

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

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20092**

---

<b>In the Matter of</b>	:	
	:	
	:	
<b>Fiat Chrysler Automobiles N.V.,</b>	:	<b>PLAN OF DISTRIBUTION</b>
	:	
<b>Respondent.</b>	:	
	:	

---

**I. OVERVIEW**

1. The Division of Enforcement submitted this Plan of Distribution (the “Plan”) to the United States Securities and Exchange Commission (the “Commission”) pursuant to Rule 1101 of the Commission’s Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”), 17 C.F.R. § 201.1101. As described more specifically below, the Plan provides for the distribution of a Fair Fund (the “Fair Fund”), comprised of civil money penalties paid by Fiat Chrysler Automobiles N.V. (“FCA” or “Respondent”) in the above-captioned matter<sup>1</sup> to investors who were harmed in connection with disclosure violations concerning the Respondent’s public descriptions in early 2016 of an internal inquiry of the emissions control systems in certain of its light-duty diesel vehicles in the wake of the Volkswagen AG (“VW”) “Dieselgate” scandal, pursuant to the Plan of Allocation (attached as Exhibit A).

The Commission has custody of the Fair Fund and shall retain control of the assets of the Fair Fund. The Plan has been approved by the Commission, and the Commission retains jurisdiction over its implementation.

**II. BACKGROUND**

2. On September 28, 2020, the Commission issued the Order instituting and simultaneously settling cease-and-desist proceedings against the Respondent. In the Order, the Commission found that the Respondent violated federal securities laws when it made material misstatements in its public filings with the Commission. Specifically, the Commission found that the Respondent made misleading statements in early 2016 concerning an internal inquiry of the emissions control systems in certain of its light-duty diesel vehicles in the wake of the VW “Dieselgate” scandal. On September 18, 2015, the U.S. Environmental Protection Agency (“EPA”)

---

<sup>1</sup> See Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, Exchange Act Rel. No. 90031 (Sept. 28, 2020) (the “Order”).

issued a Notice of Violation (“NOV”) to VW alleging, among other things, that VW had installed defeat devices in violation of the Clean Air Act and U.S. environmental regulations. Several days later, FCA commenced an internal review of the emissions control systems in its vehicles to confirm that they did not contain similar functionality. In February 2016, FCA issued a press release and an annual report, which both stated that the internal audit confirmed FCA’s vehicles complied with environmental regulations concerning emissions. Although the statements focused on the internal audit’s determination that FCA vehicles did not have a mechanism to detect that they were being tested in laboratory conditions, the statements were misleading because they did not sufficiently disclose that the internal audit had a limited scope focused only on finding cycle-beating defeat devices like the ones used by VW, and was not a comprehensive review of compliance with emissions regulations. In addition, at the time FCA made these statements, EPA and the California Air Resource Board engineers had raised concerns to FCA about the emissions systems of FCA’s “EcoDiesel” engines.

3. In the Order, the Commission ordered FCA to pay a civil money penalty in the amount of \$9,500,000, and established the Fair Fund, pursuant to Section 308(a) of Sarbanes-Oxley Act of 2002, so the penalty paid can be distributed to investors harmed by the Respondent’s conduct described in the Order.

4. The Respondent has paid in full. The Fair Fund has been deposited at the United States Department of the Treasury’s Bureau of the Fiscal Service (“BFS”) for investment. Other than potential interest income from the BFS investment, the Commission does not anticipate that the Fair Fund will receive additional funds.

### III. DEFINITIONS

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

5. “**Administrative Costs**” shall mean any administrative costs and expenses, including without limitation the fees and expenses of the Tax Administrator and the Fund Administrator, tax obligations, and investment costs.

6. “**Claim Form**” means the form designed by the Fund Administrator, 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 Potential Claimant’s purchases and dispositions of Securities during the Relevant Period such that eligibility under the Plan can be determined, tax identification and other related information from the Potential Claimant as determined necessary by the Fund Administrator in coordination with the Tax Administrator, and a certification that the Potential Claimant is not an Excluded Party.

7. “**Claim Status Notice**” means the notice sent by the Fund Administrator within ninety (90) days of the Claims Bar Date to all Potential Claimants that submitted a Claim Form. The Claim Status Notice will set forth the Fund Administrator’s determination of the eligibility of the claim (eligible, partially or wholly deficient, or ineligible) and their Recognized Loss. The Claim Status Notice will provide to each Potential Claimant whose claim is deficient, in whole or in part, the reason(s) for the deficiency, notify the Potential Claimant of the opportunity to cure such deficiency, and provide instructions regarding further necessary actions. In the event the

claim is denied, the Claim Status Notice will state the reason(s) for such denial and notify the Potential Claimant of their opportunity to request reconsideration of their claim.

8. “**Claims Bar Date**” means the date established in accordance with this Plan by which a Potential Claimant’s Claim Form must be postmarked by or submitted electronically by 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 Claims Packet. Claim Forms submitted by Potential Claimants postmarked or received after the Claims Bar Date will not be accepted unless the Fund Administrator is directed to do so by the Commission staff.

9. “**Claims Packet**” means the materials relevant to submitting a claim that will be provided to Potential Claimants known to the Fund Administrator or to those 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).

10. “**Days**” means calendar days, unless otherwise specified herein.

11. “**Distribution Payment**” means a payment from the Fair Fund to an Eligible Claimant in accordance with the terms of this Plan.

12. “**Eligible Claimant**” means a Potential Claimant who is not an Excluded Party and who suffered a loss as a result of transactions in Securities during the Relevant Period and who is determined to receive a Distribution Payment from the Fair Fund pursuant to the Plan of Allocation.

13. “**Excluded Party**” shall mean:

- (a) The Respondent;
- (b) Present or former officers or directors of Respondent and 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 Respondent or any of its affiliates who has been terminated for cause or has otherwise resigned, in connection with the conduct described in the Order;
- (d) Any Person who, as of the Claims Bar Date, has been the subject of criminal charges related to the conduct described in the Order or any related Commission action;
- (e) Any firm, trust, corporation, officer, or other entity in which Respondent has or had a controlling interest;
- (f) The Fund Administrator, its employees, and those persons assisting the Fund Administrator in its role as the Fund Administrator;

- (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.

14. **"Fair Fund"** means the \$9,500,000 fund created by the Commission pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, for the benefit of investors harmed by Respondent's violations described in the Order.

15. **"Final Determination Notice"** shall mean the written notice sent by the Fund Administrator to any Potential Claimant who timely responded to the Claim Status Notice in an effort to cure a deficiency, seek reconsideration of a denied claim, or dispute his, her, or its Recognized Loss. The Final Determination Notice will constitute the Fund Administrator's final ruling regarding the status of the claim.

16. **"Net Available Fair Fund"** means the Fair Fund, plus any interest or earnings, less Administrative Costs.

17. **"Plan Notice"** means a written notice from the Fund Administrator to Potential Claimants informing them of the Fair Fund; the Plan and its eligibility requirements; explaining how to submit a claim, including directions 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 Fund Administrator.

18. **"Person"** means natural individuals as well as legal entities such as corporations, partnerships, or limited liability companies.

19. **"Plan of Allocation"** means the methodology by which a Potential Claimant's Recognized Loss is calculated. The Plan of Allocation is attached as Exhibit A.

20. **"Potential Claimants"** shall mean those Persons, or their lawful successors, identified by the Fund Administrator as having possible claims to recover from the Fair Fund under this Plan, or Persons asserting prior to the Claims Bar Date that they have possible claims to recover from the Fair Fund under this Plan.

21. **"Recognized Loss"** means the total amount of loss for a Potential Claimant as calculated in accordance with the Plan of Allocation..

22. **"Relevant Period"** means the period of time commencing on February 2, 2016 and continuing through January 11, 2017.

23. **"Securities"** refers to shares of FCA common stock listed on a U.S. exchange and registered with the Commission that is traded under the symbol FCAU during the Relevant Period.

24. **“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 in Investor’s Business Daily and PR Newswire, and will first appear within ten (10) days of the initial mailing of the Plan Notice.

25. **“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 Potential Claimants. Third Party Filer does not include assignees or purchasers of claims, which are excluded from receiving Distribution Payments.

#### **IV. TAX COMPLIANCE**

26. On April 15, 2021, the Commission appointed Miller Kaplan Arase LLP as the tax administrator (the “Tax Administrator”) for the Fair Fund to handle the tax obligations of the Fair Fund.<sup>2</sup> The Tax Administrator will be compensated for reasonable fees and expenses from the Fair Fund in accordance with its 2019-2021 Engagement Letter Agreement with the Commission.<sup>3</sup>

27. 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 required for distributions from the Fair Fund.

28. All tax obligations will be paid from the Fair Fund, subject to the review and approval of Commission staff.

#### **V. FUND ADMINISTRATOR**

29. The Commission has appointed Analytics Consulting LLC, as the fund administrator for the Fair Fund (the “Fund Administrator”), and the Fund Administrator has obtained a bond in the amount of \$9,500,000, as ordered.<sup>4</sup>

---

<sup>2</sup> Exchange Act Rel. No.91571 (Apr. 15, 2021).

<sup>3</sup> See Omnibus Order Directing the Appointment of Tax Administrator in Administrative Proceedings that Establish Distribution Funds, Exchange Act Rel. No. 85174 (Feb. 22, 2019).

<sup>4</sup> See Order Appointing Fund Administrator and Setting Bond Amount, Exchange Act Rel. No. 91572 (Apr. 15, 2021).

30. The Fund Administrator will be responsible for administering the Fair Fund in accordance with the Plan. This will include, among other things, taking reasonable steps to identify and contact Potential Claimants; obtaining accurate mailing information for Potential Claimants; establishing a website and staffing a call center to address inquiries during the claims process; developing a claims database; preparing accountings; cooperating with the tax administrator appointed by the Commission to satisfy any tax liabilities and to ensure compliance with income tax reporting requirements, including but not limited to Foreign Act Tax Compliance Act (“FATCA”), advising Potential Claimants of deficiencies in claims and providing an opportunity to cure any documentary defects; taking antifraud measures, such as identifying false, ineligible and overstated claims; making determinations under the criteria established herein as to Potential Claimant eligibility; advising Potential Claimants of final claim determinations; disbursing the Fair Fund in accordance with this Plan, as ordered by the Commission; and researching and reconciling errors and reissuing payments when possible.

31. To carry out the purposes of this Plan, the Fund Administrator 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, Commission approval is required prior to implementation by amending the Plan.

32. The Fund Administrator may extend any procedural deadline contained in the Plan for good cause shown, if agreed upon by the Commission staff.

33. The Fund Administrator 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 Fund Administrator under this Plan.

34. The Fund Administrator will be entitled to payment from the Fair Fund of reasonable fees and expenses, including the bond premium, incurred in the performance of its duties (including any such fees and expenses incurred by agents, consultants or third parties retained by the Fund Administrator in furtherance of its duties).

## **VI. ADMINISTRATION OF THE FAIR FUND**

### **A. Identification of and Notification to Claimants**

35. The Fund Administrator will, insofar as practicable, use its best efforts to identify Potential 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 them. The Fund Administrator may also engage a third-party firm, after consultation with and approval of the Commission staff, to assist in identifying Potential Claimants to maximize the participation rate of FCA investors in the Fair Fund.

36. Within sixty days (60) after Commission approval of the Plan, the Fund Administrator 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 Potential Claimants based upon information identified by the Fund Administrator;
- (c) run a National Change of Address search to retrieve updated addresses for all records in the database, thereby ensuring the mailing information for Potential Claimants is up-to-date;
- (d) mail a Claims Packet to each Potential Claimant identified by the Fund Administrator and to the Fund Administrator's list of banks, brokers, and other nominees in accordance with paragraph 40 below;
- (e) establish and maintain a website devoted solely to the Fair Fund. The Fair Fund's website, located at [www.FCAFairFund.com](http://www.FCAFairFund.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 other related materials; and such other information the Fund Administrator believes will be beneficial to Potential Claimants;
- (f) establish and maintain a toll-free telephone number, 800-907-4924, for Potential Claimants to call to speak to a live representative of the Fund Administrator 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 Fund Administrator to Potential 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 Fund Administrator to Potential Claimants as well as on the Fair Fund's website.

37. The Fund Administrator will publish the Summary Notice on the internet and/or in print media acceptable to Commission staff once a week for three consecutive weeks starting within ten (10) days of the initial mailing of the Plan Notice.

38. 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 the communication with Potential Claimants.

39. The Fund Administrator will promptly provide a Claims Packet to any Potential Claimant upon request made via mail, phone, or email prior to the Claims Bar Date.

40. The Fund Administrator will send by mail, email, or other means, the Plan Notice to the Fund Administrator'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 Security during the Relevant Period (collectively, the "Nominees or Custodians"). The Fund Administrator will request that these entities, to the extent that they were record holders for beneficial owners of the Security:

- (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 Claim Packet and other relevant materials, is properly disseminated to the beneficial owners; and/or
- (b) provide to the Fund Administrator, 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 Security during the Relevant Period, so that the Fund Administrator can communicate with the beneficial owners directly.

41. At the discretion of the Fund Administrator, 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.

42. Requests to the Fund Administrator for additional copies of the Claims Packet in excess of 500 are subject to approval by the Fund Administrator, in consultation with the Commission staff.

43. Documented reasonable out-of-pocket expenses incurred by the Nominees or the Custodians, which would not have been incurred but for compliance with paragraphs 40-42 above, shall be reimbursed from the Fair Fund. The amount of such expenses allowed will be at the discretion of the Fund Administrator, in consultation with the Commission staff. Unless otherwise determined by the Fund Administrator 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) \$0.05 per email of Summary Publication or Plan Notice and Claim Form link disseminated; or
- (c) \$0.20 per name, address, and email address provided to the Fund Administrator, up to a maximum of amount of \$1,500.00.

44. The Fund Administrator will attempt to locate any Potential Claimant whose mailing is returned as "undeliverable" and will document all such efforts. The Fund

Administrator will utilize commercially available databases, to obtain updated addresses in response to “undeliverable” notices, and forward any returned mail for which an updated address is provided or obtained. The Fund Administrator will make available, upon request by the Commission staff, a list of all Potential Claimants whose Claims Packet have been returned as “undeliverable” due to incorrect addresses and for which the Fund Administrator has been unable to locate current addresses.

B. Claims Process

45. 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 Claims Packet.

46. To avoid being barred from asserting a claim, on or before the Claims Bar Date, each Potential Claimant must submit to the Fund Administrator a properly completed Claim Form reflecting such Potential Claimant’s claim, together with all required supporting documentation as the Fund Administrator, 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 Securities during the Relevant Period, as well as holdings of Securities at pertinent dates. The burden will be upon the Potential Claimant to ensure that his, her, or its Claim Form has been properly and timely received by the Fund Administrator. A Claim Form that is postmarked after the Claims Bar Date will not be accepted unless the deadline is extended by the Fund Administrator for good cause shown, after consultation with the Commission staff.

47. The burden to prove receipt of the claim by the Fund Administrator will be upon the Potential Claimant; therefore Potential Claimants will be instructed to submit their claims in a manner that will enable them to prove receipt of the claim by the Fund Administrator.

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

49. Electronic claims submission is encouraged; the Claims Packet will include directions on how Potential Claimants can submit their claims electronically via the Fair Fund’s website. If using the web-based claim filing option, a Potential Claimant must submit their claim to the Fund Administrator by 11:59 p.m. on the Claims Bar Date. The Claims Packet will also include directions for submission of claims if the Potential Claimant is unable to submit their claim electronically.

50. 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 Fund Administrator in this matter. Filers that do not comply with the template and format provided by the Fund Administrator 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.

51. Each Third-Party Filer must establish the validity and amount of each claim in its submission. Like all other Potential Claimants to the Fair Fund, Third-Party Filers must submit such supporting documentary evidence of purchases, dispositions, and holdings of Securities as the Fund Administrator deems necessary or appropriate to substantiate each individual claim. Without limitation, this includes the complete name of the Potential 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 Securities (account statements, confirmations and other documentation of purchases and dispositions), as well as holdings of the Security 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 Fund Administrator determines it acceptable. The Fund Administrator will have the right to request, and the Third-Party Filer will have the burden of providing to the Fund Administrator, any additional information and/or documentation deemed necessary by the Fund Administrator to substantiate the claim(s) contained in the submission. Documentation from a Third-Party Filer that is not acceptable to the Fund Administrator will result in rejection of the affected claim(s). The determination of the Fund Administrator to reject a claim for insufficient documentation, as reflected on the Final Determination Notice, is final and within the discretion of the Fund Administrator.

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

53. 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.

54. The Fund Administrator will review all claim submissions and determine the eligibility of each Potential Claimant to participate in the Fair Fund by reviewing claim data and supporting documentation (or the lack thereof), verifying the claim, and calculating each Potential Claimant's Recognized Loss pursuant to the Plan of Allocation. Each Potential Claimant will have the burden of proof to establish the validity and amount of his, her, or its claim, and qualify as an Eligible Claimant. The Fund Administrator will have the right to request, and the Potential Claimant will have the burden of providing to the Fund Administrator, any additional information and/or documentation deemed relevant by the Fund Administrator.

55. The Fund Administrator will provide a Claim Status Notice within ninety (90) days of the Claims Bar Date to each Potential Claimant who has filed a Claim Form with the Fund

Administrator, setting forth the Fund Administrator's determination of eligibility and the amount of calculated Recognized Loss. The Claim Status Notice will provide to each Potential 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 for such denial. The Claim Status Notice will also notify the Potential Claimant of the opportunity to cure such deficiency, requests reconsideration, or dispute the determination made by the Fund Administrator and provide instructions regarding what is required to do so. Recognizing the nature of their claims, Third-Party Filers may be sent Claim Status Notices electronically, and in bulk.

56. Any Potential 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.

57. In the event the claim is denied, in whole or in part, the Claim Status Notice will state the reason for such denial. Any Potential Claimant seeking reconsideration of a denied claim must advise the Fund Administrator 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 Potential Claimant is requesting reconsideration of their claim.

58. The Fund Administrator may, in its sole discretion, consider disputes of any nature presented in writing within thirty (30) days of the Claim Status Notice by Potential Claimants, and will consult Commission staff as appropriate.

59. The Fund Administrator will send, as appropriate, a Final Determination Notice to all Potential Claimants who responded to the Claim Status Notice in an effort to cure a deficiency, seek reconsideration of a rejected claim, or dispute their Recognized Loss. The Fund Administrator will send such Final Determination Notices no later than thirty (30) days following receipt of documentation or information in response to the Claim Status Notice, or such longer time as the Fund Administrator determines is necessary for a proper determination concerning the claim.

60. The Fund Administrator 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 Fund Administrator 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.

61. The Potential Claimant has the burden of notifying the Fund Administrator 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 Fund Administrator's records.

### C. The Escrow Account

62. Prior to the disbursement of the Net Available Fair Fund, the Fund Administrator will establish an escrow account (the "Escrow Account") with a United States commercial bank that is not unacceptable to the Commission staff (the "Bank"), pursuant to an escrow agreement (the "Escrow Agreement") to be provided by Commission staff.

63. The Fund Administrator, 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.

64. During the term of the Escrow Agreement, the portions of the Fair Fund transferred to the Escrow Account (the “Escrow Property”), if invested, 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 Eligible Claimants, tax obligations, and/or fees of the Tax Administrator and/or Fund Administrator, 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.

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

66. The Fund Administrator 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 Fund Administrator shall work with the Bank on an ongoing basis to determine an allocation of funds between the Escrow and Distribution Account.

67. All interest, dividends, and/or income earned by the Escrow Property will accrue for the benefit of the Escrow Account. All Administrative Costs associated with the Escrow and Distribution Accounts will be the responsibility of the Fund Administrator, 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 Account.

D. Establishment of a Reserve

68. Before determining the amount of funds available for distribution and calculating each Eligible Claimant’s Distribution Payment, the Fund Administrator, in conjunction with the Tax Administrator, will establish a reserve to pay future Administrative Costs and to accommodate any unexpected expenditures (the “Reserve”).

69. After all disbursements and Administrative Costs are paid, any remaining amounts in the Reserve will become part of the Residual described in paragraph 85 below.

E. Distribution of the Fair Fund

70. The Fund Administrator will seek to distribute the Net Available Fair Fund to all

Eligible Claimants only after all Claim Forms have been processed and all Potential 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.

71. Within thirty (30) days following the date of the Final Determination Notices described above, paragraph 59, the Fund Administrator will compile and send to the Commission staff the payee information, including the name, address, calculated Recognized Loss, and the amount of the Distribution Payment for all Eligible Claimants (the "Payee List"). The Fund Administrator will also provide a Reasonable Assurances Letter to the Commission staff, representing that the list of Eligible Claimants: (a) was compiled in accordance with the approved Plan; (b) is accurate as to Eligible Claimants' names, addresses, Recognized Losses and amounts of Distribution Payments; and (c) provides all information necessary to make payments to each Eligible Claimant.

72. Upon the Commission staff's receipt, review, and acceptance of the Payee List and Reasonable Assurances Letter from the Fund Administrator, the Commission staff will seek an Order from the Commission pursuant to Rule 1101(b)(6) of the Commission's Rules, 17 C.F.R. § 210.1101(b)(6), to disburse funds to the Bank in accordance with the Payee List for distribution by the Fund Administrator in accordance with the Plan. All disbursements will be made pursuant to a Commission Order.

73. Upon issuance of an order to disburse, the Commission staff will direct the transfer of the funds to the Bank in accordance with the Payee List. The Fund Administrator will then use its best efforts to commence mailing Distribution Payment checks and/or effect wire transfers within ten (10) 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.

74. All checks will be issued by the Fund Administrator 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. An Eligible Claimant'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 Net Available Fair Fund, except as provided in Paragraphs 82-83 below.

75. 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 Eligible Claimant and that the Eligible Claimant should consult his or her 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 Fund Administrator for questions regarding the Distribution Payment. The letter or other mailings to Eligible Claimants characterizing a Distribution Payment will be submitted to the Tax Administrator and Commission staff for review and approval. 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 Commission to compensate investors for harm as a result of securities law

violations.

76. Distribution Payments must be made by check or electronic payment payable to the Eligible Claimant (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 Fund Administrator in consultation with the Commission staff and must be authorized by the Eligible Claimant. Compensation to the Third-Party Filer for its services may not be paid or deducted from the Distribution Payment.

77. If, after discussion with the Fund Administrator in consultation with the Commission staff, and authorization by the Eligible Claimant(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 Fund Administrator. All such Third-Party Filers must have an auditable mechanism available to the Fund Administrator and the Commission staff to confirm that each Eligible Claimant received the Distribution Payment directed to them.

78. The Fund Administrator will distribute any payments made on behalf of a retirement plan 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.

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

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

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

81. The Fund Administrator shall use its best efforts to make use of reasonable commercially available resources and other reasonably appropriate means to locate all Eligible Claimants whose checks are returned to the Fund Administrator as "undeliverable." If new address information becomes available, the Fund Administrator 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 Fund Administrator shall instruct the issuing financial institution to stop payment on such check. If the Fund Administrator is unable to find an Eligible Claimant's correct address, the Fund Administrator, in its discretion, may remove such Eligible Claimant

from the distribution and the allocated Distribution Payment will remain in the Fair Fund for distribution, if practicable, to the remaining Eligible Claimants.

82. The Fund Administrator will reissue checks to Eligible Claimants upon the receipt of a valid, written request from the Eligible Claimant prior to the initial stale date. In cases where an Eligible Claimant is unable to endorse a Distribution Payment check as written (*e.g.*, name changes, IRA custodian changes, or recipient is deceased) and the Eligible Claimant or a lawful representative requests the reissuance of a Distribution Payment check in a different name, the Fund Administrator will request, and must receive, documentation to support the requested change. The Fund Administrator will review the documentation to determine the authenticity and propriety of the change request. If, in the discretion of the Fund Administrator, such change request is properly documented, the Fund Administrator will issue an appropriately redrawn Distribution Payment to the requesting party. Such 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.

83. The Fund Administrator will make reasonable efforts to contact Eligible Claimants who have failed to negotiate any Distribution Payment check and take appropriate action to follow up on the status of uncashed checks at the request of Commission staff. The Fund Administrator may reissue such checks subject to the time limits detailed herein.

#### G. Disposition of Undistributed Funds

84. If funds remain following the initial distribution and payment of all Administrative Costs, the Fund Administrator, in consultation with the Commission staff, may seek subsequent distribution(s) of any remaining funds, pursuant to the Commission's Rules.

85. A residual within the Fair Fund will be established for any amounts remaining after the final disbursement to Eligible Claimants from the Fair Fund (the "Residual"). The Residual may include, among other things, the Reserve, distribution checks that have not been cashed, funds from checks that were not delivered or from funds returned to the Commission, Fair Fund tax refunds for overpayment or for waiver of IRS penalties.

86. All funds remaining in the Residual that are infeasible to distribute to investors will be returned to the Commission and transferred to the U.S. Treasury after the final accounting is approved by the Commission.

#### H. Accountings

87. Pursuant to Rule 1105(f) of the Commission's Rules, once the Escrow Property has been transferred from the BFS to the Bank, the Fund Administrator will file an accounting with the Commission during the first ten (10) days of each calendar quarter on a standardized accounting form provided by the Commission staff. The Fund Administrator will file an accounting of all monies earned or received and all monies spent in connection with the administration of the Plan.

88. Upon completion of all distributions to Eligible Claimants pursuant to the

procedures described above, the Fund Administrator shall arrange for the payment of all Administrative Costs, transfer all remaining funds to the Commission, and submit a final accounting for approval by the Commission on a standardized form provided by the Commission staff. The Fund Administrator 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.

I. Termination of the Fair Fund

89. The Fair Fund will be eligible for termination and the Fund Administrator will be 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 Fund Administrator and approved by the Commission; (b) all Administrative Costs have been paid; and (c) any amount remaining in the Fair Fund has been returned to the Commission for transfer to U.S. Treasury. Once the Commission has approved the final accounting, the Commission staff will seek an order from the Commission authorizing: (a) the transfer of any Residual remaining in the Fair Fund that is infeasible to return to investors, and any amounts returned to it in the future that are infeasible to return to investors, to the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act; (b) discharge of the Fund Administrator; (c) cancellation of the Fund Administrator's bond; and (d) termination of the Fair Fund.

90. Once the Fair Fund has been terminated and funds, if any, are transferred to the U.S. Treasury, no further claims will be allowed and no additional payments will be made whatsoever.

J. Miscellaneous

91. When administering this Plan, the Fund Administrator, and/or each of its designees, agents and assigns, may rely on: all applicable law; orders issued by the Commission, including orders issued by delegated authority; orders issued by an administrative law judge, if any, appointed in this proceeding; and any records, including records containing investor information, provided by Commission staff.

92. Should any additional funds be received pursuant to Commission or Court order, agreement, or otherwise, prior to the Commission's termination of the Fair Fund, such funds will be added to the Net Available Fair Fund and distributed, if feasible, in accordance with the Plan of Allocation.

K. Wind-down and Document Retention

93. The Fund Administrator will shut down the website, P.O. Box and customer service telephone line(s) established specifically for the administration of the Fair Fund two (2) months after the transfer of any remaining funds to the Commission, or at such earlier time as the Fund Administrator determines with the concurrence of the Commission staff.

94. The Fund Administrator will retain all claims materials in paper and electronic form for a period of six (6) years from the approval of the final accounting. Pursuant to

Commission staff's direction, the Fund Administrator will either turn over to the Commission or destroy all documents, including documents in any media, upon expiration of this period.

## Exhibit A

### PLAN OF ALLOCATION

This Plan of Allocation is designed to compensate investors (“Potential Claimants”) based on their losses on shares of the FCA common stock (the “Security”) purchased between February 2, 2016 and January 11, 2017 (the “Relevant Period”) due to the misconduct of the Respondent. Potential Claimants who did not purchase shares of the Security during the Relevant Period did not purchase shares at prices inflated by the Respondent’s violative conduct and are ineligible to recover under this Plan. Artificial inflation in the price of the Security over various date ranges surrounding corrective disclosures and average closing prices of the Security during the 90-day Lookback Period (defined below) have been calculated by Commission’s staff economists and are reflected in Table A.

The Fund Administrator will calculate the amount of loss<sup>5</sup> for each share of the Security purchased or acquired during the Relevant Period (“Recognized Loss per Share”) as follows:

For each share of Security purchased or acquired between February 2, 2016 and January 11, 2017, inclusive, and

- A. Sold prior to January 12, 2017, the Recognized Loss per Share is \$0.00.
- B. Sold on January 12, 2017 before the close of trading, the Recognized Loss per Share is the *lesser of*:
  - i. share price inflation of \$1.13; or
  - ii. the purchase/acquisition price *minus* the sale price.
- C. Sold after the close of trading on January 12, 2017 and prior to the close of trading on April 11, 2017 (the “Lookback Period”) the Recognized Loss per Share is the *least of*:
  - i. share price inflation of \$1.13; or
  - ii. the purchase/acquisition price *minus* the sale price; or
  - iii. the purchase/acquisition price *minus* the moving average closing price of FCA common stock on the sale date as set forth in Table A below.
- D. Held as of the close of trading on April 11, 2017, the Recognized Loss per Share is the *lesser of*:
  - i. share price inflation of \$1.13; or

---

<sup>5</sup> The loss calculated will take into account the artificially inflated portion of the per share price of the Security as a result of FCA’s misstatements and omissions, as well as the Potential Claimants’ actual expenditures.

- ii. the purchase/acquisition price *minus* \$10.81, the moving average closing price of FCA common stock between January 12, 2017 and April 11, 2017, as shown on the last row in Table A.

If the Recognized Loss per Share calculates to a negative number, reflecting a gain, the Recognized Loss per Share on such shares will be \$0.00.

All prices mentioned in the calculations exclude all taxes, fees and commissions. Purchases and sales shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

### **Additional Provisions**

FIFO Methodology: For each Potential Claimant who made multiple purchases and sales of the Security during the Relevant Period, the transactions will be matched according to the first-in, first-out (“FIFO”) method. The earliest sales during the Relevant Period will be matched first against any holdings at the opening of the Relevant Period. Once the beginning holdings have all been matched, or in the event that the Potential Claimant had no beginning holdings, then any further sales will be matched against the earliest Relevant Period purchases and chronologically thereafter.

Acquisitions: The receipt or grant of the Security to the Potential Claimant by gift, devise, inheritance, or operation of law during the Relevant Period is not considered an eligible purchase if the original purchase did not occur during the Relevant Period. Such shares will be excluded from the calculation of the Potential Claimant’s Recognized Loss.

The receipt of the Security pursuant to the conversion of mandatory convertible securities on December 15, 2016 is considered an eligible purchase, with a price per share of \$8.73 (the closing price on December 15, 2016), for purposes of the calculations in this Plan of Allocation.

Options and Derivatives: FCA common stock is the only security eligible for recovery under this Plan. Option contracts to purchase or sell the Security are not securities eligible for recovery under the Plan. With respect to the Security purchased or sold through the exercise of an option, the purchase/sale date is the exercise date of the call and the assignment date of the put, and the purchase/sale price is the strike price of the call at the time of exercise and the strike price of the put at the time of assignment. Transactions in the Security during the Relevant Period that are pursuant to, or in connection with, a swap or another derivative will not be eligible for a recovery.

Short Sales: If the sale date for a share falls before the purchase date, then the share has a Recognized Loss per Share of \$0.00. The date of covering a short sale is deemed to be the date of purchase of the Security and the date of a short sale is deemed to be the date of sale of the Security. The earliest Relevant Period purchases will be matched against any short position existing on the date prior to the start of the Relevant Period, and not be entitled to a recovery, until that short position is fully covered.

Recognized Loss: A Potential Claimant’s Recognized Loss will be the sum of the Recognized Loss per Share, as calculated above, on all shares of the Security purchased or acquired

during the Relevant Period. If the Recognized Loss calculates to a gain, then the Recognized Loss will be \$0.00.

Market Loss Limitation: If a Potential Claimant's actual market loss on shares of the Security purchased during the Relevant Period is less than his, her or its Recognized Loss, then the Potential Claimant's Recognized Loss shall be limited to the actual market loss amount. If the actual market loss calculates to a gain, then the Potential Claimant's Recognized Loss will be \$0.00. The actual market loss will be calculated as (a) the total purchase amount for shares of the Security purchased during the Relevant Period less (b) the sales proceeds on any of those shares sold during the Relevant Period, and (c) the holding value on the remaining of those shares, which will be for purposes of this calculation, \$10.81 per share, the moving average closing price of FCA common stock between January 12, 2017 and April 11, 2017, as shown on the last row in Table A.

Eligible Claimant: A Potential Claimant whose Recognized Loss, after application of the Market Loss Limitation, equals or exceeds \$10.00 will be deemed an Eligible Claimant.

Pro Rata Share: A *pro rata* share computation is intended to measure Eligible Claimants' Recognized Losses against one another. The Fund Administrator shall determine each Eligible Claimant's *Pro Rata* Share as the ratio of the Eligible Claimant's Recognized Loss to the sum of Recognized Losses of all Eligible Claimants.

Distribution Payment: If the Net Available Fair Fund equals or exceeds the sum of the Recognized Losses of all Eligible Claimants, each Eligible Claimant will receive a distribution payment equal to the amount of his, her, or its Recognized Loss. If the Net Available Fair Fund is less than the sum of the Recognized Losses of all Eligible Claimants, each Eligible Claimant will receive a distribution payment equal to their *Pro Rata* Share.

Prior Recovery: To avoid payment of a windfall, the Distribution Payment will be no larger than the Eligible Claimant's Recognized Loss minus the amount of any compensation for the loss that resulted from the conduct described in the Order that was received from another source (e.g., class action settlement), to the extent known by the Fund Administrator ("Prior Recovery"), if any. Reasonable Interest, if awarded, may be added to such Distribution Payment.

Reasonable Interest: If the Net Available Fair Fund has funds in excess of that necessary to pay all Eligible Claimants Distribution Payments equal to their Recognized Loss, the Fund Administrator, in consultation with the Commission staff, may include reasonable interest in the Distribution Payment to compensate Eligible Claimants for the time value of their respective Recognized Losses. Reasonable interest will be calculated using the Short-term Applicable Federal Rate plus three percent (3%), compounded quarterly from the end of the Relevant Period through the approximate date of the disbursement of the Fair Fund ("Reasonable Interest"). If there are insufficient funds to pay Reasonable Interest in full to all Eligible Claimants, the excess funds will be divided, *pro rata*, among the Eligible Claimants, based on the Reasonable Interest amount calculated for each Eligible Claimant.

Minimum Distribution Amount: No Eligible Claimant shall receive a Distribution Payment unless his, her, or its Distribution Payment is equal to or greater than \$10.00. If an Eligible Claimant's calculated Distribution Payment is less than \$10.00, that investor will not receive a

payment and the funds will be distributed to other Eligible Claimants whose Distribution Payments are equal to or greater than \$10.00.

**Table A: FCA Common Stock Moving Average Closing Price, January 12, 2017 – April 11, 2017**

	<b>Moving Average Closing Price from January 12, 2017 to Date Shown</b>	<b>Date</b>	<b>Moving Average Closing Price from January 12, 2017 to Date Shown</b>	<b>Date</b>	<b>Moving Average Closing Price from January 12, 2017 to Date Shown</b>
1/12/2017	\$9.95	2/13/2017	\$10.54	3/15/2017	\$10.84
1/13/2017	\$9.84	2/14/2017	\$10.58	3/16/2017	\$10.85
1/17/2017	\$9.72	2/15/2017	\$10.62	3/17/2017	\$10.87
1/18/2017	\$9.71	2/16/2017	\$10.66	3/20/2017	\$10.88
1/19/2017	\$9.76	2/17/2017	\$10.68	3/21/2017	\$10.87
1/20/2017	\$9.80	2/21/2017	\$10.71	3/22/2017	\$10.87
1/23/2017	\$9.87	2/22/2017	\$10.73	3/23/2017	\$10.87
1/24/2017	\$9.99	2/23/2017	\$10.75	3/24/2017	\$10.87
1/25/2017	\$10.10	2/24/2017	\$10.75	3/27/2017	\$10.87
1/26/2017	\$10.20	2/27/2017	\$10.76	3/28/2017	\$10.88
1/27/2017	\$10.28	2/28/2017	\$10.76	3/29/2017	\$10.88
1/30/2017	\$10.32	3/1/2017	\$10.77	3/30/2017	\$10.88
1/31/2017	\$10.37	3/2/2017	\$10.78	3/31/2017	\$10.88
2/1/2017	\$10.42	3/3/2017	\$10.79	4/3/2017	\$10.87
2/2/2017	\$10.45	3/6/2017	\$10.80	4/4/2017	\$10.87
2/3/2017	\$10.49	3/7/2017	\$10.80	4/5/2017	\$10.85
2/6/2017	\$10.50	3/8/2017	\$10.81	4/6/2017	\$10.84
2/7/2017	\$10.49	3/9/2017	\$10.81	4/7/2017	\$10.83
2/8/2017	\$10.50	3/10/2017	\$10.81	4/10/2017	\$10.82
2/9/2017	\$10.51	3/13/2017	\$10.82	4/11/2017	\$10.81
2/10/2017	\$10.52	3/14/2017	\$10.82		