

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No.

ADMINISTRATIVE PROCEEDING
File No. 3-17791

In the Matter of :
:
Orthofix International N.V. :
:
Respondent. :

ADMINISTRATIVE PROCEEDING
File No. 3-17792

In the Matter of :
:
Jeffrey Hammel, CPA :
:
Respondent. :

ADMINISTRATIVE PROCEEDING
File No. 3-17793

In the Matter of :
:
Brian McCollum :
:
Respondent. :

ADMINISTRATIVE PROCEEDING
3-17794

In the Matter of :
:
Kenneth Mack and Bryan McMillan :
:
Respondents. :

**NOTICE OF FAIR FUND AND
DEADLINE TO FILE PROOFS OF CLAIM**

TO: ALL ELIGIBLE INVESTORS WHO PURCHASED THE COMMON STOCK OF ORTHOFIX INTERNATIONAL N.V. BETWEEN MARCH 2, 2010 AND AUGUST 7, 2013, INCLUSIVE AND WHO SUFFERED A LOSS ON THEIR INVESTMENTS SUBSEQUENT TO DISCLOSURES BY THE RESPONDENTS (AS DEFINED BELOW).

IMPORTANT: PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOU MAY BE ENTITLED TO RECEIVE MONEY PURSUANT TO THE PROCEEDINGS DESCRIBED HEREIN.

CLAIMS DEADLINE: ELIGIBLE INVESTORS MUST SUBMIT PROOFS OF CLAIM, ON THE FORM ACCOMPANYING THIS NOTICE, POSTMARKED ON OR BEFORE OCTOBER 22, 2018.

REASON FOR NOTICE

You are receiving this Notice to advise you of a fair fund being created and a distribution of the funds collected in the above referenced proceedings from Orthofix International N.V. (“Orthofix”), Jeffrey Hammel, CPA (“Hammel”), Bryan McCollum (“McCollum”), Kenneth Mack (“Mack”), and Brian McMillan (“McMillan”) (collectively, the “Respondents”) to investors who purchased Orthofix common stock at inflated prices during the period from March 2, 2010 through August 7, 2013, inclusive (“Recovery Period”) and who suffered losses in the value of their investments subsequent to disclosures by the Respondents. To be eligible to participate in the distribution, you must file a completed Proof of Claim on the accompanying form, as described below.

SUMMARY OF FAIR FUND

On January 18, 2017, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Orthofix Order”) against Orthofix. The Orthofix Order required Orthofix to pay an \$8,250,000.00 civil money penalty, and created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, so the penalty could be distributed to harmed investors (the “Orthofix Fair Fund”). The Orthofix Order further provided that the Orthofix Fair Fund could receive funds from and/or be combined with fair funds established for civil penalties paid by other respondents for conduct arising in relation to the violative conduct at issue in the Orthofix Order.

The Commission simultaneously issued three settled orders in related matters (collectively, the “Related Matters”) against Hammel, McCollum, Mack and McMillan. Hammel’s order required him to pay a \$20,000.00 civil money penalty, and McCollum’s order required him to pay a \$35,000.00 civil penalty. Mack and McMillan’s order required them to pay a \$40,000.00 and \$25,000.00 civil money penalty, respectively. Each order created a fair fund and provided that it could be added or combined with the Orthofix Fair Fund and/or may be added to or combined with fair funds established for the civil penalties paid by other respondents for conduct arising in relation to the violative conduct at issue in the order, so that the combined fair funds could be distributed to harmed investors affected by the same violative conduct.

Orthofix has paid \$8,250,000.00 as ordered into the Orthofix Fair Fund, and a total of \$120,023.32 has been paid, as ordered, in the Related Matters, which has been combined with the Orthofix Fair Fund, for a total of \$8,370,023.02, for distribution to harmed investors (hereinafter, the “Fair Fund”).

DISTRIBUTION PLAN

The Plan of Allocation is designed to compensate Eligible Investors based on their losses on Orthofix common stock purchased during the Recovery Period due to the disclosures made by the Respondents. Investors who did not purchase any Orthofix common stock during the Recovery Period did not purchase shares at prices inflated by Respondents’ violative conduct and do not have any Recognized Losses. The Commission staff determined the amount to be distributed to each Eligible Investor as follows.

- a. For shares of Orthofix common stock that were:
 - i. *Held at the close of trading on March 1, 2010 (“Beginning Holding Date”), and either sold during the Recovery Period, or held through the close of trading on the End Holding Date, the Recognized Loss per share is \$0.00.*
 - ii. *Purchased in the period from March 2, 2010, through and including July 29, 2013 (“First Inflation Period”), and*
 - a. *Sold during the First Inflation Period, the Recognized Loss per share is \$0.00.*
 - b. *Sold in the period from July 30, 2013 through and including August 7, 2013 (“Second Inflation Period”), the Recognized Loss per share is equal to the purchase price per share*

minus \$22.94¹, up to a maximum loss of \$4.34² per share. If the purchase price is less than or equal to \$22.94, the Recognized Loss per share is \$0.00. If the purchase price less the sale price is greater than \$4.34, the Recognized Loss per share is \$4.34.

- c. Held at the close of trading on August 7, 2013 (“End Holding Date”), the Recognized Loss per share is equal to the purchase price per share less sale price per share, up to a maximum of \$5.42.³ If the sale price is greater than or equal to the purchase price, the Recognized Loss per share is \$0.00. If the purchase price less the sale price is more than \$5.42, the Recognized Loss per share is \$5.42.

iii. *Purchased during the Second Inflation Period and*

- a. Sold during the Second Inflation Period, the Recognized Loss per share is \$0.00.
- b. Held at the close of trading on the End Holding Date, the Recognized Loss per share is equal to the purchase price less \$22.63, up to a maximum of \$1.08 per share. If the purchase price is less than or equal to \$22.63, the Recognized Loss per share is \$0.00. If the purchase price less the sale price is greater than \$1.08, then the Recognized Loss per share is \$1.08 per share.

- b. All prices mentioned in the calculations exclude all 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.
- c. **FIFO Methodology:** For each investor who made multiple purchases and sales of Orthofix common stock during the Recovery Period, the transactions will be calculated according to the first-in, first-out (“FIFO”) method. The “contract” or “trade” date will be treated as the purchase or sale date for Orthofix shares, not the “settlement” or “payment” date. The earliest sales during the Recovery Period will be matched first against any holdings at the opening of the Recovery Period. Once the beginning holdings have all been matched, or in the event that the investor had no beginning holdings, then any further sales would be matched against the earliest Recovery Period purchases and chronologically thereafter.
- d. **Short Sales:** If the sale date for a share falls before the purchase date (“Short Sale”), then the share has a Recognized Loss of \$0.00.
- e. **Acquisitions:** The receipt or grant to the investor by gift, devise, inheritance, or operation of law of Orthofix common stock during the Recovery Period is not considered an eligible purchase if the original purchase did not occur during the Recovery Period. Such shares will be excluded from the calculation of the investor’s Eligible Loss Amount (defined below).
- f. **Eligible Loss Amount:** An investor’s Eligible Loss Amount will be calculated as the sum of Recognized Losses, as explained in the paragraph above, on all shares purchased and sold during the Recovery Period.
- g. **Market Loss Limitation:** If an investor’s actual losses in Orthofix common stock incurred during the Recovery Period were less than the Eligible Loss Amount, then the investor’s Eligible Loss Amount shall be limited to the actual loss amount. Investors whose total proceeds from sales of Orthofix common stock during the Recovery Period exceeded the total purchase amount for the shares purchased during the Recovery Period shall have an Eligible Loss Amount of \$0.00.
- h. **Pro Rata Distribution:** If sufficient funds remain in the Fair Fund after the addition of interest from investment and the deduction of taxes and administration expenses (the “Net Fair Fund”), each Eligible Investor will receive a distribution payment equal to the amount of his, her, or its Eligible Loss Amount. If the Net Fair Fund is not sufficient to pay the full Eligible Loss Amount for all Eligible Investors, then each Eligible Investor will receive the amount that his, her, or its Eligible Loss Amount bears in proportion to the total Eligible Loss Amounts of all Eligible Investors (“Pro-Rata Share”).

¹ This amount represents the closing price on July 30, 2013.

² This amount represents the maximum price drop based on the closing price on the first corrective disclosure date of July 29, 2013.

³ This amount represents the maximum price drop based on the closing price on the second corrective disclosure date of August 7, 2013.

- i. **Minimum Distribution Amount:** If an Eligible Investor'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 Investors whose distribution payments are greater than \$10.00.

SUBMISSION OF PROOF OF CLAIM

Eligible investors who submitted a claim form in the Plumbers & Pipefitters National Pension Fund v. Orthofix International N.V., et al., Case No.: 1:13-cv-5696-JGK (S.D.N.Y) ("Orthofix Securities Settlement"), that claim and the transactional information you already provided will be used to determine your eligibility for a payment from the Net Fair Fund. You can call the Fund Administrator at (866) 274-4004 to find out if you previously submitted a claim and whether it was valid or deficient.

Eligible investors who did not submit a claim form in connection with the Orthofix Securities Settlement, you must submit the Proof of Claim that is attached to this Notice in order to be eligible to recover from the Fair Fund. You may also get a Proof of Claim on the internet at the website for the Fund Administrator: www.strategicclaims.net/orthofixsec. Please read the instructions carefully, fill out the Proof of Claim, include all documents the form asks for, sign it, and mail it to the Fund Administrator **postmarked on or before October 22, 2018** at Orthofix SEC Fund, c/o Strategic Claims Services, 600 N. Jackson Street, Suite 205, Media, PA 19063.

ADDITIONAL INFORMATION

This Notice is only a summary. If you have any questions about this Notice, the Fair Fund, or the filing of a Proof of Claim, please direct them to the Fund Administrator via email at info@strategicclaims.net. Please do not contact the SEC.

Dated: June 22, 2018

PROOF OF CLAIM

DEADLINE FOR SUBMISSION: OCTOBER 22, 2018

If you are an eligible investor who submitted a claim form in the *Plumbers & Pipefitters National Pension Fund v. Orthofix International N.V., et al.*, Case No.: 1:13-cv-5696-JGK (S.D.N.Y) (“Orthofix Securities Settlement”), that claim and the transactional information you already provided will be used to determine your eligibility for a payment from the Fair Fund. You can call the Fund Administrator at (866) 274-4004 to find out if you previously submitted a claim and whether it was valid or deficient.

If you are an eligible investor who did not submit a claim form in connection with the Orthofix Securities Settlement, you must submit the Proof of Claim that is attached to this Notice in order to be eligible to recover from the Fair Fund.

PART I: CLAIMANT IDENTIFICATION

Claimant/Representative Contact Information:

The Fund Administrator will use the contact information for all correspondence relevant to this Claim (including the issuance of the distribution check, if the Claim is ultimately determined to be eligible for payment). If the contact information changes, then you must notify the Fund Administrator in writing at the address identified above.

Claimant’s Name (as you would like it to appear on your check if eligible for payment)

Address Line 1 (Number and Street or P.O. Box)

Address Line 2 (if needed)

City

State or Province

Zip Code

Country Name

Social Security Number (for individuals)
Or T.I.N. (for estates, trusts, corporations, etc.)

Telephone Number (Work)

Telephone Number (Home)

Email

PART II: SCHEDULE OF TRANSACTIONS IN ORTHOFIX COMMON STOCK

A. Holdings at Start of Recovery Period: List all shares of Orthofix International N.V. held as of the opening of trading on March 2, 2010.

Quantity of Shares Held

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B. Purchases: List all purchases of Orthofix common stock between March 2, 2010 and August 7, 2013, inclusive. Be sure to attach documentation verifying your transactions.

<u>Trade Date (List Chronologically) (Month/Day/Year)</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Total Purchase Price (Excluding Commissions)</u>

C. Sales: List all sales of Orthofix common stock between March 2, 2010 and August 7, 2013, inclusive. Be sure to attach documentation verifying your transactions.

<u>Trade Date (List Chronologically) (Month/Day/Year)</u>	<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Total Sales Proceeds (Excluding Commissions)</u>

D. Unsold Holdings: List the number of shares of Orthofix common stock held as of the close of trading on August 7, 2013. Be sure to attach documentation verifying your holdings.

Quantity of Shares Held

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If you require additional space to list your transactions, use photocopies of this page and check this box.

PART III: CERTIFICATION AND SIGNATURE

By submitting this Proof of Claim, I (we) certify that (i) I am (we are) the individual or legal entity named above (if you are the individual's or legal entity's representative, please supply documentation supporting your authority to act on behalf of such individual or entity) and (ii) I (we) provided the all transaction information and documentation required.

I (WE) CERTIFY THAT I AM (WE ARE) NOT SUBJECT TO BACKUP WITHHOLDING UNDER THE PROVISIONS OF SECTION 3406(A)(1)(C) OF THE INTERNAL REVENUE CODE.

Note: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.

Executed this ____ day of _____, in _____, _____
(Month/Year) (City) (State/Country)

Signature of Claimant

Signature of Joint Claimant, if any

Print Name of Claimant

Print Name of Joint Claimant, if any

Date

Date

If Claimant is other than an individual, or is not the person completing this form, the following also must be provided:

Signature of Person Completing Form

Date

Print Name of Person Completing Form

Capacity of Person(s) Signing, (e.g., Beneficial Purchaser, Executor or Administrator)

Orthofix SEC Fund
c/o Strategic Claims Services
600 N Jackson Street – Suite 205
Media, PA 19063

IMPORTANT LEGAL DOCUMENT – PLEASE FORWARD

REMINDER CHECKLIST

- 1. Please be sure to sign this Proof of Claim.
- 2. Remember to attach **COPIES OF** documentation verifying your transactions listed above.
- 3. **DO NOT SEND ORIGINALS OF ANY DOCUMENTS VERIFYING YOUR TRANSACTIONS.**
- 4. Keep a copy of your Proof of Claim Form for your records.
- 5. If you move, please send your new address to the Fund Administrator at the address below:
Orthofix SEC Fund
Fund Administrator
c/o Strategic Claims Services
600 N. Jackson St., Suite 205
Media, PA 19063
- 6. **Do not use highlighter on the Proof of Claim or supporting documentation.**