

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-21355

In the Matter of

Chatham Asset Management, LLC and Anthony
Melchiorre

Respondents.

PLAN NOTICE FOR THE CHATHAM FAIR FUND

TO: Persons and entities, or their lawful successors, who paid excess performance (aka incentive) fees and management fees to Chatham from January 2016, through December 2018, inclusive (the “Relevant Period”).

If you paid excess performance and management fees to Chatham during the Relevant Period and you would like to be considered for eligibility to share in the Fair Fund distribution, you must complete and submit a Certification Form online at the Chatham Fair Fund website www.ChathamFairFund.com on or before 11:59 p.m. Eastern Standard Time on August 7, 2025 (the “Certification Form Deadline”). You can also submit a Certification Form by mail, in which case the completed Certification Form must be postmarked (or if not sent by U.S. Mail, received) by the Certification Form Deadline.

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 Chatham Fair Fund described herein. To be considered for eligibility to share in the Chatham Fair Fund, you must file a Certification Form in accordance with the steps set forth in this Plan Notice and in the SEC-approved Plan of Distribution (the “Plan”).¹

Copies of the Plan, this Plan Notice and other relevant documents are available for download on the Chatham Fair Fund website at www.ChathamFairFund.com and on the SEC’s webpage for this matter: <https://www.sec.gov/enforcement-litigation/distributions-harmed-investors/chatham>. You may also request a copy of the Plan, this Plan Notice, and/or the Certification Form by contacting the Third-Party administrator, Simpluris, Inc. (the “Third-Party”), by email at info@ChathamFairFund.com, or by calling 866-675-2561.

Certain persons are excluded from eligibility for distribution under the Plan, as summarized in Section III of this Plan Notice.

PLEASE NOTE: Receipt of this Plan Notice does not mean you are an Eligible Claimant; eligibility will be determined by the Third-Party in accordance with the Plan. Please read this Plan Notice carefully and in its entirety. This Plan Notice contains important information regarding your possible eligibility to share in the Chatham Fair Fund if you timely complete and submit a Certification Form by the Certification Form Deadline of August 7, 2025, by 11:59 p.m. EST.

II. BACKGROUND

On April 3, 2023, the SEC instituted and simultaneously settled administrative and cease-and-desist proceedings (the “Order”) against Chatham Asset Management, LLC and Anthony Melchiorre (collectively, the “Respondents”). In the Order, the SEC found that Chatham and Melchiorre traded on behalf of their fund clients in three high-yield debt securities

¹ Capitalized terms used in this Plan Notice but not defined are defined in the Plan.

issued by American Media Inc. (“AMI”), a wholly owned subsidiary of AMI Parent Holdings, LLC (“AMI Parent”). At times, from 2016 through 2018, Chatham and Melchiorre engaged in transactions in these AMI debt securities (the “AMI Bonds”) that resulted in one Chatham fund selling AMI Bonds and a different Chatham fund purchasing the same AMI Bonds, through various broker-dealers (the “Rebalancing Trades”). Chatham engaged in the Rebalancing Trades to address portfolio constraints such as industry or issuer fund concentration limits, to meet investor redemptions, and to allocate capital inflows and outflows. These trades were executed at prices Chatham and Melchiorre proposed.

Over time, the prices at which Chatham and Melchiorre traded the securities in the Rebalancing Trades increased at a significantly higher rate than the prices of similar securities. Chatham’s and Melchiorre’s trading in the AMI Bonds accounted for the vast majority of the trading in those Bonds and therefore over time had a material effect on their pricing.

Chatham and Melchiorre calculated the net asset values (“NAVs”) of their client funds’ holdings using pricing data that was based, in part, on the trading prices of the securities. As a result, during the relevant period, the NAVs of Chatham’s Clients were higher than they would have been if Chatham’s Rebalancing Trades were removed from the market for the AMI Bonds, which, in turn, resulted in higher fees being charged to the clients than would have been charged if Chatham’s Rebalancing Trades were removed from the market.

Finally, the SEC found that many of the Rebalancing Trades involved open-ended mutual funds regulated as registered investment companies (“RICs”). The SEC found that, in those cases, Chatham and Melchiorre aided and abetted and caused RICs to enter into prohibited affiliate transactions in violation of Sections 17(a)(1) and (2) of the Investment Company Act.

The SEC ordered the Respondents to pay \$11,000,000.00 in disgorgement, \$3,375,072.00 in prejudgment interest, and \$5,000,000.00 in civil money penalties, for a total of \$19,375,072.00, to the SEC. The SEC also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties, the disgorgement and interest collected (the “Fair Fund”), could be distributed to harmed investors.

The Chatham Fair Fund consists of the \$19,375,072.00 paid by the Respondents. The Fair Fund has been deposited in a SEC-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

On April 3, 2024, the SEC issued an order appointing Heffler, Radetich & Saitta, LLP, as the Tax Administrator of the Fair Fund.

On March 13, 2025, the SEC published a notice of the proposed plan of distribution and opportunity for comment and simultaneously published the proposed plan of distribution (“Proposed Plan”); and on May 9, 2025, the SEC approved the Plan of Distribution, which, among other things, appointed SEC employee Allison J.P. Moon as the Fund Administrator and authorized the Fund Administrator to engage Simpluris Inc. (“Simpluris”) as the Third-Party to perform administrative tasks associated with implementing the Plan.

III. ELIGIBILITY CRITERIA

To be eligible for a payment from the Chatham Fair Fund, you must satisfy certain eligibility criteria that are described in detail in the Plan. The Plan is available on the Chatham Fair Fund website at www.ChathamFairFund.com and the SEC’s website at <https://www.sec.gov/enforcement-litigation/distributions-harmed-investors/chatham>. You may also request a copy of the Plan from the Third-Party by email at info@ChathamFairFund.com or by calling 866-675-2561. The eligibility criteria include the following:

- 1. You must have paid excess performance (aka incentive) fees and management fees during the Relevant Period.**
- 2. Your Recognized Loss calculates to a distribution amount equal to or greater than the Minimum Distribution Amount of \$25.00, as calculated under the Plan.**
- 3. You are not an Excluded Party, defined in the Plan as:**
 - a. The Respondents (Chatham Asset Management, LLC and Anthony Melchiorre);
 - b. Present or former officers of Respondents or any assigns, creditors, heirs, distributees, spouses, parents, dependent children or controlled entities of any of the foregoing Persons or entities;
 - c. Any employee or former employee of the Respondents or any of its affiliates who has been terminated for cause or has otherwise resigned, in connection with the conduct described in the Order;

- d. Any Person who has been the subject of criminal charges related to the conduct described in the Order or any related SEC action; and
- e. Any purchaser or assignee of another Person's right to obtain 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.

IV. PLAN OF ALLOCATION

The Plan of Allocation, available for review as Exhibit A of the Plan, states how the Recognized Losses and Distribution Payments will be calculated.

The Plan of Allocation is designed to compensate investors who suffered a loss by paying excess performance (aka incentive) fees and management fees to Chatham, during the Relevant Period. An investor who did not suffer a loss by paying excessive fees during the Relevant Period, or who is an Excluded Party, is ineligible to recover under the Plan. An Eligible Claimant is a Person who suffered a Recognized Loss as calculated by the Plan of Allocation; who submits a valid Certification Form by the Certification Form Deadline; and who is not an Excluded Party under paragraphs 14(a)-(e) of the Plan. An Eligible Claimant will be deemed a Payee and will receive a distribution payment if their Recognized Loss calculates to a distribution amount equal to or greater than \$25.00.

V. THE CERTIFICATION PROCESS

THE DEADLINE TO SUBMIT A CERTIFICATION FORM IS AUGUST 7, 2025.

ONLINE SUBMISSIONS: Online submissions are encouraged. To submit a Certification Form online, please visit the Chatham Fair Fund website at www.ChathamFairFund.com and follow the instructions provided. **Certification Forms completed online must be submitted on or before 11:59 p.m. Eastern Standard Time on August 7, 2025.**

MAIL SUBMISSIONS: If you are unable to submit a Certification Form online, you may request a copy of the paper Certification Form from the Third-Party by email at info@ChathamFairFund.com or by calling 866-675-2561. **Certification Forms submitted by mail must be sent to the address provided on the Certification Form and postmarked (or if not sent by U.S. Mail, received) by August 7, 2025.**

If the Third-Party is unable to verify the address of a Preliminary Claimant and/or a Preliminary Claimant does not timely respond to the Third-Party's attempts to obtain information, including any information sought in the Plan Notice, the Preliminary Claimant may be deemed an Unresponsive Preliminary Claimant. Unresponsive Preliminary Claimants will not be eligible for distribution under the Plan.

VI. ADDITIONAL INFORMATION

The Certification Form provides your Recognized Loss, calculated in accordance with the Plan of Allocation. You can also view your Recognized Loss by logging into your account on the Submit a Certification Form page of the website: www.ChathamFairFund.com using the User ID and PIN provided in your Certification Form.

Additional information regarding Chatham Fair Fund, including copies of the Plan, this Plan Notice, and other relevant documents may be found at www.ChathamFairFund.com. You may request a copy of the Plan, this Plan Notice, the Certification Form, or seek additional information by contacting the Third-Party by email at info@ChathamFairFund.com, or by calling 866-675-2561.

PLEASE CHECK THE WEBSITE WWW.CHATHAMFAIRFUND.COM FREQUENTLY FOR UPDATES.