

IN THE MATTERS OF Kathryn Jane Meredith, d/b/a
KM Advisory Services & John Paul Harnish, d/b/a KM Advisory Services
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Admin. Proc. Files No. 3-20881 & 3-20882

PLAN NOTICE OF KM ADVISORY SERVICES FAIR FUND

This Notice is Pursuant to a Distribution Plan approved by the United States Securities and Exchange Commission. This is not a solicitation from a lawyer.

Dear Investor:

By Order dated September 28, 2023, the United States Securities and Exchange Commission (the “Commission”) approved a distribution plan (the “Plan”) by which to distribute the Fair Fund established in its administrative proceedings in the Matters of Kathryn Jane Meredith (“Meredith”), d/b/a KM Advisory Services & John Paul Harnish (“Harnish”), d/b/a KM Advisory Services. Admin. Procs. Nos. 3-20881 & 3-20882. The “KM Advisory Services Fair Fund” or the “Fair Fund” was established to compensate investors who were harmed by the violations of the federal securities laws committed by Respondents Meredith and Harnish (collectively, “the Respondents”). The Plan is publicly available on the KM Advisory Services Fair Fund website at www.kmafairfund.com. Under the Plan, the Fair Fund will be distributed to compensate investors (“Investors”) who have suffered a loss from paying excess 12b-1 fees and/or sales load commissions in accounts managed by KM Advisory Services during the period between January 1, 2016 and December 31, 2020 (the “Relevant Period”).¹

You have been identified as a Preliminary Claimant under the Plan or one of their lawful successors. As calculated pursuant to the Plan of Allocation (Exhibit A to the Plan), you may have suffered a loss from paying excess 12b-1 fees and/or sales load commissions in accounts managed by KM Advisory Services during the Relevant Period.

You may be eligible to receive a Distribution Payment from the KM Advisory Services Fair Fund. To be eligible for a Distribution Payment, you must complete and submit the Preliminary Claimant Certification Form through the Fair Fund’s online portal on or before January 19, 2024. You can find the Preliminary Claimant Certification Form and the online portal on the Fair Fund website at www.kmafairfund.com. If you are unable to complete the Preliminary Claimant Certification Form through the online portal, or if you would like to complete and submit a paper copy of the Preliminary Claimant Certification Form, please contact the Fund Administrator by phone at 1-866-573-3969 or by email to info@kmafairfund.com before January 19, 2024.

Background

On June 6, 2022, the Commission instituted and simultaneously settled, separate but related, administrative and cease-and-desist proceedings against the Respondents. In the Orders, the Commission found that former registered investment adviser KM Advisory Services (“KMA”) an unincorporated sole-proprietorship owned by Meredith from 1994 through February 2020, and purchased by Harnish in February 2020—breached its fiduciary duties in connection with the receipt of mutual fund fees pursuant to Rule 12b-1 under the Investment Company Act of 1940 (“12b-1 fees”) and commissions in the form of sales “loads” from advisory client investments without fully and fairly disclosing its related conflicts of interest. Among other remedies, the Commission ordered Meredith to pay \$574,743.53 in disgorgement, \$77,252.39 in prejudgment interest, and a \$100,000.00 civil money penalty, and Harnish to pay \$220,097.30 in disgorgement, \$5,549.69 in prejudgment interest, and a \$75,000.00 civil money penalty, to the Commission.

In each of the Orders, the Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 and further ordered the Fair Funds to be combined to form the KM Advisory Services Fair Fund, so the penalties paid, along with the disgorgement and interest paid, can be distributed to harmed investors. The Respondents have paid in full. The Fair Fund has been deposited in a Commission-designated account at the United States Department of the Treasury, and any accrued interest will be added to the Fair Fund. You can see a copy of the Order on the website for this matter: www.kmafairfund.com.

Fund Administrator

On July 31, 2023, the Commission appointed KCC Class Action Services, LLC, (“KCC”) as the fund administrator for the Fair Fund (the “Fund Administrator”). The Fund Administrator is responsible for administering the Fair Fund in accordance with the Plan.

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

KM Advisory Services Fair Fund

The KM Advisory Services Fair Fund constitutes a "Qualified Settlement Fund" ("QSF") as defined in U.S. Treas. Reg. Sec. 1.468B-1 et seq. Its distribution is intended to compensate investors harmed by Respondents' violations described in the Orders.

Participation

To be considered for eligibility to receive a Distribution Payment under the Plan, you must access the Fair Fund's website www.kmafairfund.com and complete the online Preliminary Claimant Certification Form with the Claim Number and PIN supplied at the top of this Notice. All submissions must be received by January 19, 2024. If you are unable to access the online Preliminary Claimant Certification Form or would prefer to submit a paper copy of the Certification Form, please contact the Fund Administrator by phone at 1-866-573-3969 or by email to info@kmafairfund.com. A paper copy of the Certification Form will be provided upon request.

Participation in the KM Advisory Services Fair Fund does not require you to release any rights or potential claims you may have against the Respondents. A Preliminary Claimant who fails to provide a response to this Notice that is deemed sufficient by the Fund Administrator, including any information sought in the Preliminary Claimant Certification Form, shall be deemed unresponsive ("Unresponsive Preliminary Claimant"). Unresponsive Preliminary Claimants will not be eligible for a distribution under the Plan.

The Recognized Loss amount indicated at the top of this Notice is based on records obtained by the Commission during its investigation and is the sum of fees that you paid related to mutual fund 12b-1 fees and/or sales load commissions paid in accounts managed by KM Advisory Services between January 1, 2016 and December 31, 2020 (the "Relevant Period"). However, this is not necessarily the amount you will receive. If the Net Available 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 Percent" of the Net Available Fair Fund. For further information, please review the Plan of Allocation (Exhibit A to the Plan) at www.kmafairfund.com. Note, investors who did not suffer a loss due to paying excess 12b-1 fees and/or sales load commissions during the Relevant Period as a result of the Respondents' misconduct are ineligible to recover under this Plan.

If you wish to dispute the calculation of your Recognized Loss amount, you can do so within the online Preliminary Claimant Certification Form. You will need to provide a written explanation of your dispute and upload supporting documentation with your online Certification Form. The Fund Administrator will investigate the dispute, and such investigation will include a review of the written dispute as well as any supporting documentation.

Please note that the Recognized Loss amount indicated at the top of this Notice is the total of the Recognized Losses for all accounts owned by the Preliminary Claimant to whom this Notice is addressed. An itemized schedule of the accounts included, and their Recognized Loss amounts, are listed in Annex A of this Notice.

Excluded from the KM Advisory Services Fair Fund are (a) the Respondents, and Respondents' advisers, agents, nominees, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities; (b) the Fund Administrator, its employees, and those Persons assisting the Fund Administrator in its role as the Fund Administrator; and (c) 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.

Tax Considerations

The interest portion of your ultimate payout may be considered taxable income and, under certain circumstances, could be subject to withholding. Therefore, we require the submission of a Form W-9 or substitute Form W-9 tax form to supplement your filing. Upon submission of your filing, please navigate to the W9 Kiosk on the Fair Fund website at www.kmafairfund.com, login using the Claim Number and PIN at the top of this Notice and complete the requested information.

Questions

If you have any questions about the KM Advisory Services Fair Fund or the distribution, or if you would like to obtain copies of relevant documents, including this Plan Notice, or the Plan, please visit the Fair Fund website at www.kmafairfund.com. A copy of the Plan is also available on the SEC website for this matter at www.sec.gov/files/litigation/admin/2023/34-98594-dp.pdf. You may also submit questions to the Fund Administrator by phone at 1-866-573-3969 or by email to info@kmafairfund.com.

Reminder

If you wish to be considered for eligibility for a Distribution Payment under the Plan, you must go to www.kmafairfund.com to complete the online Preliminary Claimant Certification Form. To login, please use your Claim Number and PIN provided at the top of this Notice. **You must certify your claim on or before January 19, 2024, in order to participate.**

IF YOU SUBMIT DOCUMENTS OR INFORMATION THAT CONTAIN PERSONAL INFORMATION BY EMAIL, PLEASE USE ENCRYPTION TO MAINTAIN YOUR PRIVACY. IF YOU HAVE ANY CONCERNS REGARDING YOUR ABILITY TO ENCRYPT WHAT YOU ARE SENDING, PLEASE SEND THE DOCUMENTS OR INFORMATION BY MAIL.

The Fund Administrator's contact information is:

Email: info@kmafairfund.com

Phone: 1-866-573-3969

Physical Address:

KM Advisory Services Fair Fund
c/o KCC Class Action Services, LLC
P.O. Box 6198
Novato, CA 94948-6198
United States of America

Very truly yours,

KCC Class Action Services, LLC
Fund Administrator