

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION,

Plaintiff,

Case No.: 1:16-CV-01752-LMM

v.

HOPE ADVISORS, LLC, KAREN  
BRUTON, TODD WORTMAN, and  
DAWN ROBERTS,

Defendants.

**Hope Advisors Fair Fund Notice<sup>1</sup>**

**If you invested in Hope Advisors, LLC (“Hope Advisors” or “Hope”) between December 1, 2012 and March 31, 2016, and paid excess Incentive Allocation Fees, you may be eligible for a Distribution Payment from the Hope Advisors Fair Fund.**

**You do not need to submit a claim form;** eligible investors will be identified, and distribution payments calculated, based on the records obtained by the Securities and Exchange Commission (the “Commission” or “SEC”) staff during the investigation of this matter. **However, you must timely submit a properly completed Certification Form in response to this Notice in order to be considered for eligibility under the Court-approved distribution plan.**

**The information contained in this Notice is only a summary. More detailed information and important documents can be found on the website dedicated to this matter: [www.HopeAdvisorsFairFund.com](http://www.HopeAdvisorsFairFund.com).**

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU SATISFY THE ELIGIBILITY CRITERIA UNDER THE PLAN AND YOU TIMELY SUBMIT YOUR CERTIFICATION FORM REQUESTED BY THIS NOTICE IN THE “REQUIRED DOCUMENTATION” SECTION ON PAGE 3 OF THIS NOTICE, YOU MAY BE ELIGIBLE FOR A DISTRIBUTION PAYMENT FROM THE HOPE ADVISORS FAIR FUND.**

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<sup>1</sup> Capitalized terms not defined in this Notice are used as defined in the Plan of Distribution, available for download on the website dedicated to this matter: [www.HopeAdvisorsFairFund.com](http://www.HopeAdvisorsFairFund.com) or on the Securities and Exchange Commission webpage for this matter: <https://www.sec.gov/litigation/litreleases/2018/lr24285.htm>

## **Background**

On August 30, 2017, the SEC filed an Amended Complaint against Hope Advisors, LLC (“Hope”); its principal, Karen Bruton (“Bruton”), and two Hope employees, Todd Wortman (“Wortman”), and Dawn Roberts (“Roberts”) (collectively, “Defendants”) alleging that Hope and Bruton perpetrated a scheme to charge unearned fees to Hope Investments LLC (the “HI Fund”), a fund they managed. The Amended Complaint further alleged that Roberts and Wortman aided and abetted this fraud.

On September 13, 2018, the Court entered the Final Judgments against Hope and Bruton. On September 18, 2018, the Court entered the Consent Final Judgment against Wortman and Roberts. The Court imposed, jointly and severally, disgorgement and civil penalties against Hope and Bruton of \$1,237,235.00 and \$250,000.00, respectively. The Court imposed civil penalties against Wortman and Roberts of \$100,000.00 and \$75,000.00, respectively. The Defendants paid a total of \$1,660,370.65.

## **The Fair Fund and the Distribution Agent**

On July 16, 2019, the Court established a fair fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties, along with the disgorgement collected can be distributed to those harmed by the Defendants’ conduct described in the Amended Complaint (the “Fair Fund”).

The Fair Fund is currently on deposit in an interest-bearing account at the United States Treasury Department’s Bureau of Fiscal Service. Also, on July 16, 2019, Miller Kaplan Arase, LLP was appointed as Tax Administrator (the “Tax Administrator”) to handle the tax obligations of the Fair Fund. On November 25, 2019, JND Legal Administration (“JND”) was appointed as the Distribution Agent (the “Distribution Agent”) to assist in overseeing the administration of the Fair Fund in consultation with Commission staff, pursuant to the terms of this Distribution Plan (the “Plan”).

You can review and download a copy of these Orders, the Plan and other documents from the website dedicated to this matter: [www.HopeAdvisorsFairFund.com](http://www.HopeAdvisorsFairFund.com).

## **The Distribution Plan**

On March 1, 2021, the United States District Court for the Northern District of Georgia approved a plan for the distribution of the Fair Fund (the “Plan”). The Plan, available on the website at [www.HopeAdvisorsFairFund.com](http://www.HopeAdvisorsFairFund.com), sets forth the criteria and methodology by which eligibility will be determined and Distribution Payments calculated, as well as the procedures for distributing the assets of the Fair Fund to investors harmed by the conduct alleged in the Amended Complaint.

### **Who is Eligible?**

If you invested in the HI Fund during the period from December 1, 2012 through March 31, 2016, inclusive, are not an Excluded Party as defined in the Plan, and suffered a loss according to the Plan, you may be eligible for a Distribution Payment from the Hope Advisors Fair Fund.

Excluded Parties are: Defendants, affiliates, or controlled entities who served in such capacity during the Relevant Period, and their assigns, creditors, heirs, distributees; any Person who assigned their right to obtain a recovery in the Commission's action against Defendants; and the Distribution Agent, its employees, and those persons assisting the Distribution Agent in its role as the Distribution Agent.

Potentially Eligible Investors have been identified by the Commission staff during its investigation. As the Commission staff has reasonably concluded that it has all records necessary to calculate harm described in the Plan of Allocation, the Fair Fund is not being distributed according to a claims-made process.

### **Recognized Loss and Distribution**

As explained in the Plan of Allocation, beginning on page 15, paragraph 20 of the Plan of Distribution, each Potentially Eligible Investor's Recognized Loss is calculated as the Incentive Allocation Fees paid by the account in a given month less the Recalculated Incentive Allocation Fees the account should have paid in a given month, summed across all months of the Relevant Period. The Distribution Agent will sum the Recognized Losses across all Eligible Investors to determine the Total Recognized Losses of all Eligible Investors.

Since the Total Recognized Loss of all Eligible Investors exceeds the Net Available Fair Fund, the Net Available Fair Fund will be allocated to Eligible Investors on a *pro rata* basis. The Distribution Agent will divide each Eligible Investor's Recognized Loss by the Total Recognized Loss to determine the Eligible Investor's *Pro Rata* Share. The Distribution Agent will then multiply the Net Available Fair Fund by each Eligible Investor's *Pro Rata* Share to determine each Eligible Investor's Distribution Payment in accordance with their calculated Recognized Loss. Please note: no payment will be issued to an otherwise Eligible Investor unless the amount to be paid is \$10 or more.

If you are a Potentially Eligible Investor, your claim number and calculated Recognized Loss can be found on the Certification Form which accompanies this Notice. Your completed Certification Form must be submitted to the Distribution Agent by the deadline discussed below. Please keep a copy for your records.

### **Required Documentation**

In order to be included in the distribution, Potentially Eligible Investors must timely submit to the Distribution Agent the Certification Form enclosed herewith. **Your signed and completed**

**Certification Form must be postmarked no later than May 17, 2021**, addressed to the Distribution Agent, at Hope Advisors Fair Fund, c/o JND Legal Administration, P.O. Box 91379, Seattle, WA 98111. If you fail to complete and/or submit your signed Certification Form by the deadline, you may no longer be eligible to receive a distribution payment under the terms of the Plan.

### **Objections to Classification or Recognized Loss Calculation**

Any objection to the classification of a Potentially Eligible Investor as an Excluded Party, or of the calculation of the Potentially Eligible Investor's Recognized Loss found on the enclosed Certification Form, which will be the basis for the calculation of Distribution Payments, must be in writing. Any objection must demonstrate, under penalty of perjury, the grounds for the objection and be accompanied by documentation sufficient to prove the claimed inaccuracy or omission. All objections must be postmarked no later than May 17, 2021, addressed to the Distribution Agent at Hope Advisors Fair Fund, c/o JND Legal Administration, P.O. Box 91379, Seattle, WA 98111, and must include the current contact information, including a telephone number and, if applicable, an electronic email address, for the objecting Potentially Eligible Investor. Any objections not timely submitted in accordance with these instructions will be deemed waived.

### **Obtaining a Plan of Distribution**

This Notice contains only a summary. Please read the Plan of Distribution for more detailed information. You can get a copy of the Court-approved Plan of Distribution on the website dedicated to this matter, [www.HopeAdvisorsFairFund.com](http://www.HopeAdvisorsFairFund.com), and on the SEC's website at <https://www.sec.gov/litigation/litreleases/2018/lr24285.htm>

The Hope Advisors Fair Fund website also includes other important information and related documents. In addition, you may contact the Distribution Agent should you have further questions regarding the distribution:

Hope Advisors Fair Fund  
c/o JND Legal Administration  
P.O. Box 91379  
Seattle, WA 98111  
Toll-free: (877) 313-0224  
[info@HopeAdvisorsFairFund.com](mailto:info@HopeAdvisorsFairFund.com)  
[www.HopeAdvisorsFairFund.com](http://www.HopeAdvisorsFairFund.com)