

BrokerCheck Report

FRED ALGER & COMPANY, INCORPORATED

CRD# 5300

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About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
 - o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
 - o information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.



FRED ALGER & COMPANY, INCORPORATED

CRD# 5300

SEC# 8-15900

Main Office Location

360 PARK AVENUE SOUTH
NEW YORK, NY 10010
Regulated by FINRA New York Office

Mailing Address

360 PARK AVENUE SOUTH
NEW YORK, NY 10010

Business Telephone Number

(212) 806-8800

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 06/16/1970.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 5 Self-Regulatory Organizations
- 52 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 5 types of businesses.

This firm is affiliated with financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	5
Civil Event	1



Firm Profile

This firm is classified as a corporation.

This firm was formed in Delaware on 06/16/1970.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

FRED ALGER & COMPANY, INCORPORATED

Doing business as FRED ALGER & COMPANY, INCORPORATED

CRD# 5300

SEC# 8-15900

Main Office Location

360 PARK AVENUE SOUTH
NEW YORK, NY 10010

Regulated by FINRA New York Office

Mailing Address

360 PARK AVENUE SOUTH
NEW YORK, NY 10010

Business Telephone Number

(212) 806-8800



Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any): ALGER ASSOCIATES, INC.

Is this a domestic or foreign entity or an individual? Domestic Entity

Position PARENT

Position Start Date 11/1979

Percentage of Ownership 75% or more

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): CHUNG, DANIEL CAYLEY
4496947

Is this a domestic or foreign entity or an individual? Individual

Position CHAIRMAN OF THE BOARD OF DIRECTORS

Position Start Date 11/2006

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): KINCEL, ROBERT LOUIS
2747237

Is this a domestic or foreign entity or an individual? Individual

Position CHIEF FINANCIAL OFFICER, DIRECTOR

Position Start Date 05/2004

Firm Profile



Direct Owners and Executive Officers (continued)

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): LIEBES, HAL
2553531

Is this a domestic or foreign entity or an individual? Individual

Position DIRECTOR

Position Start Date 08/2006

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): PAYNE, TINA
5391957

Is this a domestic or foreign entity or an individual? Individual

Position GENERAL COUNSEL

Position Start Date 07/2017

Percentage of Ownership Less than 5%

Does this owner direct the management or policies of the firm? Yes

Is this a public reporting company? No

Legal Name & CRD# (if any): SCHWARTZ, HARRIS WAYNE

Firm Profile



Direct Owners and Executive Officers (continued)

	4467123
Is this a domestic or foreign entity or an individual?	Individual
Position	CHIEF COMPLIANCE OFFICER
Position Start Date	06/2017
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any): TAMBONE, JAMES SAL
1148904

Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT
Position Start Date	06/2013
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No



Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

Legal Name & CRD# (if any):	ALGER, ALEXANDRA DEWEY 1794665
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	ALGER ASSOCIATES, INC.
Relationship to Direct Owner	STOCKHOLDER
Relationship Established	02/2007
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ALGER, HILARY MILLER 1164468
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	ALGER ASSOCIATES, INC.
Relationship to Direct Owner	STOCKHOLDER
Relationship Established	02/2007
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	ALGER, NICOLE DEMARIGNY
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Firm Profile



Indirect Owners (continued)

	1794667
Is this a domestic or foreign entity or an individual?	Individual
Company through which indirect ownership is established	ALGER ASSOCIATES, INC.
Relationship to Direct Owner	STOCKHOLDER
Relationship Established	02/2007
Percentage of Ownership	25% but less than 50%
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.





Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 5 SROs and 52 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	07/15/1970

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: No

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	08/20/1970
NYSE American LLC	Approved	08/13/1970
NYSE Arca, Inc.	Approved	06/17/2005
Nasdaq Stock Market	Approved	07/12/2006
New York Stock Exchange	Approved	08/13/1970



Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
Alabama	Approved	05/08/1986
Alaska	Approved	06/12/1986
Arizona	Approved	06/25/1986
Arkansas	Approved	09/25/1986
California	Approved	08/27/1976
Colorado	Approved	03/26/1986
Connecticut	Approved	09/02/1977
Delaware	Approved	03/19/1986
District of Columbia	Approved	04/09/1986
Florida	Approved	12/21/1984
Georgia	Approved	04/23/1986
Hawaii	Approved	11/28/1986
Idaho	Approved	06/27/1986
Illinois	Approved	03/31/1986
Indiana	Approved	04/18/1986
Iowa	Approved	06/02/1986
Kansas	Approved	04/22/1986
Kentucky	Approved	03/11/1986
Louisiana	Approved	04/10/1986
Maine	Approved	03/11/1986
Maryland	Approved	04/01/1986
Massachusetts	Approved	04/14/1986
Michigan	Approved	05/15/1986
Minnesota	Approved	08/16/1985
Mississippi	Approved	06/16/1986
Missouri	Approved	05/29/1986
Montana	Approved	04/09/1986
Nebraska	Approved	04/15/1986
Nevada	Approved	03/11/1986
New Hampshire	Approved	05/13/1986
New Jersey	Approved	07/11/1983
New Mexico	Approved	06/26/1986
New York	Approved	01/18/1983

U.S. States & Territories	Status	Date Effective
North Carolina	Approved	04/10/1986
North Dakota	Approved	08/21/1996
Ohio	Approved	08/19/1985
Oklahoma	Approved	03/13/1986
Oregon	Approved	06/03/1986
Pennsylvania	Approved	06/13/1986
Puerto Rico	Approved	06/27/1994
Rhode Island	Approved	03/24/1986
South Carolina	Approved	06/18/1986
South Dakota	Approved	04/22/1986
Tennessee	Approved	03/26/1986
Texas	Approved	06/25/1986
Utah	Approved	04/25/1986
Vermont	Approved	06/10/1986
Virginia	Approved	05/08/1986
Washington	Approved	06/04/1990
West Virginia	Approved	03/18/1986
Wisconsin	Approved	07/21/1986
Wyoming	Approved	03/26/1986

Firm Operations



Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 5 types of businesses.

Types of Business

Exchange member engaged in exchange commission business other than floor activities

Broker or dealer retailing corporate equity securities over-the-counter

Mutual fund underwriter or sponsor

Mutual fund retailer

Trading securities for own account



Firm Operations

Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	APEX CLEARING CORPORATION
CRD #:	13071
Business Address:	ONE DALLAS CENTER 350 N. ST. PAUL, SUITE 1300 DALLAS, TX 75201
Effective Date:	06/12/2012
Description:	FRED ALGER & COMPANY, INCORPORATED ACTS AS AN INTRODUCING BROKER TO APEX CLEARING CORPORATION.

Firm Operations

Industry Arrangements

**This firm does have books or records maintained by a third party.**

Name: APEX CLEARING CORPORATION
CRD #: 13071
Business Address: ONE DALLAS CENTER
350 N. ST. PAUL, SUITE 1300
DALLAS, TX 75201
Effective Date: 06/12/2012
Description: STORAGE FACILITY FOR CUSTOMER RECORDS.

Name: OMGEO LLC
Business Address: 55 WATER STREET
NEW YORK, NY 10041
Effective Date: 02/17/2010
Description: OMGEO PROVIDES RECORD-KEEPING SERVICES TO FRED ALGER & COMPANY, INCORPORATED.

This firm does have accounts, funds, or securities maintained by a third party.

Name: APEX CLEARING CORPORATION
CRD #: 13071
Business Address: ONE DALLAS CENTER
350 N ST. PAUL, SUITE 1300
DALLAS, TX 75201
Effective Date: 06/12/2012
Description: CERTAIN ACCOUNTS AT FRED ALGER & COMPANY, INCORPORATED
MAY HAVE SECURITIES HELD AT APEX CLEARING CORPORATION.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: APEX CLEARING CORPORATION
CRD #: 13071
Business Address: ONE DALLAS CENTER
350 N. ST PAUL, SUITE 1300
DALLAS, TX 75201
Effective Date: 06/12/2012

Firm Operations



Industry Arrangements (continued)

Description: FRED ALGER & COMPANY, INCORPORATED HAS A CLEARING DEPOSIT
AT APEX CLEARING CORPORATION.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.



Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is, directly or indirectly:

- in control of
 - controlled by
 - or under common control with
- the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.**

WEATHERBIE CAPITAL, LLC is under common control with the firm.

CRD #:	105991
Business Address:	265 FRANKLIN STREET 16TH FLOOR BOSTON, MA 02110
Effective Date:	03/01/2017
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	Yes
Description:	UNDER THE COMMON CONTROL OF ALGER ASSOCIATES, INC.

ALGER INTERNATIONAL HOLDINGS is under common control with the firm.

Business Address:	BUTTERFIELD HOUSE, FORT STREET GEORGETOWN, CAYMAN ISLAND
Effective Date:	12/16/2010
Foreign Entity:	Yes
Country:	CAYMAN ISLAND
Securities Activities:	Yes
Investment Advisory Activities:	No
Description:	ALGER INTERNATIONAL HOLDINGS (AIH) MAINTAINS A PORTFOLIO OF INVESTMENT SECURITIES. AIH IS A WHOLLY-OWNED SUBSIDIARY OF, AND HAS THE SAME PARENT CORPORATION AS THE BROKER-DEALER, ALGER ASSOCIATES, INC.

Firm Operations



Organization Affiliates (continued)

ANALYSTS RESOURCES INC. is under common control with the firm.

Business Address:	360 PARK AVENUE SOUTH NEW YORK, NY 10010
Effective Date:	12/01/1979
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	No
Description:	ANALYSTS RESOURCES, INC., A SUBSIDIARY OF ALGER ASSOCIATES, INC., IS AN EXECUTIVE RECRUITING FIRM, WHOSE PRINCIPAL PURPOSE IS TO ACQUIRE TOP INVESTMENT PROFESSIONALS FOR THE INVESTMENT TEAM OF FRED ALGER MANAGEMENT, INC.

ALGER ALTERNATIVE HOLDINGS, LLC is under common control with the firm.

Business Address:	360 PARK AVE SOUTH NEW YORK, NY 10010
Effective Date:	04/22/2008
Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	ALGER ALTERNATIVE HOLDINGS, LLC (AAH) ACTS AS THE MANAGING MEMBER OF THE ALGER DYNAMIC RETURN FUND, A PRIVATE HEDGE FUND MANAGED BY FRED ALGER MANAGEMENT, INC. AAH IS A WHOLLY-OWNED SUBSIDIARY OF, AND HAS THE SAME PARENT CORPORATION AS THE BROKER-DEALER, ALGER ASSOCIATES, INC.

FRED ALGER MANAGEMENT, INC is controlled by the firm.

CRD #:	106750
Business Address:	360 PARK AVE SOUTH NEW YORK, NY 10010
Effective Date:	06/16/1970

Firm Operations



Organization Affiliates (continued)

Foreign Entity:	No
Country:	
Securities Activities:	Yes
Investment Advisory Activities:	Yes
Description:	FRED ALGER MANAGEMENT, INC. IS A SUBSIDIARY OF THE BROKER-DEALER.

ALGER ASSOCIATES, INC. controls the firm.

Business Address:	360 PARK AVE SOUTH NEW YORK, NY 10010
Effective Date:	11/01/1979
Foreign Entity:	No
Country:	
Securities Activities:	No
Investment Advisory Activities:	No
Description:	ALGER ASSOCIATES, INC. IS A HOLDING COMPANY AND THE PARENT COMPANY OF THE BROKER/DEALER.

This firm is not directly or indirectly, controlled by the following:

- bank holding company
- national bank
- state member bank of the Federal Reserve System
- state non-member bank
- savings bank or association
- credit union
- or foreign bank



Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	5	0
Civil Event	0	1	0

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending*, *on appeal*, or *final*.
 - § A "pending" event involves allegations that have not been proven or formally adjudicated.
 - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - § A "final" event has been concluded and its resolution is not subject to change.
 - o A final event generally has a disposition of *adjudicated*, *settled* or *otherwise resolved*.
 - § An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
 - § A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 5

Reporting Source: Regulator

Current Status: Final



Allegations: NASD RULES 2110, 3010, 6130(B) - FRED ALGER & COMPANY, INC. FAILED TO ACCEPT OR DECLINE IN THE NASDAQ MARKET CENTER TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN 20 MINUTES AFTER EXECUTION THAT THE FIRM HAD AN OBLIGATION TO ACCEPT OR DECLINE IN THE NMC AS THE OEID; THE FIRM'S SUPERVISORY SYSTEM DID NOT PROVIDE FOR SUPERVISION REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND NASD RULES CONCERNING TRADE REPORT INPUT.

Initiated By: NASD

Date Initiated: 05/18/2007

Docket/Case Number: [2005000266401](#)

Principal Product Type: Other

Other Product Type(s): ELIGIBLE SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/18/2007

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$15,000.00

Other Sanctions Ordered: UNDERTAKING

Sanction Details: WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$15,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING TRADE REPORT INPUT WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NAC.

Reporting Source: Firm



Current Status:	Final
Allegations:	FOR THE PERIOD OCTOBER 1, 2004 THROUGH DECEMBER 31, 2004 (MARKET REGULATION REVIEW MRD20050002664), THE NASD ALLEDGED THAT FRED ALGER & COMPANY, INCORPORATED ("ALGER INC.") FAILED TO ACCEPT OR DECLINE IN NASDAQ MARKER CENTER ("NMC") 102 TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION, THAT ALGER INC. HAD AN OBLIGATION TO ACCEPT OR DECLINE IN NMC AS ORDER ENTRY ID (OEID) DURING THE REVIEW PERIOD. THE ALLEGED CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD MARKETPLACE RULE 6130(B) AND A VIOLATION OF NASD CONDUCT RULE 2110.
Initiated By:	NATIONAL ASSOCIATION OF SECURITIES DEALERS
Date Initiated:	01/24/2005
Docket/Case Number:	#20050002664-01
Principal Product Type:	Equity - OTC
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Censure
Other Sanction(s)/Relief Sought:	\$15,000 FINE
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/18/2007
Sanctions Ordered:	Censure Monetary/Fine \$15,000.00
Other Sanctions Ordered:	UNDERTAKING
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED, FINED \$15,000 AND REQUIRED TO REVISE ITS WRITTEN SUPERVISORY PROCEDURES REGARDING TRADE REPORT INPUT WITHIN 30 BUSINESS DAYS OF ACCEPTANCE OF THIS AWC BY THE NMC.

Disclosure 2 of 5

Reporting Source:	Regulator
Current Status:	Final

**Allegations:**

SEC ADMIN RELEASE 34-55118/IA RELEASE 40-2580/IC RELEASE 40-27663/JANUARY 18, 2007: FRED ALGER & COMPANY, INCORPORATED ("ALGER INC.") WILLFULLY AIDED AND ABETTED AND CAUSED AN INVESTMENT ADVISOR FIRM'S VIOLATIONS OF, SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT. BY APPROVING MARKET TIMING ARRANGEMENTS AND OBTAINING BUY AND HOLD INVESTMENTS IN RETURN FOR TIMING CAPACITY, AND FAILING TO DISCLOSE THESE FACTS TO THE BOARD OF TRUSTEES, ALGER INC. AIDED AND ABETTED AND CAUSED THE INVESTMENT ADVISOR FIRM'S VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT.

ALGER INC. WILLFULLY VIOLATED SECTION 17(D) OF THE INVESTMENT COMPANY ACT AND RULE 17D-1 THEREUNDER. SPECIFICALLY, THE INVESTMENT ADVISOR FIRM AND ALGER INC., AS THE INVESTMENT ADVISER AND PRINCIPAL UNDERWRITER, RESPECTIVELY, FOR AN INVESTMENT COMPANY, PARTICIPATED IN TIMING ARRANGEMENTS, INCLUDING STICKY ASSET ARRANGEMENTS, WITH SELECT INVESTORS TO PERMIT THEM TO TIME THE INVESTMENT COMPANY WITHOUT FILING AN APPLICATION WITH THE COMMISSION AND WITHOUT A COMMISSION ORDER APPROVING THE TRANSACTION. ALGER INC. WILLFULLY VIOLATED SECTION 15(C) OF THE EXCHANGE ACT IN THAT, WHILE REGISTERED WITH THE COMMISSION AS A BROKER-DEALER, IT EFFECTED TRANSACTIONS IN OR INDUCED OR ATTEMPTED TO INDUCE THE PURCHASE OR SALE OF A SECURITY BY MEANS OF A MANIPULATIVE, DECEPTIVE, OR OTHER FRAUDULENT DEVICE OR CONTRIVANCE. AMONG OTHER THINGS, ALGER INC. PARTICIPATED IN A FRAUDULENT SCHEME BY ENTERING INTO ARRANGEMENTS WITH SELECT INVESTORS, INCLUDING STICKY ASSET ARRANGEMENTS, THAT PERMITTED THESE INVESTORS TO MARKET TIME IN THE INVESTMENT COMPANY, AND THIS TIMING ACTIVITY, AMONG OTHER THINGS, EXCEEDED LIMITATIONS ON EXCHANGES IN THE INVESTMENT COMPANY'S PROSPECTUSES. ALGER INC. DISSEMINATED THE MATERIALLY FALSE PROSPECTUSES TO INVESTORS, KNOWING THAT THESE PROSPECTUSES CONTAINED MATERIALLY FALSE INFORMATION. ALGER INC. ALSO PERMITTED ONE INVESTOR, A HEDGE FUND CUSTOMER, TO SUBMIT LATE TRADES, BUT RECEIVE THE SAME DAY'S NET ASSET VALUE (NAV) IN ORDER TO TAKE ADVANTAGE OF POST-MARKET CLOSE INFORMATION. ALGER INC. WILLFULLY VIOLATED RULE 22C-1 AS ADOPTED UNDER SECTION 22(C) OF THE INVESTMENT COMPANY ACT IN THAT, AS THE PRINCIPAL UNDERWRITER OF A REGISTERED INVESTMENT COMPANY ISSUING REDEEMABLE SECURITIES IT SOLD, REDEEMED, OR REPURCHASED THE SHARES OF REGISTERED INVESTMENT COMPANIES AT PRICES NOT BASED UPON THE CURRENT NAV OF SUCH SECURITIES COMPUTED AFTER RECEIPT OF ORDERS TO SELL, REDEEM, OR PURCHASE THE SHARES OF SUCH REGISTERED INVESTMENT COMPANIES.

Initiated By:

UNITED STATES SECURITIES AND EXCHANGE COMMISSION



Date Initiated: 01/18/2007
Docket/Case Number: 3-12540
Principal Product Type: Mutual Fund(s)
Other Product Type(s):
Principal Sanction(s)/Relief Sought:
Other Sanction(s)/Relief Sought:
Resolution: Order
Resolution Date: 01/18/2007
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes
Sanctions Ordered: Censure
 Monetary/Fine \$10,000,000.00
 Disgorgement/Restitution
 Cease and Desist/Injunction
Other Sanctions Ordered: UNDERTAKINGS
Sanction Details: THE SECURITIES AND EXCHANGE COMMISSION ("COMMISSION") DEEMS IT APPROPRIATE AND IN THE PUBLIC INTEREST THAT PUBLIC ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS BE, AND HEREBY ARE, INSTITUTED PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934 ("EXCHANGE ACT"), SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940 ("ADVISERS ACT"), AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT OF 1940 ("INVESTMENT COMPANY ACT") AGAINST ALGER INC. IN ANTICIPATION OF THE INSTITUTION OF THESE PROCEEDINGS, RESPONDENT HAS SUBMITTED AN OFFER OF SETTLEMENT (THE "OFFER") WHICH THE COMMISSION HAS DETERMINED TO ACCEPT. SOLELY FOR THE PURPOSE OF THESE PROCEEDINGS AND ANY OTHER PROCEEDINGS BROUGHT BY OR ON BEHALF OF THE COMMISSION, OR TO WHICH THE COMMISSION IS A PARTY, AND WITHOUT ADMITTING OR DENYING THE FINDINGS HEREIN, EXCEPT AS TO THE COMMISSION'S JURISDICTION OVER THEM AND THE SUBJECT MATTER OF THESE PROCEEDINGS, WHICH ARE ADMITTED, RESPONDENT CONSENTS TO THE ENTRY OF THIS ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS,



MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER PURSUANT TO SECTIONS 15(B) AND 21C OF THE SECURITIES EXCHANGE ACT OF 1934, SECTIONS 203(E) AND 203(K) OF THE INVESTMENT ADVISERS ACT OF 1940, AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT OF 1940 ("ORDER"). IN VIEW OF THE FOREGOING, THE COMMISSION DEEMS IT APPROPRIATE IN THE PUBLIC INTEREST AND FOR THE PROTECTION OF INVESTORS TO IMPOSE THE SANCTIONS AGREED TO IN THE OFFER. [CONTINUED IN COMMENT]

Regulator Statement

[CONTINUED IN SANCTION DETAIL]: ACCORDINGLY, PURSUANT TO SECTIONS 15(B) AND 21C OF THE EXCHANGE ACT, SECTIONS 203(E) AND 203(K) OF THE ADVISERS ACT, AND SECTIONS 9(B) AND 9(F) OF THE INVESTMENT COMPANY ACT, IT IS HEREBY ORDERED THAT: PURSUANT TO SECTION 203(E) OF THE ADVISERS ACT AND SECTION 15(B)(4) OF THE EXCHANGE ACT, RESPONDENT ALGER INC. IS HEREBY CENSURED. RESPONDENT ALGER INC. SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15(C) OF THE EXCHANGE ACT, AND SECTION 17(D) OF THE INVESTMENT COMPANY ACT AND RULES 17D-1 AND 22C-1 AS ADOPTED UNDER SECTION 22(C) OF THE INVESTMENT COMPANY ACT, AND CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT. RESPONDENT SHALL, WITHIN 30 DAYS OF THE ENTRY OF THIS ORDER, PAY, ON A JOINT AND SEVERAL BASIS, \$30,000,000 IN DISGORGEMENT PLUS A CIVIL MONEY PENALTY IN THE AMOUNT OF \$10,000,000 FOR A TOTAL OF PAYMENT OF \$40,000,000. IN DETERMINING TO ACCEPT THE OFFER, THE COMMISSION HAS CONSIDERED THE FOLLOWING UNDERTAKINGS BY RESPONDENT. RESPONDENT SHALL COOPERATE FULLY WITH THE COMMISSION IN ANY AND ALL INVESTIGATIONS, LITIGATIONS OR OTHER PROCEEDINGS TO WHICH THE COMMISSION IS A PARTY RELATING TO OR ARISING FROM THE MATTERS DESCRIBED IN THE ORDER. RESPONDENT SHALL RETAIN, WITHIN 30 DAYS OF THE DATE OF ENTRY OF THE ORDER, THE SERVICES OF AN INDEPENDENT COMPLIANCE CONSULTANT. RESPONDENT SHALL REQUIRE THAT THE INDEPENDENT COMPLIANCE CONSULTANT CONDUCT A COMPREHENSIVE REVIEW OF RESPONDENT'S SUPERVISORY, COMPLIANCE, AND OTHER POLICIES AND PROCEDURES DESIGNED TO PREVENT AND DETECT BREACHES OF FIDUCIARY DUTY, BREACHES OF THE CODE OF ETHICS AND FEDERAL SECURITIES LAW VIOLATIONS BY RESPONDENT AND ITS EMPLOYEES. RESPONDENT SHALL COOPERATE FULLY WITH THE INDEPENDENT COMPLIANCE CONSULTANT AND SHALL PROVIDE THE INDEPENDENT COMPLIANCE CONSULTANT WITH ACCESS TO ITS FILES, BOOKS, RECORDS, AND PERSONNEL AS REASONABLY REQUESTED FOR THE REVIEW. RESPONDENT SHALL REQUIRE THAT, AT THE CONCLUSION OF THE REVIEW, WHICH IN NO EVENT SHALL BE MORE THAN 120 DAYS AFTER THE DATE OF ENTRY OF THE ORDER, THE INDEPENDENT COMPLIANCE CONSULTANT SHALL SUBMIT A REPORT TO



THE RESPONDENT, THE TRUSTEES OF THE INVESTMENT COMPANY, AND THE STAFF OF THE COMMISSION. THE REPORT SHALL BE PROMPTLY DELIVERED TO RESPONDENT'S COMPLIANCE OVERSIGHT COMMITTEE AND TO A DESIGNATED REPRESENTATIVE OF THE INDEPENDENT BOARD OF TRUSTEES OF EACH FUND ISSUED BY THE INVESTMENT COMPANY. RESPONDENT SHALL RETAIN, WITHIN 30 DAYS OF THE DATE OF ENTRY OF THE ORDER, THE SERVICES OF AN INDEPENDENT DISTRIBUTION CONSULTANT NOT UNACCEPTABLE TO THE STAFF OF THE COMMISSION AND THE INDEPENDENT TRUSTEES OF THE FUNDS. RESPONDENT SHALL REQUIRE THAT THE INDEPENDENT DISTRIBUTION CONSULTANT DEVELOP A DISTRIBUTION PLAN FOR THE DISTRIBUTION OF ALL OF THE DISGORGEMENT AND PENALTY ORDERED IN THE ORDER, AND ANY INTEREST OR EARNINGS THEREON, ACCORDING TO A METHODOLOGY DEVELOPED IN CONSULTATION WITH THE RESPONDENT AND ACCEPTABLE TO THE STAFF OF THE COMMISSION AND THE INDEPENDENT TRUSTEES OF THE FUNDS. NO LATER THAN TWENTY-FOUR MONTHS AFTER THE DATE OF ENTRY OF THE ORDER, THE CHIEF EXECUTIVE OFFICER OF THE RESPONDENT SHALL CERTIFY TO THE COMMISSION IN WRITING THAT RESPONDENT HAS FULLY ADOPTED AND COMPLIED IN ALL MATERIAL RESPECTS WITH THE UNDERTAKINGS AND WITH THE RECOMMENDATIONS OF THE INDEPENDENT COMPLIANCE CONSULTANT OR, IN THE EVENT OF MATERIAL NON-ADOPTION OR NON-COMPLIANCE, SHALL DESCRIBE SUCH MATERIAL NON-ADOPTION AND NON-COMPLIANCE. RESPONDENT SHALL PRESERVE FOR A PERIOD NOT LESS THAN SIX YEARS FROM THE END OF THE FISCAL YEAR LAST USED, THE FIRST TWO YEARS IN AN EASILY ACCESSIBLE PLACE, ANY RECORD OF RESPONDENT'S COMPLIANCE WITH THE UNDERTAKINGS SET FORTH AND WITH THE RECOMMENDATIONS OF THE INDEPENDENT COMPLIANCE CONSULTANT. FOR GOOD CAUSE SHOWN, THE COMMISSION'S STAFF MAY EXTEND ANY OF THE PROCEDURAL DATES SET FORTH ABOVE.

Reporting Source: Firm

Current Status: Final

Allegations: PURSUANT TO OFFERS OF SETTLEMENT BY FRED ALGER MANAGEMENT, INC. ("ALGER MANAGEMENT") AND FRED ALGER & COMPANY, INCORPORATED ("ALGER INC.") IN WHICH THEY NEITHER ADMITTED NOR DENIED THE FINDINGS, THE SEC ENTERED AN ORDER ON JANUARY 18, 2007 FINDING THAT ALGER MANAGEMENT AND ALGER INC. VIOLATED CERTAIN FEDERAL SECURITIES LAWS. THE ORDER STATES THAT ALGER MANAGEMENT VIOLATED, AND ALGER INC. AIDED AND ABETTED A VIOLATION OF, SECTIONS 206(1) AND 206(2) OF THE INVESTMENT ADVISERS ACT OF 1940 (THE "ADVISERS ACT"), ALGER MANAGEMENT AND ALGER INC. VIOLATED SECTION 17(D) OF THE INVESTMENT COMPANY ACT



OF 1940 (THE "INVESTMENT COMPANY ACT") AND RULE 17D-1 THEREUNDER, AND ALGER INC. VIOLATED SECTION 15(C) OF THE SECURITIES EXCHANGE ACT OF 1934 (THE "EXCHANGE ACT"), WITH RESPECT TO UNDISCLOSED ARRANGEMENTS WITH NUMEROUS SELECT INVESTORS THAT ALLEGEDLY ALLOWED THEM TO ENGAGE IN MARKET TIMING. THE SEC ORDER ALSO FOUND THAT ALGER INC. VIOLATED RULE 22C-1 BY ALLOWING ONE OF ITS INVESTORS TO ENGAGE IN LATE TRADING. THE ORDER FURTHER STATES THAT AS A RESULT OF THE ACTIVITY ABOVE, ALGER MANAGEMENT VIOLATED SECTION 34(B) OF THE INVESTMENT COMPANY ACT WITH RESPECT TO THE FILING OF REGISTRATION STATEMENTS AND PROSPECTUSES WITH THE SEC.

Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Date Initiated: 01/18/2007

Docket/Case Number: ADMINISTRATIVE PROCESSING NO. 3-12540

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought: DISGORGEMENT
CENSURE
CEASE AND DESIST

Resolution: Consent

Resolution Date: 01/18/2007

Sanctions Ordered: Censure
Monetary/Fine \$10,000,000.00
Disgorgement/Restitution
Cease and Desist/Injunction

Other Sanctions Ordered: THE SEC ORDER PROVIDES THAT: ALGER MANAGEMENT AND ALGER INC. ARE CENSURED; ALGER MANAGEMENT SHALL CEASE AND DESIST FROM COMMITTING OR CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT, AND SECTIONS 17(D) AND 34(B) OF THE INVESTMENT COMPANY ACT AND RULE 17D-1; ALGER INC. SHALL CEASE AND DESIST FROM COMMITTING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTION 15(C) OF THE EXCHANGE ACT, AND SECTION 17(D) OF THE INVESTMENT COMPANY ACT AND RULES 17D-1 AND 22C-1 AS ADOPTED UNDER SECTION 22(C) OF THE INVESTMENT COMPANY ACT, AND CAUSING ANY VIOLATIONS AND ANY FUTURE VIOLATIONS OF SECTIONS 206(1) AND 206(2) OF THE ADVISERS ACT; ALGER MANAGEMENT AND ALGER INC. SHALL PAY ON A JOINT AND



SEVERAL BASIS, \$30,000,000 IN DISGORGEMENT PLUS A CIVIL MONEY PENALTY OF \$10,000,000, FOR A TOTAL PAYMENT OF \$40,000,000; ALGER MANAGEMENT AND ALGER INC. SHALL COMPLY WITH REMEDIAL UNDERTAKINGS AS DESCRIBED IN ITEM 13.

Sanction Details:

ALGER MANAGEMENT AND ALGER INC. SHALL PAY, ON A JOINT AND SEVERAL BASIS, \$30 MILLION IN DISGORGEMENT AND A CIVIL MONEY PENALTY OF \$10 MILLION WITHIN 30 DAYS OF ENTRY OF THE ORDER. THESE FUNDS ARE TO BE DISTRIBUTED UNDER DIRECTION OF THE INDEPENDENT DISTRIBUTION CONSULTANT.

Firm Statement

THE SEC ORDER PROVIDES THAT (1) ALGER MANAGEMENT AND ALGER INC. SHALL RETAIN AN INDEPENDENT COMPLIANCE CONSULTANT TO, AMONG OTHER THINGS, REVIEW ALGER MANAGEMENT AND ALGER INC. COMPLIANCE, SUPERVISORY, AND OTHER POLICIES AND PROCEDURES; (2) ALGER MANAGEMENT AND ALGER INC. SHALL ADOPT THE RECOMMENDATIONS OF SUCH CONSULTANT SUBJECT TO A MECHANISM FOR RESOLVING DISAGREEMENTS; (3) ALGER MANAGEMENT AND ALGER INC. SHALL UNDERGO A THIRD-PARTY COMPLIANCE REVIEW IN 2008; (4) ALGER MANAGEMENT AND ALGER INC. SHALL RETAIN AN INDEPENDENT DISTRIBUTION CONSULTANT; AND (5) ALGER MANAGEMENT AND ALGER INC. SHALL PAY, ON A JOINT AND SEVERAL BASIS, \$30 MILLION IN DISGORGEMENT PLUS A CIVIL MONEY PENALTY OF \$10 MILLION, FOR A TOTAL PAYMENT OF \$40 MILLION.

Disclosure 3 of 5

Reporting Source:

Firm

Current Status:

Final

Allegations:

ON OCTOBER 11, 2006, NEITHER ADMITTING NOR DENYING THE FINDINGS, RESPONDENTS FRED ALGER MANAGEMENT, INCORPORATED ("ALGER MANAGEMENT"), FRED ALGER & COMPANY, INCORPORATED ("ALGER INC.") AND ALGER SHAREHOLDER SERVICES, INCORPORATED ("ALGER SHAREHOLDER SERVICES") ENTERED INTO AN ASSURANCE OF DISCONTINUANCE WITH THE OFFICE OF THE NEW YORK ATTORNEY GENERAL TO SETTLE ALLEGATIONS THAT VARIOUS SUBSIDIARIES AND AFFILIATES OF ALGER ASSOCIATES, INC. (COLLECTIVELY, "ALGER") HAD VIOLATED THE MARTIN ACT (ARTICLE 23-A OF THE GENERAL BUSINESS LAW), EXECUTIVE LAW SECTION 63(12), AND THE GENERAL BUSINESS LAW SECTION 349. THE ASSURANCE OF DISCONTINUANCE FOUND THAT, DURING THE PERIOD 1998 THROUGH SEPTEMBER 2003, ALGER ALLEGEDLY FACILITATED MARKET TIMING AND LATE TRADING BY NUMEROUS SELECT INVESTORS, AND ALLEGEDLY FAILED TO ADHERE TO THE COMPANY'S POLICIES OR PROCEDURES TO PREVENT THE MISUSE OF MATERIAL NON-PUBLIC INFORMATION ABOUT CERTAIN ALGER FUNDS'



PORTFOLIO HOLDINGS.

Initiated By: OFFICE OF NEW YORK STATE ATTORNEY GENERAL

Date Initiated: 10/11/2006

Docket/Case Number: N/A

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Civil and Administrative Penalt(ies) /Fine(s)

Other Sanction(s)/Relief Sought: DISGORGEMENT MONETARY FINE
UNDERTAKINGS

Resolution: Consent

Resolution Date: 10/11/2006

Sanctions Ordered: Monetary/Fine \$10,000,000.00
Disgorgement/Restitution

Other Sanctions Ordered: COMPLIANCE WITH ORDER AND VARIOUS UNDERTAKINGS.

Sanction Details: ALGER INC. SHALL PAY, ON A JOINT AND SEVERAL BASIS WITH ALGER MANAGEMENT, \$30 MILLION IN DISGORGEMENT PLUS A CIVIL MONEY PENALTY OF \$10 MILLION, FOR A TOTAL PAYMENT OF \$40 MILLION. THIS IS THE SAME PAYMENT AS TO BE PAID UNDER THE PARALLEL SEC ORDER DATED JANUARY 18, 2007.

Firm Statement THE NYAG ASSURANCE OF DISCONTINUANCE PROVIDES THAT: (1) ALGER INC. SHALL PAY, JOINTLY AND SEVERALLY WITH ALGER MANAGEMENT, \$30 MILLION IN DISGORGEMENT AND/OR RESTITUTION PLUS A CIVIL MONEY PENALTY OF \$10 MILLION, FOR A TOTAL PAYMENT OF \$40 MILLION; (2) ALGER INC. AND ALGER MANAGEMENT SHALL RETAIN AN INDEPENDENT DISTRIBUTION CONSULTANT; (3) ALGER INC. AND ALGER MANAGEMENT SHALL CEASE AND DESIST FROM ENGAGING IN ANY ACTS IN VIOLATION OF THE MARTIN ACT, EXECUTIVE LAW SECTION 63(12), AND THE GENERAL BUSINESS LAW SECTION 349; (4) ALGER MANAGEMENT AGREES TO REDUCE MANAGEMENT FEES FOR CERTAIN FUNDS DISTRIBUTED TO INVESTORS BY \$1 MILLION PER YEAR THROUGH 2011, FOR A TOTAL OF \$5 MILLION IN FEE REDUCTIONS OVER FIVE YEARS; (5) ALGER MANAGEMENT AGREES NOT TO MANAGE OR ADVISE A FUND UNLESS THE FUND IMPLEMENTS CERTAIN CORPORATE GOVERNANCE PRACTICES, INCLUDING HAVING AT LEAST 75% OF TRUSTEES MEET INDEPENDENCE STANDARDS, HAVING AN INDEPENDENT CHAIRMAN, AND APPOINTING A SENIOR OFFICER WHO MEETS INDEPENDENCE STANDARDS TO, AMONG OTHERS, MONITOR COMPLIANCE WITH APPLICABLE FEDERAL AND STATE



SECURITIES LAWS, STATE LAWS RESPECTING CONFLICTS OF INTEREST, AND FIDUCIARY DUTIES AND CODES OF ETHICS AND COMPLIANCE POLICIES, AND MANAGE THE NEGOTIATION PROCESS FOR MANAGEMENT FEES; AND (6) ALGER MANAGEMENT AGREES TO DEVELOP PROCEDURES FOR THE DISCLOSURE TO INVESTORS OF FEES AND COSTS IN ACTUAL DOLLARS ON A FUND-BY-FUND BASIS.

Disclosure 4 of 5

Reporting Source: Regulator

Current Status: Final

Allegations: RESPONDENT ENGAGED IN THE PRACTICE OF MARKET TIMING
RESPONDENT WILL FULLY VIOLATED W.VA. CODE 32-1-101
RESPONDENT VIOLATED W.VA. CODE 32-1-102

Initiated By: WEST VIRGINIA SECURITIES COMMISSION

Date Initiated: 08/30/2005

Docket/Case Number: ORDER #05-1322

URL for Regulatory Action:

Principal Product Type: Mutual Fund(s)

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Cease and Desist

Other Sanction(s)/Relief Sought:

Resolution: Order

Resolution Date: 09/14/2005

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Reporting Source: Firm

Current Status: Final

Allegations: ON AUGUST 31, 2005, THE WEST VIRGINIA SECURITIES COMMISSIONER



(THE "WVSC"), IN AN EX PARTE SUMMARY ORDER TO CEASE AND DESIST AND NOTICE OF RIGHT TO HEARING, CONCLUDED THAT ALGER MANAGEMENT AND ALGER INC. HAD VIOLATED THE WEST VIRGINIA UNIFORM SECURITIES ACT (THE "WVUSA"), AND ORDERED ALGER MANAGEMENT AND ALGER INC. TO CEASE AND DESIST FROM FURTHER VIOLATIONS OF THE WVUSA BY ENGAGING IN THE MARKET-TIMING-RELATED CONDUCT DESCRIBED IN THE ORDER. THE EX PARTE ORDER PROVIDED NOTICE OF THEIR RIGHT TO A HEARING WITH RESPECT TO THE VIOLATIONS OF LAW ASSERTED BY THE WVSC. OTHER FIRMS UNAFFILIATED WITH ALGER MANAGEMENT WERE SERVED WITH SIMILAR ORDERS. SINCE THE INITIATION OF THIS ACTION BY THE WVSC, THERE HAS BEEN NO ACTIVITY IN THE CASE. THIS MATTER WAS DISMISSED ON MARCH 21, 2017.

Initiated By:	WEST VIRGINIA SECURITIES COMMISSIONER
Date Initiated:	08/30/2005
Docket/Case Number:	05-1322
Principal Product Type:	Mutual Fund(s)
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	03/21/2017
Sanctions Ordered:	
Other Sanctions Ordered:	
Sanction Details:	THERE WAS NO SANCTION THE ORDER WAS DISMISSED.
Firm Statement	THIS MATTER WAS DISMISSED ON MARCH 21, 2017 WITH NO SANCTION OR PENALTY

Disclosure 5 of 5

Reporting Source:	Regulator
Current Status:	Final
Allegations:	NASD MARKETPLACE RULE 6130(B) NASD CONDUCT 2110 - FRED ALGER & COMPANY, INCORPORATED FAILED TO ACCEPT OR DECLINE IN ACT 120



TRANSACTIONS IN ELIGIBLE SECURITIES IN ELIGIBLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION, APPROXIMATELY 37 PERCENT OF ALL TRANSACTIONS THAT THE FIRM HAD AN OBLIGATION TO ACCEPT OR DECLINE IN ACT.

Initiated By: NASD

Date Initiated: 12/31/2004

Docket/Case Number: CMS040212

Principal Product Type: Other

Other Product Type(s): UNSPECIFIED SECURITIES

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/31/2004

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? No

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: WITHOUT ADMITTING OR DENYING THE ALLEGATIONS, FRED ALGER & COMPANY, INCORPORATED CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS; THEREFORE, THE FIRM IS CENSURED AND FINED \$7,500.

Reporting Source: Firm

Current Status: Final

Allegations: FOR THE PERIOD JANUARY 1, 2003 THROUGH MARCH 31, 2003 (MARKET REGULATION REVIEW MRD200340413), THE NASD ALLEGED THAT FRED ALGER & COMPANY, INCORPORATED ("APPLICANT") FAILED TO ACCEPT OR DECLINE IN AUTOMATED TRANSACTION CONFIRMATION SERVICE ("ACT")



120 TRANSACTIONS IN ELIGIBLE SECURITIES WITHIN TWENTY MINUTES AFTER EXECUTION, APPROXIMATELY 37 PERCENT OF ALL TRANSACTIONS THAT APPLICANT HAD AN OBLIGATION TO ACCEPT OR DECLINE IN ACT AS THE ORDER ENTRY ID (OEID) DURING THE REVIEW PERIOD. THE ALLEGED CONDUCT CONSTITUTES SEPARATE AND DISTINCT VIOLATIONS OF NASD MARKETPLACE RULE 6130(B) AND A VIOLATION OF NASD CONDUCT RULE 2110.

Initiated By: NATIONAL ASSOCIATION OF SECURITIES DEALERS

Date Initiated: 05/02/2003

Docket/Case Number: CMS040212

Principal Product Type: Equity - OTC

Other Product Type(s):

Principal Sanction(s)/Relief Sought: Censure

Other Sanction(s)/Relief Sought: \$7,500 FINE

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 12/31/2004

Sanctions Ordered: Censure
Monetary/Fine \$7,500.00

Other Sanctions Ordered:

Sanction Details: THE TOTAL AMOUNT OF THE FINE IS \$7,500, LEVIED AGAINST THE APPLICANT ONLY.



Civil - Final

This type of disclosure event involves (1) an injunction issued by a foreign or domestic court within the last 10 years in connection with investment-related activity, (2) a finding by a court of a violation of any investment-related statute or regulation, or (3) an action dismissed by a court pursuant to a settlement agreement.

Disclosure 1 of 1

Reporting Source: Firm

Current Status: Final

Allegations: SEVERAL PURPORTED CLASS ACTIONS & DERIVATIVE SUITS, & A CIVIL SUIT BY THE WEST VIRGINIA AG, WERE FILED AGAINST, AMONG OTHERS, FRED ALGER MANAGEMENT, INC. (ALGER MANAGEMENT), CERTAIN MUTUAL FUNDS MANAGED BY ALGER (ALGER FUNDS), & CERTAIN CURRENT & FORMER ALGER FUND TRUSTEES & OFFICERS, ALLEGING WRONGFUL CONDUCT RELATED TO MARKET-TIMING & LATE-TRADING BY MUTUAL FUND SHAREHOLDERS. THESE CASES WERE TRANSFERRED TO THE U.S. DISTRICT COURT OF MARYLAND BY THE JUDICIAL PANEL ON MULTIDISTRICT LITIGATION FOR CONSOLIDATED PRE-TRIAL PROCEEDINGS. IN SEPT. 2004, CONSOLIDATED AMENDED COMPLAINTS INVOLVING THESE CASES (NOT YET INCLUDING THE WEST VIRGINIA ACTION) - A CONSOLIDATED AMENDED FUND DERIVATIVE COMPLAINT (THE "COMPLAINT") & TWO SUBSTANTIALLY IDENTICAL CONSOLIDATED AMENDED CLASS ACTION COMPLAINTS (TOGETHER THE "CLASS ACTION COMPLAINT") - WERE FILED IN THE MARYLAND FEDERAL DISTRICT COURT UNDER THE CAPTION NUMBER 1:04-MD-15863 (JFM). THE COMPLAINT ALLEGED (I) VIOLATIONS BY ALGER AND/OR ITS IMMEDIATE PARENT THE DISTRIBUTOR AND/OR THE FUND TRUSTEE DEFENDANTS OF SECTIONS 36(A), 36(B), 47, & 48 OF THE INVESTMENT COMPANY ACT OF 1940 & OF SECTIONS 206 & 215 OF THE INVESTMENT ADVISERS ACT OF 1940 (40 ACT), BREACH OF FIDUCIARY DUTY, AND BREACH OF CONTRACT, (II) VARIOUS OFFENSES BY OTHER THIRD-PARTY DEFENDANTS, AND (III) UNJUST ENRICHMENT BY ALL THE NAMED DEFENDANTS. THE CLASS ACTION COMPLAINT ALSO ALLEGED, (I) VIOLATIONS, BY ALGER MANAGEMENT, FRED ALGER & COMPANY, INCORPORATED, THEIR AFFILIATES, THE FUNDS NAMED AS DEFENDANTS, & THE CURRENT & FORMER FUND TRUSTEES & OFFICERS, OF SECTIONS 11, 12(A)(2), & 15 OF THE SECURITIES ACT OF 1933, SECTIONS 10(B) (& RULE 10B-5 THEREUNDER) & 20(A) OF THE SECURITIES EXCHANGE ACT OF 1934, & SECTION 34(B) OF THE 40 ACT, (II) BREACH OF CONTRACT BY THE FUNDS NAMED AS DEFENDANTS, & (III) UNJUST ENRICHMENT OF THE DEFENDANTS. THE WEST VIRGINIA AG ACTION, WHICH ALSO ALLEGED VIOLATIONS OF THE WEST VIRGINIA CONSUMER CREDIT AND PROTECTION ACT & OTHER WRONGFUL CONDUCT, WAS VOLUNTARILY DISMISSED IN 2006. THE REMAINING CIVIL CASES WERE SETTLED THROUGH A CASH PAYMENT OF \$2,950,000 MADE ON BEHALF OF THE



ALGER-RELATED DEFENDANTS. THE COURT ORDER APPROVING THE SETTLEMENT WAS ENTERED IN OCTOBER 2010.

Initiated By: WEST VIRGINIA SECURITIES COMMISSIONER & CLASS ACTION PLAINTIFFS

Court Details: MARYLAND FEDERAL DISTRICT COURT CAPTION # 1:04-MD-15863 (JFM)

Date Court Action Filed: 09/01/2004

Principal Product Type: Mutual Fund(s)

Other Product Types:

Relief Sought: Money Damages (Private/Civil Complaint)

Other Relief Sought:

Resolution: Settled

Resolution Date: 10/25/2010

Sanctions Ordered or Relief Granted: Monetary/Fine \$2,950,000.00

Other Sanctions:

Sanction Details: THE MATTER WAS SETTLED THROUGH A CASH PAYMENT OF \$2,950,000 MADE ON BEHALF OF THE ALGER-RELATED DEFENDANTS.

End of Report



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