

UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

EDWIN YOSHIHIRO FUJINAGA, et al.,
Defendants,

and

JUNE FUJINAGA,
CSA SERVICE CENTER, LLC,
THE FACTORING CO., and
THE YUNJU TRUST,

Relief Defendants.

Case No.: 2:13-cv-1658-JCM-CWH

PLAN NOTICE OF DISTRIBUTION FUND

To: All persons identified by the Distribution Agent through its access to the claims process in the Related Class Action (*Shige Takiguchi, et al. v. MRI International, Inc., et al.*, 2:13-cv-01183-GMN-VCF (D. Nev.)), the “Related Class Action”), and who may have suffered losses on investments in MRI International, Inc. (the “Security”) that were initially made or reinvested between July 5, 2008 and July 5, 2013 (the “Relevant Period”).

I. Purpose of this Plan Notice.

The purpose of this Plan Notice is to inform you that you may be eligible for a distribution payment from the Distribution Fund described in this Plan Notice. To be eligible for a distribution payment, you must satisfy the criteria set forth in the Court-approved distribution plan (the “Plan”). This Plan Notice is being mailed to all Preliminary Claimants¹ identified by the Court-appointed Distribution Agent (“Distribution Agent”), Kroll Settlement Administration LLC (“Kroll”), through its access to the claims process in the Related Class Action. Copies of the Distribution Plan and this Plan Notice are available online at www.SECFujinagaDistributionFund.com. You may also request a copy of the Plan or the Plan Notice by sending an email requesting a copy to info@SECFujinagaDistributionFund.com, or by mail to SEC v. MRI Fund c/o Kroll Settlement Administration, PO Box 5324, New York, NY 10150-5324.

Please note: Receipt of this Plan Notice does not mean you will be eligible for a distribution payment under the Plan.

¹ Capitalized terms not defined here are defined in the Plan, available in both English and Japanese, at <https://www.sec.gov/enforcement/information-for-harmed-investors/mri-international-fujinaga> or on the Distribution Agent’s website at www.SECFujinagaDistributionFund.com.

PLEASE READ THIS PLAN NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU SATISFY THE ELIGIBILITY CRITERIA DESCRIBED BELOW, YOU MAY BE ELIGIBLE TO RECEIVE A DISTRIBUTION PAYMENT FROM THE DISTRIBUTION FUND. SECTION V (“REQUIRED RESPONSE”) OF THIS PLAN NOTICE INFORMS YOU HOW TO DETERMINE IF YOU MUST SUBMIT A RESPONSE IN ORDER TO BE CONSIDERED FOR A PAYMENT. ANY RESPONSES SUBMITTED IN RESPONSE TO THIS PLAN NOTICE MUST BE RECEIVED BY THE DISTRIBUTION AGENT NO LATER THAN JANUARY 26, 2024.

II. Background.

On September 11, 2013, the SEC commenced its action against the Defendants and the Relief Defendants. In its amended complaint filed on July 24, 2014, the SEC alleged that the Defendant perpetrated a Ponzi scheme that victimized thousands of investors. As part of the alleged scheme, the Defendants misrepresented to investors that MRI International, Inc. (“MRI”) would use investors’ money to buy medical accounts receivables from medical providers at a discount (“Mars”) and seek to recover the full receivable from insurance companies. In fact, the Defendants used investor money to pay principal and interest to earlier investors, operating expenses of MRI and related entities, and for personal expenses. The SEC alleged that MRI stopped buying Mars from independent healthcare facilities in 2008; that as early as 2008, MRI was insolvent and as of December 2008, MRI had retained earnings deficient; that, from 2008, through 2013, the Defendants sent false quarterly account statements to existing investors; and that by 2011, MRI was in default on the payments that it was obligated to pay investors.

On January 27, 2015, the Court entered final judgment against the Defendants, ordering them jointly and severally to pay disgorgement and prejudgment interest of \$544,359,364.08, and each to pay a civil penalty of \$20,000,000, for a total monetary judgement of \$584,359,364.08.

On May 15, 2015, the Court appointed Robb Evans & Associates LLC as the full equitable receiver (the “Receiver”) for all assets owned or controlled by the Defendants and Relief Defendants (the “Estate”).

On March 14, 2016, the Court entered an amended final judgement against the Relief Defendants, ordering them to disgorge, jointly and severally, \$2,333,382.12 to the Receiver, and requiring June Fujinaga to disgorge to the Receiver all her legal, beneficial, and equitable interest in the Yunju Trust.

By Order entered March 18, 2019, the Court appointed Heffler Claims Group (“HCG”) the claims administrator in the Related Class Action, as the distribution agent for the Distribution Fund and HCG’s then-related entity Heffler, Radetich & Saitta LLP (“HRS”), a certified public accounting firm, as tax administrator (“Tax Administrator”) for the Distribution Fund. As explained in footnote 3, HCG is now known as Kroll.²

By Order entered October 5, 2022, this Court, in relevant part, terminated the Estate and directed the Receiver to turn over the balance of the Estate’s settlement fund to the SEC in partial satisfaction of the SEC’s judgements against the Defendants (the “Discharge Order”).

Pursuant to the Discharge Order, the Receiver sent \$32,842,802.82 to the SEC, comprising the Distribution Fund. All accrued interest, as well as any other funds directed to the Distribution Fund, will be added to, and become part of, the Distribution Fund.

² At the time of the Court’s appointment of the Distribution Agent and the Tax Administrator, HCG and HRS were affiliates. In July 2019, HCG was indirectly acquired by Duff & Phelps, LLC (n/k/a Kroll, LLC). Upon acquisition, HCG’s name was changed to Claims Acquisition, LLC, and it was later further changed to Kroll Settlement Administration LLC. HRS, while no longer affiliated with Kroll, will continue as the Tax Administrator.

III. Eligibility Criteria

To be eligible for a Distribution Payment from the Distribution Fund, you must satisfy certain criteria that are described in detail in the Plan. The Plan is available in English and Japanese on the Distribution Agent's website at www.SECFujinagaDistributionFund.com. You may also request a copy of the Distribution Plan by calling the Distribution Agent at 0120-974-935 or by emailing info@SECFujinagaDistributionFund.com. The eligibility criteria include the following.

- You are a person identified by the Distribution Agent through its access to the claims process in the Related Class Action and who may have suffered losses on investments in the Security that were initially made or reinvested during the Relevant Period (“Preliminary Claimant”). “Preliminary Claimant” includes Persons who filed their claims untimely in the Related Class Action but submitted their claim in sufficient time to be considered under this Plan, as well as Opt-Out Investors.
- You are a Preliminary Claimant who is determined to have suffered a Recognized Loss pursuant to the Plan of Allocation (Exhibit A to the Plan) and who is not an Unresponsive Preliminary Claimant (“Eligible Claimant”).
- The Minimum Distribution Amount is \$20.00 (inclusive of Reasonable Interest, if any). If an Eligible Claimant's distribution amount is less than the Minimum Distribution Amount, that Eligible Claimant will be deemed ineligible to receive a Distribution Payment and his, her, or its distribution amount will be reallocated on a *pro-rata* basis to Eligible Claimants whose distribution amounts are greater than or equal to the Minimum Distribution Amount (“Payees”).
- **You are excluded from participation in the Distribution Fund if you are an Excluded Party defined in the Distribution Plan, including:**
 - Edward Yoshihiro Fujinaga and MRI (the “Defendants”) and June Fujinaga, CSA Service Center, LLC, the Factoring Co., and The Yunju Trust (the “Relief Defendants”) and the defendants to the Related Class Action³, and the agents, nominees, assigns, heirs, successors-in interest, spouses, parents, children, and controlled entities of the Defendants, Relief Defendants and the defendants to the Related Class Action;
 - To the extent known to the Distribution Agent at the time of distribution, Preliminary Claimants who failed to negotiate a check issued in the Related Class Action prior to its stale date or to whom an electronic or other payment issued in the Related Class Action could not be delivered despite commercially reasonable efforts by the Distribution Agent prior to the distribution calculations under this Plan;
 - The Distribution Agent, its employees, and those persons assisting the Distribution Agent in its role as Distribution Agent; and
 - Any purchaser or assignee of another person's eligibility for a recovery from the Distribution 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.

All Excluded Parties will be deemed ineligible to participate in the distribution of the Distribution Fund.

³ Defendants in the Related Class Action: MRI International, Inc.; Edwin Y. Fujinaga; Junzo Suzuki; Paul Musashi Suzuki; LVT, Inc., dba Sterling Escrow; Keiko Suzuki; Paul Musashi Suzuki as Trustee of the Paul Musashi Suzuki Irrevocable Trust dated 05/10/2013; Catherine Mai Suzuki as Trustee of the Catherine Mai Suzuki Irrevocable Trust dated 05/10/2013; First Hawaiian Bank as Trustee of the Junzo Suzuki Irrevocable Trust UAD 07/12/2013; First Hawaiian Bank as Trustee of the Keiko Suzuki Irrevocable Trust UAD 07/12/2013; First Hawaiian Bank as Trustee of the Junzo Suzuki and Keiko Suzuki Irrevocable Life Insurance Trust U/A DTD 05/01/2008; Suzuki Enterprise Inc.; Suzuki Enterprises, Inc. Profit Sharing Plan; Puuikena Investments, LLLP; ICAG, Inc.; the SEI PSP,) Catherine Suzuki, as trustee of the Junzo Suzuki Irrevocable Trust UAD 07/12/2013; Catherine Suzuki, as trustee of the Keiko Suzuki Irrevocable Trust UAD 07/12/2013; Catherine Suzuki, as trustee of the Junzo Suzuki and Keiko Suzuki Irrevocable Life Insurance UA DTD 05/01/2008.

IV. Calculation of Recognized Loss

The Recognized Loss incurred by an Eligible Claimant shall be determined as set forth in the Distribution Plan. The methodology used to determine eligibility and calculate Distribution Payments is set forth in Exhibit A to the Plan, “Plan of Allocation.”

V. Required Response.

If the Distribution Agent does not have sufficient information to make a distribution payment to you, a “payment request” form has been included with this Plan Notice. **You must complete this payment request form and submit it to the Distribution Agent to update your address and payment information no later than January 26, 2024.**

Directions for submission of the completed payment request form are included in Section VII of this Plan Notice.

Failure to provide the completed payment request form to the Distribution Agent by January 26, 2024 will result in you being deemed ineligible to participate in the distribution of the Distribution Fund.

VI. Instructions for updating payment information.

If you received a payment in the Related Class Action and would like to update or change your payment information, please download the payment request form located on the Distribution Agent’s website, www.SECFujinagaDistributionFund.com. You must submit the completed payment request form so that it is received by the Distribution Agent **NO LATER THAN JANUARY 26, 2024**, pursuant to the directions in Section VII, below.

VII. Directions for Submitting Payment Information

You may submit payment request form by mail or through a secure online portal. All submissions **MUST BE RECEIVED BY JANUARY 26, 2024.**

By mail to:

SEC v. MRI Fund
c/o Kroll Settlement Administration
PO Box 5324
New York, NY 10150-5324

Through secure online portal:

You can access the online portal on the Distribution Agents website at www.SECFujinagaDistributionFund.com, on the “Document Uploader” page.

If you have any questions regarding the timely submission of required documents, you may contact the Distribution Agent by telephone or email, as discussed in Section VIII below.

VIII. Additional Information

Additional information regarding the Distribution Fund may be found at www.SECFujinagaDistributionFund.com. Additional Plan Notices may also be downloaded at the Distribution Agent’s website. You may obtain additional information or request copies of the Plan Notice by calling the Distribution Agent’s toll-free number at 0120-974-935, or by emailing info@SECFujinagaDistributionFund.com.

PLEASE CHECK THE WEBSITE WWW.SECFUJINAGADISTRIBUTIONFUND.COM FREQUENTLY FOR UPDATES