

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

SWAPNIL J. REGE, SWAPSTAR CAPITAL, LLC,
AND REEMA REGE,

Defendants.

Case No. 3:21-cv-19313-ZNQ-TJB

Rege Fair Fund Plan Notice

TO: All persons who transferred funds to Swapnil J. Rege, SwapStar Capital, LLC (collectively, the “Defendants”) for investment purposes from January 1, 2019 through October 31, 2021, both dates inclusive (the “Relevant Period”).

If you transferred funds to the Defendants for investment purposes during the Relevant Period, 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 APRIL 25, 2025 (the “Claims Bar Date”) to be considered for eligibility to recover from the Rege Fair Fund. Claim Forms may also be submitted online on the Rege Fair Fund’s website at www.RegeFairFund.com. If you choose to file your Claim Form online, you must file on or before 11:59 p.m. Eastern Standard Time on APRIL 25, 2025.

1. Purpose of this Plan Notice

The purpose of this Plan Notice is to inform you that you may be eligible for a distribution from the Rege Fair Fund. To be potentially eligible to share in the Rege Fair Fund, you must file a Claim Form in accordance with the steps set forth in this Plan Notice and in the Court-approved Distribution Plan (the “Plan”). Claim Forms together with this Plan Notice are being emailed and mailed to all known Potential Claimants¹ who transferred funds to the Defendants for investment purposes during the Relevant Period, including all Potential Claimants identified by the Court-appointed Distribution Agent (“Distribution Agent”), Analytics Consulting LLC (“Analytics”). Copies of the Plan, this Plan Notice, and the Claim Form are also available on the Rege Fair Fund website at www.RegeFairFund.com and through the Securities and Exchange Commission’s (“SEC” or the “Commission”) website at <https://www.sec.gov/enforcement-litigation/distributions-for-harmed-investors/sec-v-swapnil-j-rege-et-al-case-no-221-cv-19313-znq-tjb-dnj>. Certain persons and entities are excluded from eligibility under paragraph 18 of the Plan; these exclusions are set forth in Section 3 below.

2. Background

On October 26, 2021, the SEC filed its complaint against the Defendants (the “Complaint”). According to the Complaint, from mid-2019 through October 2021, Mr. Rege, the sole owner of SwapStar since its inception, acted as an investment advisor and continued to associate with an investment advisor in violation of the investment adviser bar imposed by the SEC on July 18, 2019, in the 2019 Administrative Proceeding. According to the Complaint, Mr. Rege failed to disclose

¹ Capitalized terms used in this Claim Form but not defined are defined in the approved distribution plan, which you can access on the Rege Fair Fund website: www.RegeFairFund.com, and through the Securities and Exchange Commission’s website at <https://www.sec.gov/enforcement-litigation/distributions-for-harmed-investors/sec-v-swapnil-j-rege-et-al-case-no-221-cv-19313-znq-tjb-dnj>.

his bar from acting as an investment advisor to his clients and misrepresented the nature of the Commission enforcement action filed against him. The SEC further alleged that Mr. Rege and SwapStar engaged in a scheme to misappropriate assets from clients they advised by instructing clients to deposit funds for investment into bank accounts associated with Mr. Rege or SwapStar, claiming the funds would then be transferred to brokerage accounts. According to the Complaint, Mr. Rege and SwapStar instead used a significant portion of the funds deposited by their advisory clients for Mr. Rege's personal expenses. Finally, the SEC alleged that the only brokerage accounts to which Mr. Rege or SwapStar transferred client funds were two accounts held in the name of Ms. Rege, rendering her in possession of funds to which she had no legitimate claim and which she received because of Mr. Rege's and SwapStar's unlawful behavior. On August 23, 2022, the Court entered Final Judgements against the Defendants (the "Final Judgements"). Dkts. 20-31. The Final Judgements against Mr. Rege and SwapStar ordered them to pay, jointly and severally, a total of \$5,469,926 in disgorgement, prejudgment interest, and civil penalties to the Commission. Dkt. 30-31.

The Fair Fund consists of \$1,237,532.60, paid by the Defendants pursuant to the Final Judgements, plus any accrued interest and earning. The Fair Fund has been deposited in an SEC-designated account with the United States Department of the Treasury for investment. Funds collected from or paid by the Defendants or the Relief Defendant pursuant to the Final Judgements in the future, as well as any accrued interest will be added to the Fair Fund.

On January 17, 2024, the Court entered an Order to establishing a Fair Fund (the "Fair Fund"), appointing Miller Kaplan Arase LLP ("MKA") as tax administrator for the Fair Fund ("Tax Administrator"), and authorizing the SEC to approve payment of the Fair Fund's tax obligations and the related fees and expenses of the Tax Administrator without further order of the Court. Dkt. 35.

On March 8, 2024, the Court entered an Order appointing Analytics Consulting, LLC ("Analytics") as distribution agent (the "Distribution Agent") of the Fair Fund and authorizing the SEC to approve payment of the Distribution Agent's fees for administration without further order of the Court. Dkt. 37.

On November 12, 2024, the Court issued an order approving the Plan.

3. Eligibility Criteria and the Distribution Formula

To be eligible for a payment from the Rege Fair Fund, you must satisfy certain eligibility criteria that are described in detail in the Plan. The Plan is available on the Rege Fair Fund's website at www.RegeFairFund.com and on the Commission's public website at <https://www.sec.gov/enforcement-litigation/distributions-for-harmed-investors/sec-v-swapnil-j-rege-et-al-case-no-221-cv-19313-znq-tjb-dnj>. You can also request a copy of the Plan by calling the Distribution Agent at 1-888-391-3385 or by sending an email to info@RegeFairFund.com. Eligibility criteria include the following:

1. You must have suffered a loss as the result of transferring funds to the Defendants during the Relevant Period for investing (including any commissions or fees paid to the Defendants in connection with the investment), less the total dollar amount received back from the Defendants during the Relevant Period.
2. Your approved transactions must calculate to a Recognized Loss as calculated under the Plan, and the Distribution Payment must equal or exceed \$20.00.
3. You are excluded from participation in the Rege Fair Fund if you are an Excluded Party as defined in the Plan, including:
 - a. The Defendants and Relief Defendants;
 - b. Present or former officers or directors of Defendants or any assigns, creditors, agents, 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 Defendants or any of its affiliates who has been terminated for cause or has otherwise resigned, in connection with the conduct alleged in the Complaint;
 - d. Any Person who, as of the Claims Bar Date, has been the subject of criminal charges related to the conduct alleged in the Complaint or any related Commission action;
 - e. Any firm, trust, corporation, officer, or other entity in which Defendants has or had a controlling interest;

- f. The Distribution Agent, its employees, and those Persons assisting the Distribution Agent in its role as the Distribution Agent; or
- g. 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 Plan of Allocation that will be used to calculate Distribution Payments is set forth in the Distribution Plan.

The Plan of Allocation is designed to compensate Eligible Claimants based on their losses from funds transferred to the Defendant for investment purposes during the Relevant Period due to conduct of the Defendant. If the Net Available Fair Fund is equal to or exceeds the sum of Recognized Losses of all Eligible Claimants, each Eligible Claimant’s distribution amount will be equal his, her, or its Recognized Loss, plus any “Reasonable Interest” awarded. If the Net Fair Fund is less than the sum of the Recognized Losses of all Eligible Claimants, each Eligible Claimant’s distribution amount will equal his, her, or its “Pro Rata Percentage” of the Net Available Fair Fund. In either case, the distribution amount will be subject to the “Offset for Prior Recovery” and “Minimum Distribution Amount.”

4. Claim Forms

A CLAIM FORM IS BEING MAILED TOGETHER WITH THIS PLAN NOTICE TO ALL POTENTIAL CLAIMANTS KNOWN TO, OR IDENTIFIED BY, THE DISTRIBUTION AGENT. IF YOU DO NOT RECEIVE A CLAIM FORM IN THE MAIL OR REQUIRE ADDITIONAL CLAIM FORMS, SEE THE INSTRUCTIONS BELOW UNDER “ADDITIONAL INFORMATION.”

THE DEADLINE TO SUBMIT A CLAIM FORM AT THE ADDRESS BELOW IS **APRIL 25, 2025** (PLEASE NOTE: THIS IS A POSTMARK DEADLINE). IF YOU CHOOSE TO FILE YOUR CLAIM FORM ONLINE, YOU MUST FILE ON OR BEFORE 11:59 P.M. EASTERN STANDARD TIME ON **APRIL 25, 2025**. IF YOU FAIL TO TIMELY SUBMIT A COMPLETED CLAIM FORM, YOU WILL BE BARRED FROM RECEIVING A PAYMENT FROM THE REGE FAIR FUND. THE CLAIM FORM MUST BE ACCOMPANIED BY APPROPRIATE SUPPORTING DOCUMENTS FOR EACH TRANSACTION LISTED IN PART II OF THE CLAIM FORM.

If you submit a Claim Form that fails to provide all required information, or is otherwise deficient, you may receive a Determination Notice advising you of the reason(s) why the claim is deficient and of the opportunity to cure such deficiencies.

5. Claim Determinations

The Distribution Agent will mail a Final Determination Notice advising each Potential Claimant that submitted a Claim Form of the determination concerning such claim. If a claim is denied in whole or in part, the Distribution Agent will state the reason for such denial.

All determinations of the Distribution Agent that are made in accordance with the Plan shall be final and not subject to appeal.

6. Instructions for Submitting a Claim Form

YOU MUST COMPLETE AND SIGN THE CLAIM FORM AND SUBMIT IT TO THE DISTRIBUTION AGENT SO THAT IT IS POSTMARKED (OR IF NOT SENT BY U.S. MAIL, RECEIVED) NO LATER THAN APRIL 25, 2025, AT THE ADDRESS LISTED BELOW IN ORDER TO BE CONSIDERED FOR ELIGIBILITY TO RECOVER FROM THE REGE FAIR FUND:

Rege Fair Fund
c/o Analytics Consulting LLC
Distribution Agent
P.O. Box 2002
Chanhassen, MN 55317-2002

Claim Forms may also be submitted online on the Rege Fair Fund’s website at www.RegeFairFund.com. If you choose to file your Claim Form online, you must file on or before 11:59 p.m. Eastern Standard Time on **APRIL 25, 2025**.

7. Other Claims

Upon receipt and acceptance of a distribution from the Rege Fair Fund, you shall be deemed to have released any claims you may have against the Distribution Agent and its agents. You are not required to release any rights or claims you may have against, among others, the Defendants, and Defendants’ past or present directors, officers, employees, advisers and agents in order to participate in the distribution of the Rege Fair Fund.

8. Additional Information

Additional information regarding the Rege Fair Fund may be found at www.RegeFairFund.com. Additional Claim Forms and Plan Notices may also be downloaded at the Rege Fair Fund’s website. You may obtain additional information or request copies of Claim Forms and Plan Notices by calling the Rege Fair Fund’s toll-free helpline at 1-888-391-3385 in the United States, or by emailing info@RegeFairFund.com.

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