent believes will be beneficial to Preliminary Claimants;
- (f) establish and maintain a toll-free telephone number for Preliminary Claimants to call to speak to a live representative of the Distribution Agent during its regular business hours or, outside of such hours, to hear

prerecorded information about the Fair Fund. The toll-free number will be listed on all correspondence from the Distribution Agent to Preliminary Claimants as well as on the Fair Fund's website; and

- (g) establish and maintain a traditional mailing address and an email address which will be listed on all correspondence from the Distribution Agent to Preliminary Claimants as well as on the Fair Fund's website.

46. The Distribution Agent will publish the Summary Notice on the internet and/or in print media acceptable to Commission staff on PR Newswire or other internet media and on www.RBSSecuritiesFairFund.com, from which each Preliminary Claimant may obtain a copy of the Plan, download a copy of the Claims Packet, request a Claims Packet by mail and obtain information regarding the claims process and eligibility requirements.

47. The Commission staff retains the right to review and approve any material posted on the Fair Fund's website, any material mailed, and any scripts used in connection with any communication with Preliminary Claimants.

48. In all materials that refer to the Claims Bar Date, the filing deadline will be clearly identified with the calendar date, which is one hundred twenty (120) days from the date of the initial mailing of the Plan Notice.

49. The Distribution Agent will promptly provide a Claims Packet to any Preliminary Claimant upon request made via mail, phone, or email prior to the Claims Bar Date.

50. The Distribution Agent will send by mail, email, or other means, the Plan Notice to the Distribution Agent's list of banks, brokers, and other nominees, as well as any other institutions identified during the outreach process, that may have records of the Eligible Certificates during the Eligible Purchase Period (collectively, the "Nominees or Custodians"). The Distribution Agent

will request that these entities, to the extent that they were record holders for beneficial owners of the Eligible Certificates:

- (a) within fourteen (14) days of the Nominees' or Custodians' receipt of the Plan Notice, notify and send the Plan Notice to the respective beneficial owners, and, as requested, provide to the beneficial owners a Claims Packet, so that the beneficial owners may timely file a claim. The burden will be on the Nominees or Custodians to ensure the claims process information, including, if requested, the Claims Packet and other relevant materials, is properly disseminated to the beneficial owners; and/or
- (b) provide to the Distribution Agent, within fourteen (14) days of receipt of the Plan Notice, a list of last known names and addresses for all beneficial owners for whom/which they purchased, as the record holder, the Eligible Certificates during the Eligible Purchase Period, so that the Distribution Agent can communicate with the beneficial owners directly.

51. At the discretion of the Distribution Agent, in consultation with the Commission staff, a reasonable number of additional copies of the Claims Packet shall be made available to any Nominee or Custodian requesting it for the purpose of distribution to beneficial owners.

52. Documented reasonable out-of-pocket expenses incurred by the Nominees or the Custodians, which would not have been incurred but for compliance with paragraph 49 above, shall be reimbursed from the Fair Fund. Unless otherwise determined by the Distribution Agent in consultation with the Commission staff, out-of-pocket expenses based on the following rates will be considered reasonable:

- (a) a maximum of \$0.08 per Claims Packet, plus postage at the pre-sort postage

rate per Claim Packet actually mailed;

- (b) a maximum \$0.05 per email of Summary Notice or Plan Notice and Claim Form link disseminated; or
- (c) \$0.20 per name, address, and email address provided to the Distribution Agent, up to a maximum of amount of \$1,500.00.

53. The Distribution Agent will attempt to locate any Preliminary Claimant whose mailing is returned as “undeliverable” and will document all such efforts. The Distribution Agent shall use its best efforts to make use of commercially available resources and other reasonably appropriate means to obtain updated addresses in response to “undeliverable” notices, and forward any returned mail for which an updated address is provided or obtained. The Distribution Agent will make available, upon request by the Commission staff, a list of all Preliminary Claimants whose Plan Notice have been returned as “undeliverable” due to incorrect addresses and for which the Distribution Agent has been unable to locate current addresses.

Filing a Claim

54. To avoid being barred from asserting a claim, on or before the Claims Bar Date, each Preliminary Claimant must submit to the Distribution Agent a properly completed Claim Form reflecting such Preliminary Claimant’s claim, together with all required supporting documentation as the Distribution Agent, in its discretion, deems necessary or appropriate to substantiate the claim. Without limitation, this information may include third-party documentary evidence of purchases and dispositions of Eligible Certificates, as well as holdings of Eligible Certificates at pertinent dates.

55. Electronic claims submission is encouraged; the Plan Notice will include directions on how Preliminary Claimants can submit their claims electronically via the Fair Fund’s website.

If using the web-based claim filing option, a Preliminary Claimant must submit his, her, or its claim to the Distribution Agent by 11:59 p.m. on the Claims Bar Date. The Plan Notice will also include directions for submission of claims if the Preliminary Claimant is unable to submit his, her, or its claim electronically.

56. The burden will be upon the Preliminary Claimant to ensure that his, her or its Claim Form has been properly and timely received by the Distribution Agent. A Claim Form that is postmarked or, if not mailed, received after the Claims Bar Date will not be accepted unless the deadline is extended by the Distribution Agent for good cause shown, after consultation with the Commission staff.

57. All Claim Forms and supporting documentation necessary to determine a Preliminary 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 Preliminary Claimant under penalty of perjury under the laws of the United States. The declaration must be executed by the Preliminary Claimant, unless the Distribution Agent accepts such declaration from a Person authorized to act on the Preliminary Claimant's behalf, whose authority is supported by such documentary evidence as the Distribution Agent deems necessary.

58. 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 Distribution Agent in this matter. Third-Party Filers that do not comply with the template and format provided by the Distribution Agent 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.

59. Each Third-Party Filer must establish the validity and amount of each claim in its

submission. Third-Party Filers must submit such supporting documentary evidence of purchases, dispositions, and holdings of Eligible Certificates as the Distribution Agent deems necessary or appropriate to substantiate each individual claim. Without limitation, this includes the complete name of the Preliminary 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 Eligible Certificates (account statements, confirmations and other documentation of purchases and dispositions), as well as holdings of the Eligible Certificates 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 Distribution Agent determines it acceptable. The Distribution Agent will have the right to request, and the Third-Party Filer will have the burden of providing to the Distribution Agent, any additional information and/or documentation deemed necessary by the Distribution Agent to substantiate the claim(s) contained in the submission. Documentation from a Third-Party Filer that is not acceptable to the Distribution Agent will result in rejection of the affected claim(s). The determination of the Distribution Agent to reject a claim for insufficient documentation, as reflected on the Determination Notice, is final and within the discretion of the Distribution Agent.

60. The receipt of Eligible Certificates by gift, inheritance, devise, or operation of law will not be deemed to be a purchase of Eligible Certificates, nor will it be deemed an assignment of any claim relating to the purchase of such Eligible Certificates unless specifically so provided in the instrument of inheritance. The recipient of Eligible Certificates 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 Eligible Certificates, and in cases where duplicative claims are filed by the donor and donee, the donee claim will be honored, assuming it is supported by proper documentation.

61. 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 Distribution Agent will distribute 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.

62. The Preliminary Claimant has the burden of notifying the Distribution Agent of a change in his, her or its current address and other contact information, and of ensuring that such information is properly reflected on the Distribution Agent's records.

Review of Claims and Deficiency Process

63. The Distribution Agent will review all claim submissions and determine the eligibility of each Preliminary Claimant to participate in the Fair Fund by reviewing claim data and supporting documentation (or the lack thereof) and verifying the claim. Each Preliminary Claimant will have the burden of proof to establish the validity and amount of his, her or its claim, and qualification as an Eligible Claimant. The Distribution Agent will have the right to request, and the Preliminary Claimant will have the burden of providing to the Distribution Agent, any additional information and/or documentation deemed relevant by the Distribution Agent.

64. The Distribution Agent will provide a Claim Status Notice within ninety (90) days of the Claims Bar Date to each Preliminary Claimant who has filed a deficient Claim Form with

the Distribution Agent. The Claim Status Notice will provide to each Preliminary 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). In the event the claim is denied, in whole or in part, the Claim Status Notice will state the reason(s) for such denial. The Claim Status Notice will also notify the Preliminary Claimant of the opportunity to cure any deficiency, request reconsideration, or dispute the determination made by the Distribution Agent and provide instructions regarding what is required to do so.

65. Any Preliminary Claimant with a deficient claim will have thirty (30) days from the date of the Claim Status Notice to cure any deficiencies identified in the Claim Status Notice.

66. Any Preliminary Claimant seeking reconsideration of a denied claim must advise the Distribution Agent in writing within thirty (30) days of the date of the Claim Status Notice. All requests for reconsideration must include the necessary documentation to substantiate the basis upon which the Preliminary Claimant is requesting reconsideration of his, her, or its claim.

67. The Distribution Agent will have the authority, in its sole discretion, to waive technical claim deficiencies and approve claims on a case-by-case basis, or in groups of claims. All determinations made by the Distribution Agent 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.

Claims Eligibility Determination

68. Within sixty [60] days of the Claims Bar Date, the Distribution Agent will complete all claims determinations and send a written notice to all Preliminary Claimants who timely submitted a Claim Form notifying the Preliminary Claimant of its eligibility determination. The Determination Notice will further provide to each Preliminary Claimant that is determined to be

an Eligible Claimant with his, her, or its calculated Recognized Claim Amount. The Determination Notice will constitute the Distribution Agent's final ruling regarding the eligibility status of the Claim.

69. The Distribution Agent may consider disputes of an Eligible Claimant's Recognized Claim Amount, if presented in writing to the Distribution Agent within thirty (30) days of the Determination Notice. The Distribution Agent will consult with the Commission staff as appropriate. The Distribution Agent will notify the Eligible Claimant in writing within thirty (30) days of receiving a dispute of its determination, which will constitute the Distribution Agent's final ruling regarding the calculations for the claim.

70. Any Preliminary Claimant, who is not an Excluded Party, who submitted a valid Claim Form and has a Recognized Claim Amount, will be deemed an Eligible Claimant. All Eligible Claimants whose Recognized Claim Amount calculates to a distribution amount equal to or greater than \$10.00 will be deemed a Payee and receive a Distribution Payment.

Third-Party Review

71. After the Distribution Agent has completed the process of analyzing the claims and determining claim amounts in accordance with the Plan, and prior to the issuance of the Determination Notice and/or distribution of any funds, the Distribution Agent will engage an independent, third-party firm, not unacceptable to Commission staff, to perform a set of agreed upon procedures, review a statistically significant sample of claims and ensure accurate and comprehensive application of the Plan of Allocation. The Distribution Agent will communicate the results of the review to Commission staff together with any written analysis or reports related to the review, and, upon request, will make the firm available to the Commission staff to respond to questions concerning the review.

Establishment of a Reserve

72. Before determining the amount of funds available for distribution and calculating each Payee's Distribution Payment, the Distribution Agent, in conjunction with the Tax Administrator, will establish a reserve to pay Administrative Costs and to accommodate any unexpected expenditures (the "Reserve").

73. After all disbursements and Administrative Costs are paid, any remaining amounts in the Reserve will become part of the Residual described in paragraph 97 below.

Preparation of the Payment File

74. Within sixty (60) days following the date of the Determination Notices described above, the Distribution Agent will compile and send to the Commission staff the Payee information, including the name, address, calculated Recognized Claim Amount, and the amount of the Distribution Payment for all Payees (the "Payee List"). The Distribution Agent will also provide a Declaration to the Commission staff, representing that the Payee List: (a) was compiled in accordance with the approved Plan; (b) is accurate as to Payees' names, addresses, and Recognized Claim Amounts; (c) includes the number of Payees compensated; (d) the percentage of the Payees's Recognized Claim Amount being compensated by the disbursement from the Fair Fund, and if applicable, the total percentage to include all prior disbursements; (e) the total amount being distributed; and (f) provides all information necessary to make a payment to each Payee.

The Escrow Account

75. Prior to the disbursement of funds from the Net Available Fair Fund, the Distribution Agent will establish an escrow account (the "Escrow Account") with a United States commercial bank that is a well-capitalized financial institution as defined by the Federal Reserve Act, Subpart D, 12 C.F.R. 208.43 and that is not unacceptable to the Commission staff (the

“Bank”), pursuant to an escrow agreement (the “Escrow Agreement”) to be provided by Commission staff.

76. The Distribution Agent, pursuant to the Escrow Agreement, shall also establish with the Bank a separate deposit account (*e.g.* controlled distribution account, managed distribution account, linked checking and investment account) (the “Distribution Account”), insured by the Federal Deposit Insurance Corporation (“FDIC”) up to the guaranteed FDIC pass through limit. The Distribution Account shall be linked with the Escrow Account and shall be named, and records maintained, in accordance with the Escrow Agreement.

77. During the term of the Escrow Agreement, the portions of the Fair Fund transferred to the Escrow Account (the “Escrow Property”), shall be invested and reinvested in short-term U.S. Treasury securities backed by the full faith and credit of the United States Government or an agency thereof. The investment shall be, of a type and term necessary to meet the cash liquidity requirements for payments to Payees, tax obligations, and/or fees of the Tax Administrator and/or Distribution Agent, including investment or reinvestment in a bank account insured by the FDIC up to the guaranteed FDIC limit, or in 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.

78. The Distribution Agent shall provide duplicate original bank and/or investment statements on any accounts established by the Distribution Agent to the Tax Administrator on a monthly basis and shall assist the Tax Administrator in obtaining mid-cycle statements, as necessary.

79. The Distribution Agent shall deposit or invest funds in the Escrow and Distribution Accounts so as to result in the maximum reasonable net return, taking into account the safety of

such deposits or investments. In consultation with Commission staff, the Distribution Agent shall work with the Bank on an ongoing basis to determine an allocation of funds between the Escrow and Distribution Account.

80. All interest, dividends, and/or income earned by the Escrow Property will accrue for the benefit of the Escrow Property. All Administrative Cost associated with the Escrow and Distribution Accounts will be the responsibility of the Distribution Agent, 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.

Distribution of the Fair Fund

81. The Distribution Agent will seek to distribute the Net Available Fair Fund to all Payees only after all Claim Forms have been processed and all Preliminary Claimants whose claims have been rejected or disallowed, in whole or in part, have been notified and provided the opportunity to contest or cure pursuant to the procedures set forth herein.

82. Upon the Commission's staff's receipt, review, and acceptance of the Payee List and Declaration from the Distribution Agent, the Commission will petition the Court for authority to disburse funds from the Net Available Fair Fund to the Bank in accordance with the Payee List for distribution by the Distribution Agent in accordance with the Plan. The Payee List shall, upon request, be made available to the Court under seal. All disbursements will be made pursuant to a Court Order.

83. Upon issuance of an order to disburse by this Court, the Commission staff will direct the transfer of funds in accordance with the Payee List to the Bank. The Distribution Agent will then use its best efforts to commence mailing Distribution Payment checks and/or effect wire transfers within thirty (30) business days of the release of the funds into the Escrow Account. All

efforts will be coordinated to limit the time between the Escrow Account's receipt of the funds and the issuance of Distribution Payments.

84. All Distribution Payments will be issued by the Distribution Agent from the Distribution Account. All checks will bear a stale date of one hundred twenty (120) days from the date of issuance. Checks that are not negotiated by the stale date will be voided, and the Bank will be instructed to stop payment on those checks. A Payee's claim will be extinguished if he, she, or it fails to negotiate his, her or its check by the stale date, and the funds will remain in the Fair Fund, except as provided in paragraph 91.

85. All payments will be preceded or accompanied by a communication that includes, as appropriate: (a) a statement characterizing the distribution; (b) a statement that the tax treatment of the distribution is the responsibility of each Payee and that the Payee should consult his, her or its tax advisor for advice regarding the tax treatment of the distribution; (c) a statement that checks will be void and cannot be reissued after one hundred twenty (120) days from the date the original check was issued; and (d) contact information for the Distribution Agent for questions regarding the Distribution Payment. The letter or other mailings to Payees characterizing a Distribution Payment will be submitted to the Tax Administrator and Commission staff for review and approval.

86. All Distribution Payments, either on their face or in the accompanying mailing, will clearly indicate that the money is being distributed from the Fair Fund established by the Court to compensate investors for harm as a result of securities law violations.

87. Distribution Payments must be made by check or electronic payment payable to the Payee (the beneficial account owner). A Third-Party Filer shall not be the payee of any Distribution Payment check or electronic Distribution Payment. Any other payment arrangement

must be discussed with the Distribution Agent in consultation with the Commission staff and must be authorized by the Payee. Compensation to a Third-Party Filer for its services may not be paid or deducted from the Distribution Payment.

88. If, after discussion with the Distribution Agent in consultation with the Commission staff, and authorization by the Payee (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 a certification, 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 form will be available on the Fair Fund website and upon request from the Distribution Agent. All such Third-Party Filers must have an auditable mechanism available to the Distribution Agent and the Commission staff to confirm that each Payee received the Distribution Payment directed to them.

89. The submission of a Claim Form and the receipt and acceptance of a Distribution Payment by a Payee is not intended to be a release of a Payee's rights and claims against any party.

90. Electronic or wire transfers may be utilized at the discretion of the Distribution Agent to transfer approved Distribution Payments to filers of claims on behalf of twenty (20) or more Payees. Wire transfers will be initiated by the Distribution Agent using a two-party check and balance system, whereby completion of a wire transfer will require an authorization by two members of the Distribution Agent's senior staff.

Post Distribution; Handling of Returned or Uncashed Checks; and Reissues

91. The Distribution Agent shall use its best efforts to make use of commercially available resources and other reasonably appropriate means to locate all Payees whose checks are

returned to the Distribution Agent as “undeliverable.” If new address information becomes available, the Distribution Agent will repackage the distribution check and send it to the new address. If new address information is not available after a diligent search (and in no event no later than one hundred twenty (120) days after the initial mailing of the original check) or if the distribution check is returned again, the check shall be voided and the Distribution Agent shall instruct the issuing financial institution to stop payment on such check. If the Distribution Agent is unable to find a Payee’s correct address, the Distribution Agent, in its discretion, may remove such Payee from the distribution and the allocated Distribution Payment will remain in the Fair Fund for distribution, if feasible, to the remaining Payees.

92. The Distribution Agent will reissue checks to Payees upon the receipt of a valid, written request from the Payee prior to the initial stale date. In cases where a Payee is unable to endorse a Distribution Payment check as written (*e.g.*, name changes, IRA custodian changes, or recipient is deceased) and the Payee or a lawful representative requests the reissuance of a Distribution Payment check in a different name, the Distribution Agent will request, and must receive, documentation to support the requested change. The Distribution Agent will review the documentation to determine the authenticity and propriety of the change request. If, in the discretion of the Distribution Agent, such change request is properly documented, the Distribution Agent will issue an appropriately redrawn Distribution Payment to the requesting party. Reissued checks will be void at the later of one hundred twenty (120) days from issuance of the original check or sixty (60) days from the reissuance, and in no event will a check be reissued after one hundred twenty (120) days from the date of the original issuance without the approval of Commission staff.

93. The Distribution Agent will make reasonable efforts to contact Payees who have

failed to negotiate their Distribution Payment check and take appropriate action to follow up on the status of uncashed checks at the request of Commission staff. The Distribution Agent may reissue such checks subject to the time limits detailed herein.

Administrative Costs

94. The Distribution Agent will be entitled to reasonable administrative fees and expenses in connection with the administration and distribution of the Fair Fund (including any such fees and expenses incurred by agents, consultants or third-parties retained by the Distribution Agent in furtherance of its duties), which shall be paid from the Fair Fund. The Distribution Agent will invoice all fees and expenses for the administration and distribution of the Fair Fund on a quarterly basis directly to Commission staff.

95. Pursuant to the Court's Order entered on October 16, 2014, the Tax Administrator will invoice all taxes and fees and expenses for the tax administration of the Fair Fund directly to Commission staff. Once Commission staff has reviewed and approved of the payment of the invoice(s) of the Tax Administrator, the Commission staff will direct the payment of all taxes and approved Tax Administrator fees and expenses from the Fair Fund.

96. Any other Administrative Costs shall be paid from the Fair Fund, pursuant to a Court Order and shall be reflected on the final accounting referenced below.

Disposition of Undistributed Funds

97. If funds remain following the initial distribution and payment of all Administrative Costs, the Distribution Agent, in consultation with the Commission staff, may seek subsequent distribution(s) of any available remaining funds. All subsequent distributions shall be made in a manner that is consistent with this Plan and pursuant to a Court Order.

98. A residual within the Fair Fund will be established for any amounts remaining after

the final disbursement to Payees from the Fair Fund (the “Residual”). The Residual may include funds from, among other things, amounts remaining the Reserve, distribution checks that have not been cashed, checks or electronic payments that were not delivered or returned to the Commission, tax refunds for overpayment or for waiver of IRS penalties.

99. All funds remaining in the Residual that are infeasible to distribute to investors will be returned to the Commission and held pending a final accounting.

Filing of Reports and Accountings

100. The Distribution Agent shall provide to Commission staff, a progress report, pursuant to and in a format to be provided by Commission staff, within forty-five (45) days of Court approval of this Plan, and shall provide additional progress reports within twenty (20) days after the end of every quarter thereafter, and a final report when its duties are completed. These reports will be filed with the Court.

101. The progress reports shall inform the Court and the Commission staff of the activities and status of Fair Fund during the relevant reporting period, and once funds are transferred to the Bank it will specify, at a minimum: (a) the location of the account(s) comprising the Fair Fund; and (b) an interim accounting of all monies in the Fair Fund as of the most recent month-end, including the value of the account(s), all monies earned or received into the account(s), funds distributed to Payees, and any monies expended from the Fair Fund to satisfy any fees, costs, taxes and other expenses incurred in the implementation of this Plan.

102. Upon completion of all distributions to Payees and payment of all Administrative Costs, pursuant to the procedures described above, the Distribution Agent will submit to the Commission staff a final accounting, on a standardized form provided by the Commission staff. The Distribution Agent will also submit a report to the Commission staff containing the final

distribution statistics regarding distributions to individuals and entities, and such other information requested by the Commission staff. The final accounting report will include a recommendation as to the disposition of the Residual, consistent with *Liu v. SEC*, 140 S. Ct. 1936 (2020) and Section 21(d)(7) of the Exchange Act, 15 U.S.C. § 78u(d)(7).⁵ If distribution of the Residual to investors is infeasible, the Commission may recommend the transfer of the Residual to the general fund of the U.S. Treasury subject to Section 21F(g)(3) of the Exchange Act.⁶

Wind-down and Document Retention

103. The Distribution Agent will shut down the website, P.O. Box and customer service telephone line(s) established specifically for the administration of the Fair Fund six (6) months after the transfer of any remaining funds to the Commission, or at such earlier time as the Distribution Agent determines with the concurrence of the Commission staff.

104. The Distribution Agent will retain all materials submitted by Preliminary Claimants in either paper or electronic form for a period of six (6) years from the date of approval of a final fund accounting. Materials maintained in electronic form must be accessible and readable for the duration of retention. Pursuant to the Commission staff's direction, the Distribution Agent will either turn over to the Commission or destroy all materials, including documents in any media, upon expiration of this period.

Termination of the Fair Fund

105. The Fair Fund will be eligible for termination and the Distribution Agent will be

⁵ Section 21(d)(7) was added to the Exchange Act by Section 6501(a) of the National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, enacted January 1, 2021. The relevant provisions of the NDAA apply "to any action or proceeding that is pending on, or commenced on or after, the date of" the NDAA's enactment. NDAA, Section 6501(b).

⁶ Section 21F(g)(3) of the Exchange Act, 15 U.S.C. §78u-6(g)(3), provides, in relevant part, that any monetary sanction of \$200 million or less collected by the SEC in any judicial action brought by the SEC under the securities laws that is not added to a disgorgement fund or Fair Fund or otherwise distributed to victims, plus investment income, shall be deposited or credited into the SEC Investor Protection Fund.

eligible for discharge after all of the following have occurred (a) a final accounting, in a standard accounting format provided by the Commission staff, has been submitted by the Distribution Agent and approved by the Court; (b) all Administrative Costs have been paid; and (c) the Court has approved the Commission's recommendation as to the final disposition of the Residual consistent with *Liu v. SEC*, 140 S. Ct. 1936 (2020) and Section 21(d)(7) of the Exchange Act, 15 U.S.C. § 78u(d)(7).

106. Once the Commission staff has reviewed and accepted the final accounting, the Commission will petition the Court for an order, as appropriate, approving the final accounting, discharging the Distribution Agent, disposing of the Residual, and terminating the Fair Fund.

107. Once the Fair Fund has been terminated, no additional payments will be made whatsoever.

Exhibit A

PLAN OF ALLOCATION

The purpose of this distribution is to compensate investors in the Soundview Home Loan Trust Asset 2007-OPT1 (“Soundview Trust”), who a) purchased Eligible Certificates¹ in the initial offering on May 4, 2007 through and including August 27, 2007, or on the secondary market on or before August 27, 2007, and b) held the Eligible Certificates through August 27, 2007, as a result of Defendant’s misrepresentations and omissions in the offering materials for the Soundview Trust. Investors who purchased any of the Eligible Certificates during the Eligible Purchase Period and held them through the end of the Eligible Purchase Period, who submit a valid Claim Form and who are not an Excluded Party, are eligible to recover under this Plan.

The methodology allocates the Fair Fund to Eligible Claimants based on the proportion of their claim to the claims of all other Eligible Claimants, according to the following methodology.

- A. Preliminary Recovery Amount: The Preliminary Recovery Amount will be calculated for each Eligible Claimant by dividing the Eligible Claimant’s face value of purchases of the Eligible Certificates by the total offering size of all the Eligible Certificates and multiplying by the Net Available Fair Fund. For example, if Eligible Claimant A purchased Eligible Certificates equal to 5% of the dollar value of the combined offering size of the Eligible Certificates, the Preliminary Recovery Amount for Eligible Claimant A would be 5% of the Net Available Fair Fund. Going into the next steps of the calculation, an Eligible Claimant’s “Recognized Claim Amount” will be equal to his, her or its Preliminary Recovery Amount.
- B. To the extent that not all Soundview Trust investors submit claims, their

¹ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Plan.

Preliminary Recovery Amounts may be allocated to the Eligible Claimants who do submit valid claims, thereby increasing the Recognized Claim Amounts for Eligible Claimants who submit valid claims, subject to the “Recovery Cap” provision described below. Such allocation will be on a *pro rata* basis, according to the Eligible Claimant’s purchase amount relative to the sum of purchase amounts of all Eligible Claimants who submit valid claims. For example, if an investor with a Preliminary Recovery Amount of \$200,000 does not submit a valid claim, that amount may be allocated to Eligible Claimants who did submit valid claims. If Eligible Claimant A’s purchase amount is 8% of the sum of purchase amounts of all Eligible Claimants who do submit claims, then Eligible Claimant A’s Recognized Claim Amount may be increased by \$16,000 or 8% of \$200,000 above his, her or its Preliminary Recovery Amount.

- C. In the event that the claims submitted are such that an Eligible Claimant’s Recognized Claim Amount would greatly exceed his, her or its Preliminary Recovery Amount, the Distribution Agent, with the agreement of the Commission staff, may use discretion in determining the extent of the reallocation of Preliminary Recovery Amounts of investors who do not submit valid claims.
- D. Recovery Cap: An Eligible Claimant’s Recognized Claim Amount will in no case exceed the Eligible Claimant’s Recovery Cap, defined as follows.
 - 1. An Eligible Claimant who sold his, her, or its Eligible Certificate before the end of the Eligible Purchase Period will have a Recovery Cap for that Eligible Certificate equal to zero (\$0.00).
 - 2. An Eligible Claimant who sold his, her, or its Eligible Certificate after the

Eligible Purchase Period and on or before the date of the Summary Notice will have a Recovery Cap for that Eligible Certificate equal to his, her or its realized principal losses, measured as (i) the original face value of the Eligible Certificate, less the sum of (ii) all principal distributions received up to and including the date of sale, and (iii) the face value of the Eligible Certificate on the date of the sale, multiplied by the clean price² received for the Eligible Certificate.

3. An Eligible Claimant who held/owned his, her, or its Eligible Certificate after the date of the Summary Notice will have a Recovery Cap for that Eligible Certificate equal to his, her or its principal losses, measured as (i) the original face value of the Eligible Certificate, less the sum of (ii) all principal distributions received as of and including the date of the Summary Notice, and (iii) the face value of the Eligible Certificate as of the date of the Summary Notice, multiplied by the closing price of the Eligible Certificate on that date as determined by the Distribution Agent.

- E. Minimum Distribution Amount: The Minimum Distribution Amount will be \$250.00. If an Eligible Claimant's Recognized Claim Amount is less than the Minimum Distribution Amount, that Eligible Claimant will be deemed ineligible to receive a Distribution Payment and his, her or its Recognized Claim Amount will be reallocated on a *pro-rata* basis to Eligible Claimants whose Recognized Claim Amounts are greater than or equal to the Minimum Distribution Amount, up to but not exceeding each Eligible Claimant's respective Recovery Cap.

² The clean price is defined as the transaction price excluding accrued interest, and shall be expressed in cents per dollar.

- F. Distribution Amount: An Eligible Claimant whose Recognized Claim Amount equals or exceeds the Minimum Distribution Amount will be deemed a Payee and receive a Distribution Payment equal to his, her or its Recognized Claim Amount.

Appendix A: Soundview Home Loan Trust Asset 2007-OPT1 Eligible Certificates

CUSIP Number	Tranche	Offering Size
83612TAA0	IA1	925,181,000
83612TAB8	IIA1	405,186,000
83612TAC6	IIA2	171,843,000
83612TAD4	IIA3	178,045,000
83612TAE2	IIA4	62,246,000
83612TAF9	M1	104,480,000
83612TAG7	M2	105,641,000
83612TAH5	M3	44,114,000
83612TAJ1	M4	42,953,000
83612TAK8	M5	38,309,000
83612TAL6	M6	32,505,000
83612TAM4	M7	27,861,000
83612TAN2	M8	13,931,000
83612TAP7	M9	44,114,000
83612TAQ5	M10	35,988,000