

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20310

In the Matter of
S&P DOW JONES INDICES LLC,
Respondent.

PLAN NOTICE OF S&P DOW JONES INDICES FAIR FUND

TO: Individuals and entities, or their lawful successors, who purchased and/or held VelocityShares Daily Inverse VIX Short Term ETNs linked to the S&P 500 VIX Short-Term Futures Index due December 4, 2030, listed on a U.S. exchange and registered with the Commission and traded under the symbol XIV (“XIV” or “Security”) during the period between 4:09:40 p.m. and 5:09 p.m. on February 5, 2018 (“Relevant Period”).

If you fall within the group above, you must submit a completed Claim Form with the necessary documentation so that it is postmarked (or if not sent by U.S. Mail, received) by November 9, 2022 (the “Claims Bar Date”), to be considered for eligibility to receive a Distribution Payment from the S&P Dow Jones Indices Fair Fund.

I. Purpose of this Plan Notice

The purpose of this Plan Notice is to inform you that you may be eligible to share in the proceeds of the S&P Dow Jones Indices Fair Fund described herein. To be potentially eligible to share in the S&P Dow Jones Indices Fair Fund, you must file a Claim Form in accordance with the steps set forth in this Plan Notice and in the Plan of Distribution (the “Plan”) approved by the Securities and Exchange Commission (“SEC” or “Commission”). Claim Forms, together with this Plan Notice, are being mailed to all known Preliminary Claimants¹ who are identified as Preliminary Claimants by the Commission-appointed Fund Administrator (“Fund Administrator”), Epiq Class Action & Claims Solutions, Inc. (“Epiq”)². Copies of the Plan, this Plan Notice, and the Claim Form are available on the S&P Dow Jones Indices Fair Fund website at SPDowJonesIndicesFairFund.com and through the Commission’s website at www.sec.gov/divisions/enforce/claims/sp-dow-jones-indices.htm. Certain persons are excluded from eligibility under the Plan; these exclusions are summarized in Section III below.

Please Note: Receipt of this Plan Notice does not mean you are an Eligible Claimant as that term is defined in the Plan.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEE PURCHASERS: If you purchased and/or held shares of VelocityShares Daily Inverse VIX Short Term ETNs linked to the S&P 500 VIX Short-Term Futures Index due December 4, 2030, listed on a U.S. exchange and registered with the Commission and traded under the symbol XIV during the Relevant Period as a nominee for a beneficial owner, then within fourteen (14) days after you receive this Plan Notice, you must either: (a) send a copy of this Plan Notice and the accompanying Claim Form by First-Class Mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Fund Administrator listed in Part VI of this Plan Notice.

¹ Capitalized terms not defined here are defined in the Plan.

² On November 2, 2021, the Commission appointed Epiq Class Action & Claims Solutions, Inc. (“Epiq”) as the Fund Administrator.

PLEASE READ THIS PLAN NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU SATISFY THE ELIGIBILITY CRITERIA DESCRIBED BELOW, YOU MAY BE ELIGIBLE TO RECEIVE A DISTRIBUTION PAYMENT FROM THE S&P DOW JONES INDICES FAIR FUND. THIS PLAN NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR POSSIBLE ELIGIBILITY TO SHARE IN THE S&P DOW JONES INDICES FAIR FUND.

II. Background

On May 17, 2021, the Commission issued an Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”) against the Respondent, S&P Dow Jones Indices LLC. According to the Order, on Monday, February 5, 2018, despite notable market volatility, an index published by Respondent remained static during certain intervals between the 4:00 PM hour up until 5:08 PM, even though it was supposed to calculate values based on real-time prices of certain VIX futures contracts. This was due to the implementation of a heretofore unknown quality control feature called an “Auto Hold” used by Respondent.

An Auto Hold comes into effect if an index value breaches certain thresholds, at which point the immediately prior index value continues to be reported. The repetition of this index value continues until a current index value comes back within those thresholds or responsible Respondent’s personnel manually release the Auto Hold. On February 5, 2018, during the intervals described above, Respondent’s personnel did not release the Auto Hold for the index, resulting in the publication and dissemination of static index values, rather than values based on the real-time prices of certain VIX futures contracts.

The index was the primary input for the calculation of the Security’s indicative value, so like the index’s values, the Security’s indicative values published to the market during the same intervals on February 5, 2018 were similarly static. As a result, during certain intervals between the 4:00 PM hour up until 5:08 PM, the Security’s indicative values being reported in real-time were higher than what would have been calculated and disseminated if the Auto Hold had not been triggered. As such, during the 4:00 PM hour and until 5:09 PM, when the closing indicative value of XIV was published, investors did not know that they had been purchasing and/or holding a product that had an economic value that was substantially less than what had been publicly reported. In addition, unlike the XIV indicative values being published to the market, the XIV indicative values that would have been published if the Auto Hold had not been triggered would have breached a key metric that would have provided the issuer a right to accelerate, or call, all outstanding XIV notes.

Without admitting or denying the allegations, Respondent consented to the entry of an order alleging violations of Section 17(a)(3) of the Securities Act of 1933. The Commission ordered the Respondent to pay a \$9,000,000 civil money penalty to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty paid can be distributed to harmed investors. The Fair Fund consists of the \$9,000,000 paid by the Respondent.

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, and any interest accrued will be added to the Fair Fund.

III. Eligibility Criteria and the Distribution Methodology

To qualify for a payment from the S&P Dow Jones Indices Fair Fund, you must satisfy certain eligibility criteria that are described in detail in the Plan. The Plan is available on the Fair Fund website at SPDowJonesIndicesFairFund.com and on the Commission’s public website at www.sec.gov/divisions/enforce/claims/sp-dow-jones-indices.htm. You can also request a copy of the Plan by calling the Fund Administrator at 1-855-604-1705 or by emailing info@SPDowJonesIndicesFairFund.com. The eligibility criteria include the following:

- You must have purchased and/or held VelocityShares Daily Inverse VIX Short Term ETNs linked to the S&P 500 VIX Short-Term Futures Index due December 4, 2030, listed on a U.S. exchange and registered with the Commission and traded under the symbol XIV during the Relevant Period.
- Your approved transactions must calculate to a Recognized Loss as calculated under the Plan and your Distribution Payment must equal or exceed \$10.00.

You are excluded from participation in the S&P Dow Jones Indices Fair Fund if you are an Excluded Party as defined in the Plan, including:

- The Respondent (“S&P Dow Jones Indices LLC”);

- Present or former officers or directors of Respondent or any assigns, creditors, heirs, distributees, spouses, parents, dependent children or controlled entities of any of the foregoing Persons or entities;
- 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;
- 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;
- Any firm, trust, corporation, officer, or other entity in which Respondent has or had a controlling interest;
- The Fund Administrator, its employees, and those Persons assisting the Fund Administrator in its role as the Fund Administrator; or
- 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 Recognized Loss incurred by an Eligible Claimant shall be determined as set forth in the Plan. The methodology used to determine eligibility and calculate Distribution Payments is set forth in the Plan of Allocation attached to the Plan as Exhibit A.

IV. Claim Forms

A CLAIM FORM IS BEING MAILED TOGETHER WITH THIS NOTICE TO ALL PRELIMINARY CLAIMANTS KNOWN TO THE FUND ADMINISTRATOR. IF YOU DO NOT RECEIVE A CLAIM FORM IN THE MAIL OR REQUIRE ADDITIONAL CLAIM FORMS, FOLLOW THE INSTRUCTIONS BELOW UNDER “ADDITIONAL INFORMATION.”

THE DEADLINE TO SUBMIT A CLAIM FORM AT THE ADDRESS BELOW IS NOVEMBER 9, 2022 —ALSO REFERENCED HEREIN AS THE “CLAIMS BAR DATE”. PLEASE NOTE: THIS IS A “POSTMARKED” DEADLINE. IF YOU FAIL TO SUBMIT A COMPLETED CLAIM FORM POSTMARKED ON OR BEFORE NOVEMBER 9, 2022, YOU WILL BE BARRED FROM RECEIVING A PAYMENT FROM THE S&P DOW JONES INDICES FAIR FUND. THE CLAIM FORM MUST BE ACCOMPANIED BY APPROPRIATE SUPPORTING DOCUMENTS FOR EACH TRANSACTION LISTED IN PARTS II–III OF THE CLAIM FORM.

V. Claim Determinations

The Fund Administrator will send a Claim Status Notice within 90 days of the Claims Bar Date to all Preliminary Claimants that submitted a Claim Form. The Claim Status Notice will set forth the Fund Administrator’s determination of the eligibility of the claim. If a claim is denied in whole or in part, the Fund Administrator will state the reason for such denial. Preliminary Claimants with deficient or denied claims will be given an opportunity to cure the deficiency or seek reconsideration of the denial.

The Fund Administrator will send, as appropriate, a Final Determination Notice to any Preliminary Claimants who responded to the Claim Status Notice in an effort to cure a deficiency or to seek reconsideration of a denied claim, or otherwise dispute the Fund Administrator’s determination, notifying the Preliminary Claimant of its determination.

VI. Instructions for Submitting a Claim Form

YOU MUST COMPLETE AND SIGN THE CLAIM FORM AND SUBMIT IT TO THE FUND ADMINISTRATOR SO THAT IT IS POSTMARKED (OR IF NOT SENT BY U.S. MAIL, RECEIVED) NO LATER THAN NOVEMBER 9, 2022, AT THE ADDRESS LISTED BELOW IN ORDER TO BE CONSIDERED FOR ELIGIBILITY TO RECEIVE A DISTRIBUTION PAYMENT FROM THE S&P DOW JONES INDICES FAIR FUND:

**S&P Dow Jones Indices Fair Fund
Fund Administrator
PO Box 5429
Portland, OR 97228-5429**

VII. Additional Information

Additional information regarding the S&P Dow Jones Indices Fair Fund may be found at SPDowJonesIndicesFairFund.com. Additional Claim Forms and Plan Notices may also be downloaded at the S&P Dow Jones Indices Fair Fund's website. You may obtain additional information or request copies of Claim Forms and Plan Notices by calling the S&P Dow Jones Indices Fair Fund's toll-free number at 1-855-604-1705, or by emailing info@SPDowJonesIndicesFairFund.com.

**PLEASE CHECK THE WEBSITE SPDOWJONESINDICESFAIRFUND.COM
FREQUENTLY FOR UPDATES.**