

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No. 3-18473

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In the Matter of

VISIUM ASSET MANAGEMENT, LP

Respondent.

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DISTRIBUTION PLAN NOTICE OF VISIUM FAIR FUND

**This Notice is Pursuant to a Distribution Plan approved by the United States Securities and Exchange Commission.  
This is not a solicitation from a lawyer.**

Dear Investor:

The United States Securities and Exchange Commission (“SEC” or “Commission”) established a Fair Fund in the above-referenced proceeding against Visium Asset Management, LP (“Visium”) to compensate investors in the Visium Credit Master Fund, Ltd. through its offshore feeder fund – Visium Credit Opportunities Offshore Fund, Ltd., and its domestic feeder fund – Visium Credit Opportunities Fund, L.P. (collectively referenced herein as the “Credit Fund”) from July 1, 2011 to December 31, 2012, inclusive (the “Investment Period”), for the Credit Fund’s overpayment of management fees and performance fees. You have been identified as an individual or entity that invested in the Credit Fund during the Investment Period and may be eligible to receive a distribution from the Fair Fund pursuant to a plan of distribution approved by the Commission (the “Plan”). In order to be considered for eligibility under the Plan, you must complete, execute, and return the enclosed Excluded Entity Certification Form, by which you must certify, if true, that you are not an Excluded Entity as that term is defined in the Plan and is reprinted below.

**Background**

On May 8, 2018, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Administrative Order”)<sup>1</sup> against Visium. The Commission determined that, from at least July 2011 to December 2012, Visium, through two of its portfolio managers, engaged in a mismarking scheme, using sham broker quotes to falsely inflate the value of securities held by the Credit Fund, for which Visium acted as investment adviser. As a result, the Credit Fund reported falsely inflated returns, overstated its net asset value, misclassified certain distressed assets, and overpaid performance and management fees. The Commission ordered Visium to pay to the Commission disgorgement of \$4,755,223, prejudgment interest of \$720,711, and a civil money penalty of \$4,755,223. Visium has since paid in full and the Commission currently holds more than \$10.2 million, composed of \$5,475,934 in disgorgement and prejudgment interest, a \$4,755,223 civil money penalty, and accrued interest.

**Fund Administrator**

On November 16, 2018, the Commission appointed KCC, LLC (“KCC”) as the Fund Administrator. The Fund Administrator is responsible for administering the Fair Fund in accordance with the Plan.

**Fair Fund**

The Fair Fund is a “Qualified Settlement Fund” (“QSF”) as defined in U.S. Treas. Reg. Sec. 1.468B-1 *et seq.* This distribution is intended to compensate eligible investors for losses incurred with respect to their investment in the Credit Fund as a result of the violations described in the Administrative Order.

**Tax Consequences of a Distribution**

Generally, a distribution is not income to you to the extent of your basis in your investment. However, one must reduce their basis by the amount of the distribution. If the distribution exceeds the tax basis in the investment, then the excess is includable in income as capital gain. Any such capital gain is long-term capital gain unless one disposed of their 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 losses component of the 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 the distribution.***

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<sup>1</sup> Securities Act Rel. No. 10494 (May 8, 2018).

Please note that the parties to the above-referenced matter, 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, nor state, local, and non-U.S. tax rules, nor 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.***

### **Participation**

In order to be considered for eligibility to receive a Distribution Payment under the Plan, you must return a completed and executed Excluded Entity Certification Form. Participation in the Fair Fund does not require you to release any rights or potential claims you 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.

### **Excluded Entities**

You must complete, sign, and submit an Excluded Entity Certification Form in order to be considered for eligibility under the Plan. The Excluded Entity Certification Form is enclosed with this notice and is located on the Fair Fund's website at [www.VisiumFairFund.com](http://www.VisiumFairFund.com). An Excluded Entity is defined in the Plan, paragraph 11(f) as:

The Respondent [Visium Asset Management, LP] and its assigns; Steven Ku, the respondent in Steven Ku, Admin. Proc. No. 3-18474 (May 8, 2018), and any of his assigns, heirs, spouses, parents, dependents or controlled entities; Christopher Plaford, the defendant in SEC v. Christopher Plaford, 16-CV4511 (S.D.N.Y.), and any of his assigns, heirs, spouses, parents, dependents or controlled entities; Stefan Lumiere, the defendant in SEC v. Stefan Lumiere, 16-CV-4513 (S.D.N.Y.) and any of his assigns, heirs, spouses, parents, dependents or controlled entities; and the Fund Administrator [KCC], its employees, and those persons assisting the Fund Administrator in its role as Fund Administrator.

### **Questions**

If you have any questions about the Fair Fund or the distribution or if you would like to get copies of relevant documents, including this Plan Notice, the Excluded Entity Certification Form, or the Plan, please visit the Fair Fund website at [www.VisiumFairFund.com](http://www.VisiumFairFund.com). A copy of the Plan is also available on the SEC website for this matter at <https://www.sec.gov/divisions/enforce/claims/visium.htm>. You may also submit questions to the Fund Administrator by phone at 1-877-282-6682 or by email to [info@VisiumFairFund.com](mailto:info@VisiumFairFund.com).

### **Reminder Checklist**

- [ ] If you wish to be considered for eligibility for a Distribution Payment under the Plan, you must complete and sign the Excluded Entity Certification Form and submit it by mail to the Fund Administrator's address or by email to [info@VisiumFairFund.com](mailto:info@VisiumFairFund.com) by **October 21, 2019**.
- [ ] If you wish to **update or confirm your address**, please contact the Fund Administrator by phone at 1-877-282-6682 or by mail to the Fund Administrator's address or by email to [info@VisiumFairFund.com](mailto:info@VisiumFairFund.com) by **October 21, 2019**.
- [ ] If you wish to **change your name** as it will be written on your check, please contact the Fund Administrator by mail to the Fund Administrator's address or by email to [info@VisiumFairFund.com](mailto:info@VisiumFairFund.com) by **October 21, 2019**. Please include documentation to demonstrate the name change.
- [ ] If you wish to have your payment wired to you instead of sent by check, please download and complete the Wire Instructions form and submit it to the Fund Administrator by mail to the Fund Administrator's address or by email to [info@VisiumFairFund.com](mailto:info@VisiumFairFund.com) by **October 21, 2019**.

**IF YOU SUBMIT DOCUMENTS OR INFORMATION THAT CONTAIN PERSONAL INFORMATION BY EMAIL, PLEASE USE ENCRYPTION TO MAINTAIN YOUR PRIVACY. IF YOU HAVE ANY CONCERNS REGARDING YOUR ABILITY TO ENCRYPT WHAT YOU ARE SENDING, PLEASE SEND THE DOCUMENTS OR INFORMATION BY MAIL.**

The Fund Administrator's address is:

Visium Asset Management, LP Fund Administrator  
P.O. Box 43034  
Providence, RI 02940-3034

Very truly yours,

KCC  
Fund Administrator