

**UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

Re: In the Matter of MagnaChip Semiconductor Corporation,
and Margaret Hye-Ryoung Sakai, CPA,
Admin. Proc. File No. 3-17956

MagnaChip Fair Fund Notice

MAGNACHIP PLAN APPROVAL NOTIFICATION
The United States Securities and Exchange Commission authorized this Plan
Approval Notification (“Notice”).
This is not a solicitation from a lawyer.

Dear Investor:

This Notice is to inform you of the MagnaChip Fair Fund (“Fair Fund”), established by the Commission with the proceeds of an enforcement action against MagnaChip Semiconductor Corp. (“MagnaChip”) and Margaret Hye-Ryoung Sakai (“Sakai”), collectively, “Respondents”. This fund is intended to compensate investors for harm incurred when Respondents improperly and fraudulent accounting practices intended to artificially inflate revenue and meet gross margin targets it had previously announced to the public.

The Order Instituting Public Administrative and Cease-and Desist-Proceedings (“Order”) found that during the Relevant Period . . . A full description of the background of the case is contained in the Order, which can be found at <https://www.sec.gov/litigation/admin/2017/33-10352.pdf>.

You have been identified as a potential Eligible Investor¹ because of your transactions with MagnaChip between February 1, 2012 and February 12, 2015 (the “Relevant Period”); therefore, you may be eligible to receive compensation in accordance with the provisions of the Plan of Distribution approved by the Commission (“Distribution Plan”). To be eligible to recover from the MagnaChip Fair Fund, you must submit a completed Claim Form which must be received by December 6, 2023.² More detailed instructions for completing the Claim Form are set forth below.

Fair Fund

The Fair Fund is comprised of the civil penalties paid by the Respondents. Strategic Claims Services is serving as the Fund Administrator in charge of administering the distribution of the Fair Fund (“Fund Administrator”). The balance of the Fair Fund is approximately \$3,134,999.99.

Distribution Plan

On May 10, 2023, the Commission approved the Distribution Plan and appointed Allison Moon as the Fund Administrator to administer the distribution.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed in the Distribution Plan.

² You may be excluded from applying for a distribution if you fall within one of the categories outlined in Paragraph 16 of Distribution Plan. Participation in the distribution of the Fair Fund will not result in the release of any rights or potential claims an investor may have against any party (other than with respect to the Fund Administrator), including, but not limited to, any party’s past and present directors, officers, promoters, advisers, agents, affiliates, nominees, assigns, creditors, or controlled entities.

A copy of the Distribution Plan is available to view and download at www.strategicclaims.net/secvmagnachip. In addition, you can request a copy of the Distribution Plan from the Fund Administrator by phone, e-mail, or mail:

MagnaChip Fair Fund
c/o Strategic Claims Services
P.O. Box 230
600 N. Jackson Street, Suite 205
Media, PA 19063
Telephone: (866) 274-4004
Email: info@strategicclaims.net

Determination of Your Recognized Loss

The amount of compensation shall be determined by reference to the plan of allocation set forth in Exhibit A to the Commission-approved Distribution Plan. The Fund Administrator will calculate your Recognized Loss pursuant the Plan of Allocation contained in the Commission-approved Distribution Plan. No Distribution Payment will be made to an otherwise Eligible Investor unless the amount to be paid equals or exceeds \$10.00.

Reasonable Interest

If the Net Available Fair Fund exceeds that necessary to pay all Eligible Claimants their Recognized Losses, the Fund Administrator, in consultation with the Commission staff, may include interest in the distribution amount to Eligible Claimants for the time value of money on Recognized Loses. 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 funds. If there are insufficient funds to pay Reasonable Interest in full to all Eligible Claimants, each Eligible Claimant will receive his, her, or its *Pro Rata* Share of the Reasonable Interest amount in their distribution amount.

Please complete the Claim Form attached hereto and return it to the address provided. You must confirm any changes to the Eligible Investor's name, and whether any heirs or successors have taken the place of the original Eligible Investor. You must also include the Eligible Investor's (or heir's or successor's) Social Security Number or Tax Identification Number. The Claim Form must be returned **no later than December 6, 2023**.

Tax Consequences of Your Distribution Payment

On June 14, 2018 a Tax Administrator, Miller Kaplan Arase LLP, a certified public accounting firm, was appointed to handle the tax and reporting obligations of the Fund. The Fair Fund is a "Qualified Settlement Fund" ("QSF") as defined in Section 468B(g) of the Internal Revenue Code, 26 U.S.C. Section 468B(g), as amended. Your distribution from this fund has tax consequences. Generally, your distribution is not income to you to the extent of your basis in your investment. However, you must reduce your basis by the amount of your distribution. If your distribution exceeds your tax basis in your investment, then the excess is includable in your income as capital gain. Any such capital gain is long-term capital gain, unless you disposed of your investment before holding it for longer than one year. If you do not have reasonable access to records indicating the tax basis of your investment, then you may assume that your tax basis is zero and that the entire distribution is includable in your income as capital gain. ***The QSF is not required to – and will not – issue a Form 1099 to you with respect to the losses component of your distribution.***

The Reasonable Interest component constitutes taxable interest income to you; however, you will only receive a Form 1099-INT if your distribution contains \$600 or more of such interest. Under certain circumstances, the interest component may have been subject to 24% backup withholding (as well as state withholding, as applicable). To the extent that the interest component is subject to such withholding, it will be reflected on the Form 1099-INT that will be issued to you (as well as any related state forms, as applicable). If you are, or are presumed to be, a nonresident alien of the U.S. (“NRA”), or a payee subject to withholding under the Foreign Account Tax Compliance Act (“FATCA”), you may receive Form 1042-S with respect to the interest component of your distribution. Your interest component may also have been subject to 30% NRA withholding or 30% FATCA withholding under certain circumstances, which has been remitted to the IRS on your behalf (if applicable). To the extent your interest component is subject to such withholding, it will be reflected on the Form 1042-S that will be issued to you in the first quarter of the year subsequent to the year you receive your distribution payment.

IRA, QRP, or Other Tax Deferred Vehicle

If you held your investment in an individual retirement account (“IRA”), qualified retirement plan (“QRP”), or other tax deferred vehicle, your check will be made payable to the trustee or custodian of your IRA or QRP. You should forward the check to the trustee or custodian of your IRA or QRP for deposit into your IRA or QRP account. ***Caution: If the check is cashed or deposited in any account other than an account eligible to receive the check, it may be subject to income tax and a 10% penalty.***

Please note that the Fund Administrator and the Tax Administrator cannot provide tax advice to Eligible Investors. The information contained herein is being provided for informational purposes only to assist you in determining the U.S. federal income tax consequences of the distribution payment if you are a citizen or resident of the U.S. The tax consequences of the distribution may vary depending on your individual circumstances. The information provided herein may not be applicable if you are a nonresident alien of the U.S. and it does not address the alternative minimum tax provisions of federal tax law, state, local and non-U.S. tax rules, or the effect of possible changes in laws. ***THE INFORMATION CONTAINED HEREIN IS NOT AND SHOULD NOT BE RELIED UPON AS TAX ADVICE. CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE DISTRIBUTION TO YOU.***

Eligible Investors’ Participation Options for this Fair Fund

To receive a payment from the Fair Fund you must submit the enclosed Claim Form and W-9 Form no later than December 6, 2023. If you do not timely return the Claim Form and W-9, you will be deemed an Unresponsive Preliminary Claimant, and you may not receive a distribution payment from the Fair Fund.

Questions?

If you have any questions about the Fair Fund or the calculation of your Recognized Loss, you may obtain more information by visiting the website at www.strategicclaims.net/secvmagnachip, or contact the Fund Administrator Toll-free at (866) 274-4004 or by email at info@strategicclaims.net. In addition, you may obtain information at the SEC’s Information for Harmed Investors webpage at <https://www.sec.gov/enforcement/information-for-harmed-investors/magna-chip>.