

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 99941 / April 11, 2024**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-17956**

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<b>In the Matter of</b>	:	<b>ORDER APPROVING APPLICATION OF</b>
	:	<b>FUND ADMINISTRATOR FOR</b>
<b>MagnaChip Semiconductor</b>	:	<b>PAYMENT OF FEES AND EXPENSES</b>
<b>Corporation and Margaret Hye-</b>	:	<b>AND APPROVAL OF FEES AND</b>
<b>Ryoung Sakai, CPA,</b>	:	<b>EXPENSES</b>
	:	
<b>Respondents.</b>	:	
_____	:	

On May 1, 2017, the Commission issued an Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 4C and 21C of the Securities Exchange Act of 1934, and Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions and Cease-and-Desist Orders (the "Order")<sup>1</sup> against MagnaChip Semiconductor Corporation and Margaret Hye-Ryoung Sakai, CPA (collectively, the "Respondents"). In the Order, the Commission found that Respondents violated the antifraud, books and records and internal control provisions of the federal securities laws when it began engaging in a variety of practices to inappropriately inflate its revenues and meet the gross margin targets it previously had announced to the public. As a result, MagnaChip's financial statements and related disclosures were materially misstated in its periodic, annual, and current reports filed with the Commission. MagnaChip also falsely stated in an October 2013 press release that it had met its revenue and gross margin guidance for ten consecutive quarters following its IPO. Following an internal investigation, MagnaChip self-reported the revenue issues and, as a result, MagnaChip restated its financial statements in early 2015, reducing its previously reported revenue for 2011 through 2013 by \$121 million. The Commission ordered the Respondents to pay a total of \$3,135,000 in civil money penalties to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties collected can be distributed to harmed investors (the "Fair Fund").

On March 19, 2020, the Division of Enforcement, pursuant to delegated authority, issued an order appointing Strategic Claims Systems, Inc. as the fund administrator of the Fair Fund and set the administrator's bond amount.<sup>2</sup>

<sup>1</sup> Securities Act Rel. No. 10352 (May 1, 2017).

<sup>2</sup> Order Appointing Fund Administrator and Set the Administrator's Bond Amount, Exchange Act Rel. No. 88430 (Mar. 19, 2020).

In accordance with Rule 1105(d) of the Commission’s Rules,<sup>3</sup> the Fund Administrator has submitted to the Commission staff an invoice for services rendered from August 22, 2023, through January 21, 2024, totaling \$54,799.02. The Commission staff has reviewed the Fund Administrator’s invoice, confirmed that the services have been provided, and finds the fees and expenses of \$54,799.02 to be reasonable. The Commission staff has requested that the Commission authorize the Office of Financial Management (“OFM”) to pay the Fund Administrator’s fees and expenses of \$54,799.02 from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.<sup>4</sup>

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of an Assistant Director of the Office of Distributions, to pay the Fund Administrator’s fees and expenses from the Fair Fund so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission’s Rules,<sup>5</sup> that OFM pay the Fund Administrator’s fees and expenses of \$54,799.02 from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.<sup>6</sup> Further, OFM is authorized to pay, at the direction of an Assistant Director of the Office of Distributions, any fees and expenses of the Fund Administrator from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules,<sup>7</sup> so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>8</sup>

Vanessa A. Countryman  
Secretary

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<sup>3</sup> 17 C.F.R. § 201.1105(d).

<sup>4</sup> 17 C.F.R. § 201.1105(e).

<sup>5</sup> 17 C.F.R. § 201.1105(d).

<sup>6</sup> 17 C.F.R. § 201.1105(e).

<sup>7</sup> 17 C.F.R. § 201.1105(e).

<sup>8</sup> 17 C.F.R. § 200.30-4(a)(21)(vi).