UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. JEFFREY FISHMAN, Defendant.	08 Civ. No. 3509 (SJF)

DISTRIBUTION PLAN

Introduction

This Distribution Plan sets forth the method and procedures for distributing the Fair Fund in the above-captioned action. Pursuant to the Final Judgment entered by the Court on September 5, 2008 and the Order Authorizing the Creation of Fair Fund, Approving Distribution Plan and Appointing Plan Administrator, the entire $896,843.65 paid by Defendant Jeffrey Fishman ("Fishman" or "Defendant") in disgorgement, prejudgment interest, and civil penalty, and any accumulated interest earned on such amounts, minus appropriate expenses, constitutes the Fair Fund and is to be distributed in accordance with the Fair Funds provision of Section 308(a) of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act").

Background

On August 27, 2008, the Commission filed a Complaint against Fishman seeking a permanent injunction, an officer and director bar, disgorgement of ill-gotten gains plus prejudgment interest, a civil monetary penalty, and other relief. The Complaint alleged, among other things, that from 2001 until 2005, Fishman raised approximately $940,000 from seventeen investors by making material misrepresentations in a fraudulent offering of limited partnership interests of Medemil LLC, and then misappropriated at least $609,000 of those funds for his personal use.

On September 5, 2008, the Court entered a Final Judgment against Fishman, to which Fishman consented without admitting or denying the allegations in the Complaint. Pursuant to the Final Judgment, on September 11, 2008, Fishman paid a total of $896,843.65 ($492,570 in disgorgement, $329,273.65 in prejudgment interest, and a civil penalty of $75,000) to the Clerk of the United States District Court for the Eastern District of New York. By making this payment, Fishman relinquished all legal and equitable right, title, and interest in such funds. The funds were thereafter deposited in an interest-bearing account with the Court Registry Investment System ("CRIS").

On October 29, 2008, this Court entered an Order appointing Damasco & Associates LLP, a certified public accounting firm located in Half Moon Bay, California, as tax administrator ("Tax Administrator") to execute all income tax reporting requirements, including the preparation and filing of tax returns, with respect to the funds under the Court's jurisdiction in this case.

Definitions

As used in this Distribution Plan, the following definitions apply:

"Actual Loss" means the total amount invested by each Eligible Claimant in Medemil, less amounts previously repaid by Fishman, plus prejudgment interest thereon. The Plan Administrator, Ken C. Joseph, has determined the Actual Loss amount for each Eligible Claimant, as set forth in the "Total Actual Loss" paragraph below. In the event that any Potentially Eligible Claimants are determined to have valid claims as a result of their purchases of Medemil limited partnership interests, Actual Loss shall mean the total amount invested by each of those Potentially Eligible Claimants in Medemil, less amounts previously repaid by Fishman, plus prejudgment interest thereon. The Plan Administrator shall make a recommendation to the Court regarding the Actual Loss amount for each Potentially Eligible Claimant.

"Available Distribution" means the Fair Fund, less any amounts expended or to be expended for administering the Fair Fund (e.g., reasonable fees and expenses incurred or to be incurred in administering the Distribution Plan and the payment of taxes on the Fair Fund).

"Bar Date" means the date by which an Eligible Claimant's or Potentially Eligible Claimant's objections or Proofs of Claim must be postmarked to avoid the barring of any right of Eligible Claimants or Potentially Eligible Claimants to object to or participate in any distribution from the Fair Fund. The Bar Date shall be 60 days after the date of entry of an order approving the Distribution Plan.

"Commission" means the United States Securities and Exchange Commission.

"Court" means the United States District Court for the Eastern District of New York.

"Distribution Packet" means all the materials to be provided to Eligible Claimants known to the Plan Administrator or to those who request such materials, including a copy of the Distribution Plan and the Court's Order Authorizing the Creation of Fair Fund, Approving Distribution Plan and Appointing Plan Administrator.

"Distribution Plan" means the Distribution Plan as approved by the Court.

"Distribution Plan Notice" means the notice given to Eligible Claimants by mail and the notice posted on the Commission's website at http://www.sec.gov/divisions/enforce/claims.htm to alert Potentially Eligible Claimants of their potential right to receive funds from the Fair Fund and which shall specify the means of obtaining Distribution Packets.

"Eligible Claimants" means the 15 investors determined by the Plan Administrator to be eligible for a distribution from the Fair Fund as a result of their purchases of Medemil limited partnership interests: David Avital; David Cohen; Brian Ezratty; David Falk; Harry Fishman; Frederic Gould; Jeffrey Gould; Matthew Gould; Stanley Gruber; David Kalish; John Mayblum; Mark Neporent; Alan Seiler; Marc Englebert; and David Rosenberg. Eligible Claimants are not required to file a Proof of Claim.

"Eligible Claimants" in no event includes Melissa Fishman (Defendant's wife) or Rudolph Fishman (Defendant's father), both of whom invested in Medemil. Both Melissa Fishman and Rudolph Fishman submitted to the Commission signed declarations and releases disclaiming any possible claim concerning their Medemil investments. Nor does "Eligible Claimants" include One Liberty Properties, Inc. ("OLP"), Defendant's employer during the relevant time period. OLP submitted a letter to the Commission confirming that it will not assert any claim, and waives any claim, it may have against any fair fund or other fund or account set up by the Commission in connection with any action the Commission brings in this matter.

"Fair Fund" means the fund established pursuant to Section 308(a) of the Sarbanes-Oxley Act and includes all amounts paid into any court account established in this action, including without limitation the CRIS account, including the disgorgement, prejudgment interest and civil penalty paid by Fishman and any accumulated interest earned on such amounts, less costs, fees and other expenses such as tax payments and CRIS fees incurred or to be incurred.

"Final Determination" means the date by which the Court makes a final determination about objections or Proofs of Claim, if any, submitted by Eligible Claimants or Potentially Eligible Claimants. In the event that no objections or Proofs of Claim are submitted, no Final Determination will be necessary.

"Plan Administrator" means Ken C. Joseph, Esq., Assistant Director in the New York Regional Office of the Commission. The Plan Administrator will report directly to the Court.

"Potentially Eligible Claimants" means any persons asserting that they have possible claims to the Fair Fund under the Distribution Plan and who submit a Proof of Claim by the Bar Date.

"Proof of Claim" means the filing by a Potentially Eligible Claimant of a claim to participate in any distribution from the Fair Fund. Any Proof of Claim shall be in writing, signed under penalty of perjury under the laws of the United States, and shall provide adequate documentary evidence to substantiate the claim, including all documentary evidence which the Plan Administrator deems necessary or appropriate. All Proofs of Claim must be filed on or before the Bar Date. Eligible Claimants are not required to submit a Proof of Claim.

"Response Date" means the date by which the Plan Administrator will respond to any timely and properly submitted objections or Proofs of Claim filed by Claimants or Potentially Eligible Claimants. The Response Date shall be no later than 45 days after the Bar Date.

"Tax Administrator" means Damasco & Associates LLP, a certified public accounting firm located in Half Moon Bay, California, whose appointment was entered by the Court on October 29, 2008.

"Total Actual Loss" means the sum of the Actual Losses, as previously determined by the Plan Administrator, of all 15 Eligible Claimants, which totals $821,843.65. In the event that any Potentially Eligible Claimants are determined to have valid claims as a result of their purchases of Medemil limited partnership interests, Total Actual Loss shall also include the sum of the Actual Losses of those Potentially Eligible Claimants.

The Eligible Claimants and their respective Actual Losses as determined by the Plan Administrator are as follows:

Eligible Claimant	Disgorgement	Pre-Judgment Interest	Actual Loss
David Avital	$37,500	$25,350.07	$62,850.07
David Cohen	$7,500	$5,070.03	$12,570.03
Brian Ezratty	$37,500	$25,350.07	$62,850.07
David Falk	$25,250	$31,605.41	$56,855.41
Harry Fishman	$5,500	$3,735.17	$9,235.17
Frederic Gould	$75,000	$50,700.16	$125,700.16
Jeffrey Gould	$37,500	$25,350.07	$62,850.07
Matthew Gould	$37,500	$25,350.07	$62,850.07
Stanley Gruber	$8,700	$12,493.44	$21,193.44
David Kalish	$26,250	$17,745.06	$43,995.06
John Mayblum	$22,500	$15,210.07	$37,710.07
Mark Neporent	$21,870	$14,272.99	$36,142.99
Alan Seiler	$75,000	$50,700.16	$125,700.16
Marc Englebert	$37,500	$13,170.44	$50,670.44
David Rosenberg	$37,500	$13,170.44	$50,670.44
Total	**$492,570**	**$329,273.65**	**$821,843.65**

<u>Responsibilities of the Plan Administrator and the Tax Administrator</u>

The Plan Administrator shall oversee the administration of the claims, procedures and distributions as provided in the Distribution Plan. The Plan Administrator shall receive no compensation for the services performed in administering the Fair Fund, other than his regular salary as an employee of the Commission. The Plan Administrator will be deemed to be acting within the scope of his employment with the Commission in administering this Distribution Plan. In carrying out his duties, the Plan Administrator may be assisted by other Commission staff acting under his supervision.

The Plan Administrator may be removed *sua sponte* at any time by the Court or upon motion of the Commission and replaced with a successor. The Plan Administrator and his designees, agents and assistants are not required to post a bond, and shall not be liable to any person for their actions hereunder, except on a finding of misfeasance, gross negligence or reckless disregard of duty.

The Tax Administrator will administer the tax obligations of the Fair Fund. The Plan Administrator will coordinate with the Tax Administrator to ensure that the Fair Fund, a Qualified Settlement Fund ("QSF") under Section 468B(g) of the Internal Revenue Code, and related regulations pertaining to QSFs, 26 C.F.R. §§ 1.468B-1 through 5, complies with all related legal and regulatory requirements, including without limitation, satisfying any reporting or withholding requirements imposed on distributions from the Fair Fund.

Distribution Plan and Procedures

General Administrative Procedures

All determinations of the Plan Administrator that are made in accordance with the provisions of the Distribution Plan are final and not subject to appeal.

To carry out the purposes of the Distribution Plan, the Plan Administrator may make adjustments to the Distribution Plan, consistent with the purposes of the Distribution Plan. Any such adjustments, other than those provided for in the Distribution Plan, however, must be approved by the Court.

All fees and expenses incurred in the administration of the Distribution Plan, as well as any federal, state or local taxes payable in connection with the Distribution Plan, shall be paid out of the Fair Fund pursuant to further order of the Court.

Distribution Plan Schedule

The Distribution Plan provides for the following schedule for distribution of the Fair Fund:

Distribution Plan Approved by the Court: Day 0

Mail Distribution Packet to Eligible Claimants: 20 days from Distribution Plan Approval

Publish Notice on Commission Website: 20 days from Distribution Plan Approval

Bar Date for Submission of Objections and Proofs of Claim: 60 days from Distribution Plan Approval

Response to Objections and Proofs of Claim (if necessary): 45 days from Bar Date

Final Determination by Court (if necessary): To Be Determined by Court

Final Report Filed with the Court: 45 days from completion of distribution of Fair Fund to approved claimants

At his discretion, the Plan Administrator can extend these procedural deadlines without further order from the Court.

Identification of and Notice to Eligible Claimants and Potentially Eligible Claimants

The Commission has identified 15 Eligible Claimants, their Total Actual Loss, and their likely current contact information. Within 20 days following the entry by the Court of an order approving the Distribution Plan, the Plan Administrator shall: (i) mail by United States First Class Mail a Distribution Packet to all Eligible Claimants; and (ii) post a notice on the Commission's website at http://www.sec.gov/divisions/enforce/claims.htm to alert Potentially Eligible Claimants of the Distribution Plan which shall specify how copies of the Distribution Packet may be obtained. The notice posted on the Commission's website shall be substantially in the form as attached hereto as Exhibit 1.

Procedure for Submitting Objections or Proofs of Claim to Distribution Plan

Eligible Claimants are not required to submit Proofs of Claim or objections to the Distribution Plan.

Any objections or Proofs of Claim must be filed with the Clerk of the Court for the Eastern District of New York, Brooklyn Courthouse, 225 Cadman Plaza East, Brooklyn, NY 11201, with copies to (a) the Honorable Sandra J. Feuerstein, United States District Judge, Eastern District of New York, Brooklyn Courthouse, 225 Cadman Plaza East, Brooklyn, NY 11201; and (b) the Plan Administrator, Ken C. Joseph, Esq., Securities and Exchange Commission, New York Regional Office, 3 World Financial Center, Room 400, New York, NY 10281. General information about filing with the Court can be obtained from the Court's website at www.nyed.uscourts.gov. Questions may be directed to the Plan Administrator by mail at the address listed above or by email at josephk@sec.gov.

All objections to the Distribution Plan and Proofs of Claim must be postmarked on or before the Bar Date. The burden of ensuring proper and timely submission shall be upon the claimant. The claimant must clearly explain his or her disagreement with the Distribution Plan and must provide all relevant supporting documentation to the Clerk of the Court for the Eastern District of New York, with copies to Judge Feuerstein and the Plan Administrator. A failure to properly and timely object to the proposed distribution shall permanently waive the claimant's right to object. A failure to properly and timely submit a Proof of Claim shall bar the Potentially Eligible Claimant from asserting a claim and shall permanently waive the Potentially Eligible Claimant's right to participate in any distribution from the Fair Fund. The burden of proof in any objection or any Proof of Claim shall be upon the claimant.

No later than 45 days after the Bar Date, the Plan Administrator may request more documentation and/or may submit its responses to the Court to any objections or Proofs of Claim.

In the event that a claimant shall properly and timely submit an objection or a Proof of Claim, the Court will review the documentary evidence provided by the claimant and the Plan Administrator's response. At that time the Court may request more documentation, may set the matter for oral argument, or may make a Final Determination. The Court's Final Determination shall be, for all purposes related to the distribution of the Fair Fund, non-appealable. In the event that no objections or Proofs of Claim are submitted, no Final Determination will be necessary and distribution will proceed in accordance with the Distribution Plan to Eligible Claimants.

In the event that any Potentially Eligible Claimants are determined to have valid claims as a result of their purchases of Medemil limited partnership interests, each such claimant will be entitled to a distribution of funds totaling the amount of its Actual Loss, insofar as the Total Actual Loss does not exceed the Available Distribution.

No claimant who failed to timely and properly submit an objection to the proposed Distribution Plan or a Proof of Claim shall be permitted to object to the barring or treatment of his or her claim on the basis that the Commission failed to mail, or properly mail, notice of the proposed distribution of the Fair Fund.

Payment to Eligible Claimants

After the Bar Date (if no objections or Proofs of Claim are submitted) or the Final Determination (if necessary), at the request of the Plan Administrator, the Clerk of the Court shall promptly notify the Plan Administrator and the Tax Administrator of the amount of money in the Fair Fund and, without further order from the Court, shall transfer all of the funds from the CRIS interest-bearing account into a non-interest-bearing registry account. After the withholding for and/or payment of fees, expenses and taxes on the Fair Fund, the Clerk of the Court, upon written request of the Plan Administrator, without further order from the Court, shall distribute funds to each Eligible Claimant, and to each Potentially Eligible Claimant determined to have a valid claim as a result of its purchases of Medemil limited partnership interests, in the amount of its Actual Loss in accordance with the Distribution Plan.

In the event that the Total Actual Loss exceeds the Available Distribution, funds shall be distributed to Eligible Claimants, and to those Potentially Eligible Claimants determined to have valid claims as a result of their purchases of Medemil limited partnership interests, based upon the ratio of each claimant's Actual Loss to the Available Distribution.

The Plan Administrator shall provide the Clerk of the Court with all necessary information to effectuate the distribution including the distribution amounts, addresses, and Social Security numbers or taxpayer identification numbers. The Clerk shall also be directed to file, where required by applicable regulation of the Internal Revenue Service, the Internal Revenue Service Code Forms 1099 reflecting the amount of pre-judgment interest distributed pursuant to the Distribution Plan.

The Clerk shall make payments by check to each Eligible Claimant and each Potentially Eligible Claimant determined to have a valid claim as a result of its purchases of Medemil limited partnership interests. All payments shall be preceded or accompanied by a communication prepared by the Plan Administrator that includes:

- a statement that the payment is a distribution of the Fair Fund created in accordance with Section 308(a) of the Sarbanes-Oxley Act;
- a statement that checks will be void after one year; and
- the name of a person or entity to contact with any questions regarding distribution.

Checks that are not negotiated within the one-year period shall be voided and the issuing financial institution shall be instructed to stop payment on those checks. If a check has not been negotiated before the void date, that claim shall be extinguished upon the occurrence of the void date.

Under no circumstances shall the Commission, Plan Administrator or his agents incur any liability to any person if he requests the Clerk of the Court to make a distribution in accordance with the list of Eligible Claimants and their Actual Losses as set forth in the Distribution Plan approved by the Court, and the Potentially Eligible Claimants determined to have valid claims as a result of their purchases of Medemil limited partnership interests and their Actual Losses, and all persons are enjoined from taking any action in contravention of this provision. Upon receipt and acceptance by a claimant of a distribution from the Fair Fund, such claimant shall be deemed to have released all claims that such claimant may have against the Commission, the Plan Administrator or his agents, and shall be deemed enjoined from prosecuting or asserting any such claims.

<u>Reporting</u>

The Plan Administrator will file quarterly reports with the Court. Upon completion of the distribution and prior to the termination of the Fair Fund and discharge of the Plan Administrator, the Plan Administrator will file a final report and an accounting with the Court. All such reports will be substantially in the form of the Commission's Standardized Fund Accounting Report.

Remaining Funds in the Fair Fund

If for any reason, including returned checks or checks that have not been cashed, funds remain in the Fair Fund after the Court has approved the final accounting, the Plan Administrator shall be discharged and the Clerk of the Court shall remit such funds to the Commission for transfer to the United States Treasury; such payment to be mailed to the Office of Financial Management, U.S. Securities and Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-3, Alexandria, Virginia 22312, and to be accompanied by a letter identifying the caption and civil action number of this case and the name of this Court and indicating that payment is made pursuant to this Court's order and that the funds are being remitted for transfer by the Comptroller, Securities and Exchange Commission, to the United States Treasury. A copy of the cover letter and money order or check shall be sent to Ken C. Joseph, Esq., Securities and Exchange Commission, New York Regional Office, 3 World Financial Center, Room 400, New York, NY 10281.

Dated: New York, New York
January 12, 2009

RESPECTFULLY SUBMITTED,

Ken C. Joseph

Ken C. Joseph
Plan Administrator
Securities and Exchange Commission
3 World Financial Center
New York, New York 10281
Tel.: (212) 336-0097

EXHIBIT 1

Jeffrey Fishman and Medemil LLC

On August 27, 2008, the SEC filed a complaint against Jeffrey Fishman in connection with a scheme to misappropriate funds from Medemil LLC ("Medemil"), a company Fishman created to invest in foreign currency options. The Court ordered Fishman to return his ill-gotten gains and he has paid them to the court registry. For more information about the SEC's action, you can read Litigation Release No. 20691 (Aug. 27, 2008).

On __________, the Court approved the SEC's plan for distribution. Under the plan, if you purchased Medemil limited partnership interests, you may be eligible to recover money. If you believe you may be eligible to participate in the distribution, please read the SEC's Distribution Plan and the Court's Order Authorizing the Creation of Fair Fund, Approving Distribution Plan and Appointing Plan Administrator. These documents contain important information, including how eligibility will be determined; how the amount to be paid will be determined; how to object to the Plan; how the claims procedure works; and the significant dates and deadlines.

If you wish to file a claim, you must submit in writing your Proof of Claim, as defined in the SEC's Distribution Plan, postmarked no later than _________ [60 days from Plan Approval date]. If you fail to meet this deadline, you will not receive any distributions of disgorged profits. Please note that if you are already listed in the Distribution Plan as an Eligible Claimant, you do not need to file a Proof of Claim.

Proofs of Claim should be filed with:

Clerk of the Court
United States District Court, Eastern District of New York
Brooklyn Courthouse
225 Cadman Plaza East
Brooklyn, NY 11201

With copies to:

The Honorable Sandra J. Feuerstein
United States District Judge
United States District Court, Eastern District of New York
Brooklyn Courthouse
225 Cadman Plaza East
Brooklyn, NY 11201

Ken C. Joseph, Esq.
U.S. Securities and Exchange Commission
New York Regional Office
3 World Financial Center, Room 400
New York, NY 10281