

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 88430 / March 19, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-17956

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In the Matter of	:	
	:	
MagnaChip Semiconductor	:	ORDER APPOINTING
Corporation, and Margaret Hye-	:	FUND ADMINISTRATOR
Ryoung Sakai, CPA,	:	AND SETTING BOND
	:	AMOUNT
	:	
Respondents.	:	
_____	:	

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 (“Order”)¹ against MagnaChip Semiconductor Corporation and Margaret Hye-Ryoung Sakai, CPA (the “Respondents”). In the Order, the Commission found that from mid-2011 to December 2013, the Respondents violated the antifraud, books and records and internal control provisions of the federal securities laws, in connection with a scheme involving improper and fraudulent accounting practices intended to artificially inflate revenue and meet gross margin targets it had previously announced to the public. As a result of these violations, MagnaChip’s public filings from mid-2011 through 2015 were incorrect.

The Commission ordered the Respondents to pay a total of \$3,135,000.00 in civil money penalties to the Commission. The Commission also created a Fair Fund, pursuant to Section

¹ Securities Act Rel. No. 10352 (May 1, 2017).

308(a) of the Sarbanes-Oxley Act of 2002, so the penalties can be distributed to harmed investors (the “Fair Fund”). The Fair Fund includes the \$3,134,999.99 paid by the Respondents.

The Division of Enforcement now seeks the appointment of Strategic Claims Systems, Inc. (“SCS”) as the fund administrator and requests that the administrator’s bond be set at \$3,134,999.99. SCS is not a member of the Commission’s approved pool of administrators. However, appointing SCS will produce significant economies of time and expense because SCS served as the class administrator in the related class action arising out of the same conduct, similar time period, and with the substantially same victims.

Accordingly, IT IS HEREBY ORDERED that SCS is appointed as the fund administrator, pursuant to Rule 1105(a) of the Commission’s Rules of Fair Fund and Disgorgement Plans (“Commission’s Rules”),² and shall obtain a bond in accordance with Rule 1105(c) of the Commission’s Rules³ in the amount of \$3,134,999.99.

By the Commission.

Vanessa A. Countryman
Secretary

² 17 C.F.R. § 201.1105(a).

³ 17 C.F.R. § 201.1105(c).