

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 95511 / August 17, 2022**

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

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**In the Matter of**

**MagnaChip Semiconductor  
Corporation and Margaret Hye-  
Ryoung Sakai, CPA,**

**Respondents.**

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**NOTICE OF PROPOSED PLAN OF  
DISTRIBUTION AND  
OPPORTUNITY FOR COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission's ("Commission") Rules on Fair Fund and Disgorgement Plans ("Commission's Rules"), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the "Proposed Plan") for the distribution of monies paid in the above-captioned matter.

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 paid can be distributed to harmed investors (the "Fair Fund").

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

The Respondents have paid \$3,134,999.99. The Fair Fund and has been deposited at the United States Department of the Treasury's Bureau of the Fiscal Service for investment, and any accrued interest will be for the benefit of the Fair Fund.

## **OPPORTUNITY FOR COMMENT**

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Proposed Plan by submitting a written request to Allison Moon, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov).

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File No. 3-17956" in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

## **THE PROPOSED PLAN**

The Net Available Fair Fund<sup>2</sup> is comprised of the \$3,134,999.99 in civil money penalties paid by the Respondents, plus interest and income earned thereon, less taxes, fees, and expenses. The Proposed Plan provides for the distribution of the Net Available Fair Fund to investors who purchased Securities during the Relevant Period and suffered a Recognized Loss as calculated by the methodology used in the Plan of Allocation in the Proposed Plan.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>3</sup>

Vanessa A. Countryman  
Secretary

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<sup>2</sup> All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

<sup>3</sup> 17 C.F.R. § 200.30-4(a)(21)(iii).