

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE COMMISSION,
Plaintiff,

v.

LUIS CHANG
and
EVERBRIGHT DEVELOPMENT OVERSEAS
LIMITED,
Defendants.

CASE NO. 14-cv-4132 (S.D.N.Y.)

NOTICE FOR DISTRIBUTION OF THE SEC v. CHANG FAIR FUND

If you purchased Allied Nevada Gold Corporation (“Allied Nevada”) common stock on January 14, 2014, you may be eligible to share in the distribution of the \$5,875,583 fund.

This Notice is issued pursuant to the Distribution Plan approved by a Federal Court.

This is not a solicitation from a lawyer.

The United States Securities and Exchange Commission (“SEC” or “Commission”) filed an Amended Complaint on July 28, 2014 against Luis Chang and Everbright Development Overseas Limited (collectively “Defendants”) charging them with violations of the anti-fraud and other provisions of the federal securities laws with respect to Allied Nevada Gold Corporation (“Allied Nevada”) common stock. On May 15, 2015, the Court entered a Final Judgment requiring the Defendants to pay approximately \$5.875 million into a distribution fund (“SEC v. Chang Fair Fund”) that will be distributed to certain Allied Nevada investors harmed by the Defendants’ misconduct. The purpose of this Fair Fund Notice is to advise you of your rights and of the eligibility criteria that may entitle you to participate in the distribution of the SEC v. Chang Fair Fund.

YOUR LEGAL RIGHTS AND OPTIONS

SUBMIT A CLAIM	This is the only way to be considered for payment.
DO NOTHING	You will not be considered for payment.
DEADLINE	Claim Forms must be postmarked no later than October 14, 2017 .

PLEASE DIRECT ALL QUESTIONS REGARDING THIS FAIR FUND NOTICE TO

Call: 1-866-933-8161	Email: info@SECChangFairFund.com	Write: SEC v. Chang Fair Fund c/o Rust Consulting, Inc. Distribution Agent - 5282 P.O. Box 2561 Faribault, MN 55021-9561
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Please read this Fair Fund Notice carefully.

For More Information: Call 1-866-933-8161 or Visit www.SECChangFairFund.com.

FREQUENTLY ASKED QUESTIONS

Basic Information	Page 2
1. Why did I receive this Fair Fund Notice?	2
2. What are the details of the SEC’s settlement with Defendants?	2
Who is Eligible	Page 3
3. Who is eligible to participate in the Net Fair Fund?	3
4. Who is excluded from receiving a payment from the Net Fair Fund?	3
How to Submit a Claim Form for Consideration	Page 3
5. What do I need to do to receive a Distribution Payment?.....	3
6. When is the deadline for sending in my Claim Form?.....	3
7. How much will I receive if my claim is eligible?.....	4
8. When will I receive my Distribution Payment?.....	5
9. Do I give up any legal rights by submitting a Claim Form?	5
If You Do Nothing	Page 5
10. What happens if I do nothing at all?	5
Getting More Information	Page 5
11. Are there more details about the action?	5
12. How do I get more information?	5
Special Notice to Securities Brokers and other Nominees	Page 5
Inquiries	Page 6

BASIC INFORMATION

1. Why did I receive this Fair Fund Notice?

You or someone in your family may have purchased shares of Allied Nevada Gold Corporation (“Allied Nevada”) common stock on January 14, 2014.

This Fair Fund Notice describes the SEC’s enforcement actions, your legal rights, what benefits are available, who is eligible for them, and how to get them.

For additional information, please visit the website at www.SECChangFairFund.com where you can obtain copies of the Distribution Plan and other relevant documents.

2. What are the details of the SEC’s settlement with Defendants?

On July 28, 2014, Commission filed an Amended Complaint against Luis Chang (“Chang”) and Everbright Development Overseas Limited (“Everbright”) (collectively “Defendants”) alleging that Everbright violated Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Sections 10(b) and 13(d)(1) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rules 10b-5(a), 10b-5(c), and 13d-1 thereunder; and, Chang violated Section 17(a) of the Securities Act and Sections 10(b), 13(d)(1) and 14(e) of the Exchange Act and Rules 10b-5, 13d-1, and 14(e)-8 thereunder. The Commission also alleged that Chang, as Everbright’s control person, was liable for Everbright’s violations of the Exchange Act, under Section 20(a) of the Exchange Act. The Commission charged the Defendants in connection with a scheme to manipulate the market for the common stock of Allied Nevada, a publicly traded American mining company.

On May 15, 2015, the Court entered a final judgment against the Defendants (“Final Judgment”), finding that they were jointly and severally liable for disgorgement of \$2,890,507 and for prejudgment interest of \$94,569. In addition, Chang was found liable for a civil penalty of \$2,890,507. Defendants satisfied these obligations by paying a grand total of \$5,875,583. Payments made by Defendants were deposited into an interest bearing account with the Court Registry Investment System (“CRIS”) under the case name designation “*SEC v. Chang, Case No. 14-cv-4132 (S.D.N.Y.)*”. The SEC v. Chang Fair Fund constitutes a Qualified Settlement Fund under Section 468B(g) of the Internal Revenue Service, 26 U.S.C. § 468B(g), and related regulations, 26 C.F.R. §§ 1.468B-1 through 1.468B-5.

These funds, together with any interest and income earned thereon, calculated after deductions expended or to be expended for taxes and fees (the “Net Fair Fund”), will be distributed in accordance with the provisions of the Distribution Plan to the Eligible Claimants as defined below who file timely and valid Claim Forms following the procedures set forth in this Fair Fund Notice and on the Claim Form. The Distribution Plan is further explained below in the Answer to Question No. 7.

For More Information: Call 1-866-933-8161 or Visit www.SECChangFairFund.com.

WHO IS ELIGIBLE

3. Who is eligible to participate in the Net Fair Fund?

In order to determine whether you will receive a distribution from the Net Fair Fund, the Distribution Agent must first determine whether you are an Eligible Claimant. An Eligible Claimant is any of the following individuals and entities, subject to certain exceptions (*see* Question No. 4):

All persons and entities who purchased Allied Nevada common stock during the Relevant Period (the period of time commencing on January 14, 2014 at 6:00 a.m. EST and continuing until 11:59 p.m. EST on January 14, 2014) and who sustained a loss.

If you have questions about the tax consequences of participating in the Net Fair Fund, you should consult with your own tax advisor.

4. Who is excluded from receiving a payment from the Net Fair Fund?

The following may not be Eligible Claimants:

- a) Any Person who served from January 1, 2010 through the end of the Relevant Period as an officer or director of Everbright, or any subsidiary or affiliate of Everbright directly involved in the conduct detailed in the Amended Complaint;
- b) Any employee or former employee of Everbright or any of its affiliates who has been terminated for cause, or has otherwise resigned, in connection with the conduct described in the Amended Complaint;
- c) Any Person who, as of the Claims Bar Date, has been the subject of criminal charges related to the conduct detailed in the Amended Complaint, unless and until such defendant is found not guilty in all such criminal actions prior to the Claims Bar Date, and proof of the finding(s) is included in such defendant's timely filed Claim Form;
- d) Any affiliates, assigns, creditors, heirs, distributees, spouses, parents, children or controlled entities of any of the foregoing Persons described in paragraphs a–c above or of Chang;
- e) The Distribution Agent and those persons assisting the Distribution Agent in its role as Distribution Agent; or
- f) 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, devise or operation of law.

HOW TO SUBMIT A CLAIM FORM FOR CONSIDERATION

5. What do I need to do to receive a Distribution Payment?

To qualify for a Distribution Payment, you **must** file a signed Claim Form with the Distribution Agent postmarked on or before the Claims Bar Date, **October 14, 2017**. A Claim Form is included with this Fair Fund Notice. If you require additional information or Claim Forms, you may obtain them from the SEC v. Chang Fair Fund website at www.SECCchangFairFund.com. You may also request them by calling 1-866-933-8161 or you may submit a written request or email to the Distribution Agent.

Be sure to complete all information requested on the Claim Form that applies to you, sign the form and include sufficient documentation reflecting your holdings, purchases and sales of Allied Nevada common stock as requested. If you do not provide all required information and sign the Claim Form, your claim may be rejected.

6. When is the deadline for sending in my Claim Form?

Your completed Claim Form must be postmarked no later than the Claims Bar Date of October 14, 2017 and mailed to the following address:

SEC v. Chang Fair Fund
c/o Rust Consulting, Inc.
Distribution Agent - 5282
P.O. Box 2561
Faribault, MN 55021-9561

7. How much will I receive if my claim is eligible?

The Court has approved a Distribution Plan that provides a mathematical formula for the Distribution Agent to determine each Eligible Claimant's Eligible Loss Amount based on each Eligible Claimant's purchases of Allied Nevada common stock. The Net Fair Fund will be allocated *pro rata* to Eligible Claimants based upon each Eligible Claimant's Eligible Loss Amount divided by the aggregate Eligible Loss Amounts of all Eligible Claimants, multiplied by the total amount in the Net Fair Fund (the "Distribution Payment"). No distribution shall be made to an Eligible Claimant whose Distribution Payment is less than \$10.

PLAN OF ALLOCATION

CALCULATION OF RECOGNIZED LOSS PER SHARE

Based on the formula set forth below, "Recognized Loss Per Share," shall be calculated for each purchase/acquisition or sale of Allied Nevada Gold Corporation "ANV" common stock during the Relevant Period (the period of time commencing on January 14, 2014 at 6:00 a.m. EST and continuing until 11:59 p.m. EST on January 14, 2014) that is listed in the claim and for which adequate documentation is provided, or was accepted as part of the SEC Action. In the calculations below, if a Recognized Loss Per Share calculates to a negative number, then the Recognized Loss Per Share shall be considered a Recognized Gain Per Share and will offset Recognized Loss Per Share on other transactions.

1. For each share of ANV common stock purchased during the Relevant Period and:
 - a. Sold on January 14, 2014 the Recognized Loss Per Share shall be the purchase/acquisition price minus the sale price.
 - b. Held as of the close of trading on January 14, 2014, the Recognized Loss Per Share shall be the purchase/acquisition price minus \$4.31.
 - c. Covered a short position open as of the close of trading on January 13, 2014, the Recognized Loss Per Share shall be the purchase/acquisition price minus \$4.31.
2. For shares of ANV common stock not purchased during the Relevant Period and:
 - a. Sold on January 14, 2014 the Recognized Loss Per Share shall be *the lesser of*: (i) \$4.31 minus the sale price; or (ii) \$0.00.
 - b. Held as of the close of trading on January 14, 2014, the Recognized Loss Per Share shall be \$0.00.

GENERAL PROVISIONS

Exercise of option contracts or the conversion of preferred stock into common stock will be considered purchases or sales of common stock as of the date of the exercise or conversion.

Subject to the limitations set forth in the Distribution Plan, if a Potential Claimant acquired ANV common stock by way of gift, inheritance, devise or operation of law, such claim will be computed using the date and price of the original purchase and not the date and price of transfer, gift or inheritance. To the extent those shares were not originally purchased in the Relevant Period, the Recognized Loss Per Share for that acquisition shall be calculated according to paragraph 2, above.

USE OF "FIFO" METHODOLOGY FOR COMPUTATION OF RECOGNIZED LOSSES FOR ELIGIBLE CLAIMANTS WHO MADE MULTIPLE TRANSACTIONS IN ELIGIBLE SECURITIES DURING THE RELEVANT PERIOD

For Eligible Claimants who held shares before the beginning of the Relevant Period and/or made multiple purchases, acquisitions or sales of ANV common stock during the Relevant Period, the sales of shares will be matched in chronological order first against their closing position the day before the beginning of the Relevant Period, until that day's closing position has been exhausted; then remaining sales after the beginning of the Relevant Period will be matched in chronological order against purchases or acquisitions made in the Relevant Period until all such shares have been exhausted. Purchases and sales of Eligible Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date.

COMPUTATION OF THE ELIGIBLE LOSS AMOUNT FOR EACH ELIGIBLE CLAIMANT

The Eligible Loss Amount will be calculated for each share of ANV common stock that was purchased or sold in the Relevant Period, listed in the Proof of Claim Form and for which adequate documentation is provided or which is listed in the Eligible Claimant's record. The Eligible Loss Amount for each share of ANV common stock is calculated by multiplying the number of shares by the appropriate Recognized Loss Per Share or Recognized Gain Per Share as calculated in paragraphs 1

and 2 above. An Eligible Claimant's Eligible Loss Amount equals the sum of Recognized Losses and Recognized Gains for all shares purchased or sold in the Relevant Period. If the Eligible Recognized Loss Amount calculates to a negative number, that Eligible Claimant's Eligible Loss Amount shall be \$0.00.

DISTRIBUTION PAYMENT CALCULATIONS

Should the total Eligible Loss Amounts of all Eligible Claimants exceed the Net Fair Fund, the Distribution Agent will distribute funds to the Eligible Claimants based upon a *pro rata* distribution formula. The Distribution Agent shall determine each Eligible Claimant's *pro rata* share of the Net Fair Fund based upon each Eligible Claimant's total Eligible Loss Amount divided by the total Eligible Loss Amounts of all Eligible Claimants.

Each Eligible Claimant shall be allocated a Distribution Payment if eligible. An Eligible Claimant's Eligible Loss Amount will be reduced by the amount of any compensation for the loss that resulted from the conduct described in the Amended Complaint in this case that was received from another source (e.g., class action settlement), to the extent known by the Distribution Agent. In no event will an Eligible Claimant receive a Distribution Payment totaling more than his, her or its Eligible Loss Amount.

If an Eligible Claimant has a calculated Distribution Payment that is less than \$10.00 in total, that Eligible Claimant will not be included in the calculation and the funds will be distributed to other Eligible Claimants whose Distribution Payment is greater than this amount.

8. When will I receive my Distribution Payment?

Processing of the Claim Forms will require significant time. The Distribution Agent estimates that distributions from the Net Fair Fund will be made approximately 9 months after the Claims Bar Date, although that estimate is subject to change, depending on various factors.

Potential Claimants can receive information about the progress of the distribution by visiting the website at www.SECChangFairFund.com, by calling 1-866-933-8161, sending an email to info@SECChangFairFund.com, or writing to: SEC v. Chang Fair Fund, c/o Rust Consulting, Inc., Distribution Agent - 5282, P.O. Box 2561, Faribault, MN 55021-9561.

9. Do I give up any legal rights by submitting a Claim Form?

An Eligible Claimant will be bound by the Distribution Plan, and all orders and judgments entered by the Court regarding the distribution. By participating in the distribution of the SEC v. Chang Fair Fund, Eligible Claimants **will not** be releasing any rights or claims they may have other than those specified in the Distribution Plan, orders, and/or judgments.

IF YOU DO NOTHING

10. What happens if I do nothing at all?

If you do not submit a Claim Form, you will not receive any payment in connection with the distribution, regardless of whether you are otherwise an Eligible Claimant.

GETTING MORE INFORMATION

11. Are there more details about the action?

This Fair Fund Notice summarizes the distribution. You may obtain copies of the Amended Complaint and other relevant documents from the website at www.SECChangFairFund.com. The Amended Complaint and the Court's orders are also available on the Court's docket under *Securities and Exchange Commission v. Luis Chang and Everbright Development Overseas Limited*, Case No. 14-cv-4132 (S.D.N.Y.).

12. How do I get more information?

You can visit the website at www.SECChangFairFund.com, where you will find answers to common questions about the distribution, the Claim Form, plus other information to help you determine whether you are an Eligible Claimant and whether you are eligible for payment. You can also call 1-866-933-8161 toll-free, write to the SEC v. Chang Fair Fund, c/o Rust Consulting, Inc., Distribution Agent - 5282, P.O. Box 2561, Faribault, MN 55021-9561, or send an email to info@SECChangFairFund.com.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased shares of Allied Nevada common stock on January 14, 2014 as nominee for a beneficial owner, then within fourteen (14) calendar days after you receive this Fair Fund Notice, you must either: (a) send a copy of this Fair Fund Notice and the accompanying Claim Form by first class mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Distribution Agent so that the Distribution Agent can provide them with a copy of this Fair Fund Notice and a Claim Form.

If you chose option (a) above, you may request enough forms from the Distribution Agent (at no charge) to complete your mailing. You may seek reimbursement of your reasonable expenses actually incurred in complying with these directives, subject to approval of the Commission or the Court. All communications concerning this matter should be addressed to the Distribution Agent.

INQUIRIES

All inquiries concerning this Fair Fund Notice, the Claim Form, or any other questions by shareholders should be directed to the Distribution Agent as follows:

SEC v. Chang Fair Fund
c/o Rust Consulting, Inc.
Distribution Agent - 5282
P.O. Box 2561
Faribault, MN 55021-9561
Toll-Free: 1-866-933-8161
Email: info@SECChangFairFund.com

**PLEASE DO NOT CONTACT THE COURT WITH YOUR QUESTIONS
REGARDING THIS FAIR FUND NOTICE.**

Dated: June 16, 2017