



**In the Matter of
Bayerische Motoren Werke, Aktiengesellschaft,
BMW of North America, LLC, and BMW US Capital, LLC,**

**SECURITIES AND EXCHANGE COMMISSION
ADMINISTRATIVE PROCEEDING
File No. 3-20060**

**BMW FAIR FUND
DISTRIBUTION PLAN NOTICE**

**The United States Securities and Exchange Commission authorized this Notice.
This is not a solicitation from a lawyer.**

Who is Eligible to Participate in the Fair Fund?

If you purchased or otherwise acquired certain debt securities offered by BMW US Capital, LLC, (“BMW USC”) in private placement transactions identified in Appendix A (the “Securities”) between April 11, 2016 and September 24, 2020 (the “Relevant Purchase Period”), you may be entitled to receive a payment from the Fair Fund, created in the captioned proceedings (the “Fair Fund”), subject to other provisions of the Plan¹. For purposes of calculating an investor’s Recognized Harm Amount the period of time between April 11, 2016 and February 28, 2023 (the “Relevant Period”) will be used. Please review this Distribution Plan Notice in full to determine if and how you can make a claim.

The administration of the Fair Fund is governed by a Plan approved by the Commission on November 22, 2023. A copy of the Plan, which contains a description of eligibility and other conditions of participation, can be found at www.BMWFairFund.com. Pursuant to the Plan, you may be entitled to receive a monetary payment from the Fair Fund.

What is this All About?

On September 24, 2020, the Commission issued the Order instituting and simultaneously settling cease-and-desist proceedings against the Respondents for violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (“Securities Act”). In the Order, the Commission found that from 2015 to 2019, BMW inflated its reported retail sales in the U.S., which helped BMW close the gap between its actual retail sales volume and internal targets and publicly maintain a leading retail sales position relative to other premium automotive companies. The Commission also found that BMW NA used three practices that had the effect of inaccurately reporting its U.S. retail sales volume (a non-financial metric). First, from January 2015 through March 2017, BMW used its demonstrator and service loaner programs to boost reported retail sales volume and meet internal targets, resulting in demonstrator and loaner vehicles accounting for over one quarter of BMW NA’s reported retail sales in this period. Second, from 2015 through 2019, BMW NA maintained an excess reserve of unreported vehicle sales—referred to internally as the “bank”—that it used when necessary to meet internal monthly sales targets without regard to when the underlying sales occurred. Finally, in January 2015 and January 2017, BMW NA improperly adjusted its retail sales reporting calendar, which usually followed a standard calendar used in the automotive industry, to achieve internal retail sales targets or bank excess retail sales for use in future reporting periods.

In addition, the Commission found that BMW AG, a German corporation and the ultimate parent company of BMW NA and BMW USC, raised approximately \$18 billion through seven bond offerings on the U.S. capital markets from 2016 through 2019, which were offered and sold to investors pursuant to Rule 144A promulgated under the Securities Act. According to the Order, in connection with these bond offerings, BMW AG, through BMW USC, provided information about BMW’s U.S. retail vehicle sales to bond investors, initial purchasers, and credit rating agencies in offering memoranda and investor presentations. BMW NA also issued monthly press releases during this period regarding BMW’s U.S. retail sales. The Commission found that BMW AG provided materially incomplete and inaccurate information regarding its U.S. retail sales performance and customer demand for BMW vehicles in the U.S. market because it failed to disclose BMW NA’s practices that resulted in the inaccurate reporting of its U.S. retail sales volume. The Commission ordered the Respondents to pay an \$18,000,000 civil penalty.

¹ Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Plan of Distribution.

The Commission ordered the funds paid pursuant to the Order be held in an account at the United States Treasury pending a decision whether the Commission, in its discretion, would seek to distribute funds. The Respondents paid the penalty in full. On April 7, 2022, the Commission issued an order that created the Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty paid can be distributed to harmed investors. The Fair Fund has been deposited in a Commission-designated account at the United States Department of the Treasury, and any accrued interest will be added to the Fair Fund.

On September 14, 2022, the Commission appointed Kurtzman Carson Consultants, LLC, (“KCC”) as the Fund Administrator for the Fair Fund, in accordance with the Plan of Distribution approved by the SEC. You can view and download a copy of the Plan on the Fund Administrator’s webpage at www.BMWFairFund.com or on the SEC’s website at <https://www.sec.gov/files/litigation/admin/2023/34-99016-dp.pdf>.

Who Should Submit a Claim?

If you purchased or otherwise acquired certain debt securities offered by BMW USC in private placement transactions (see Appendix A for a complete list of eligible Securities) between April 11, 2016 and September 24, 2020, the Relevant Purchase Period, you may be eligible for a distribution from the Fair Fund.

Excluded from the BMW Fair Fund are: (a) the Respondents; (b) any current or former advisor or agent of the Respondents who participated in the conduct described in the Order; (c) any current or former employee of the Respondents or any of its affiliates who has been terminated for cause or has otherwise resigned, in connection with the conduct described in the Order; (d) any Person who served at any time from January 1, 2016 through the end of 2019 as an officer or director of the Respondents, or of any subsidiary or affiliate of Respondents; (e) any Person who, as of the Claims Bar Date, has been the subject of criminal charges related to the conduct described in the Order or any related Commission action; (f) any firm, trust, corporation, officer, or other entity in which Respondents has or had a controlling interest; (g) the Fund Administrator, its employees, and those Persons assisting the Fund Administrator in its role as the Fund Administrator; or (h) 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 or devise.

Participation in the BMW Fair Fund does not require you to release any rights or potential claims you may have against the Respondents (other than with respect to the Fund Administrator), including but not limited to the Respondents’ past and present directors, officers, promoters, advisers, agents, affiliates, nominees, assigns, creditors, or controlled entities.

In order to be considered for eligibility, each Preliminary Claimant must submit a properly completed Claim Form, together with acceptable supporting documentation to the Fund Administrator on or before the Claims Bar Date of May 10, 2024, 11:59 P.M., PT.

You can submit your claim via the online claim filing portal, on the website at www.BMWFairFund.com.

Determination of Distribution Payments

Distribution Payments shall be determined in accordance with the Plan, including the Plan of Allocation, Exhibit A. You can view and download a copy of the Plan on the Fund Administrator’s webpage at www.BMWFairFund.com.

How to File a Claim

If you believe you may be eligible for a Distribution Payment (see “Who Should Submit a Claim” above) and would like to be considered for a distribution from the Fair Fund, you must follow the instructions and submit a completed Claim Form.

We encourage you to file your Claim Form via the online filing portal on the Fair Fund website www.BMWFairFund.com. You may also submit your Claim Form by mail. To do so, please complete the Claim Form included in this packet, follow the instructions provided, sign it, include copies of all required supporting documentation, and return it to the Fund Administrator’s address listed below.

The submission of the Claim Form and the receipt and acceptance of a distribution is not intended to be a release of rights and claims against any Respondent.

Claim Bar Date: May 10, 2024, 11:59 P.M., PT.

More Information:

Website: www.BMWFairFund.com
Email: Info@BMWFairFund.com
Address: *BMW Fair Fund*
c/o KCC Class Action Services
Fund Administrator
P.O. Box 6159
Novato, CA 94948-6159
Phone: 1-844-460-0580

Special Notice to Brokers and Nominees

If you purchased or held BMW USC 144a Bonds for the beneficial interest of a person or organization other than yourself, within fourteen (14) calendar days of receipt of this Distribution Plan Notice you must:

1. Request additional copies of the Distribution Plan Notice from the Fund Administrator, and, within fourteen (14) calendar days of receipt of such copies, send copies by first-class mail directly to beneficial owners; and/or
2. Provide a list of the names and last known addresses of the beneficial owners (preferably in Excel format) to the Fund Administrator by email to notifications@kccllc.com or by mail to the following address:

BMW Fair Fund
c/o KCC Class Action Services
Fund Administrator
P.O. Box 6159
Novato, CA 94948-6159

If you choose to mail the Distribution Plan Notice yourself, you may obtain from the Fund Administrator (without cost to you) a reasonable number of copies of these documents needed to complete the mailing. **Requests to the Fund Administrator for paper copies of the Claims Packet in excess of fifty (50) are subject to approval by the Fund Administrator, in consultation with the Commission staff.** If you choose the second option, KCC will send a copy of the Distribution Plan Notice and Claim Form to the persons and/or entities whose names and addresses you supply. All claims must be submitted by the Claim Bar Date.

In either case, you may obtain reimbursement for reasonable and documented administrative costs actually incurred in connection with forwarding the Distribution Plan Notice that would not have been incurred but for the obligation to forward the Distribution Plan Notice, upon submission of appropriate documentation to the Fund Administrator, see paragraph 47 of the Plan of Distribution.

In Consultation with the Commission staff, out-of-pocket expenses based on the following rates will be considered reasonable:

- A maximum of \$0.08 per Claims Packet, plus postage at the pre-sort postage rate per Claim Packet actually mailed;
- A maximum of \$0.05 per email of Summary Notice or Plan Notice and Claim Form link disseminated; or
- \$0.20 per name, address, and email address provided to the Fund Administrator, up to a maximum of amount of \$1,500.00.

Contact information for the Fund Administrator

You may obtain further information, file a Claim and download a copy of the paper Claim Form at the Fair Fund website at www.BMWFairFund.com. If you have any questions, please reach out to the Fund Administrator at:

Website: www.BMWFairFund.com
Email: Info@BMWFairFund.com
Address: *BMW Fair Fund*
c/o KCC Class Action Services
Fund Administrator
P.O. Box 6159
Novato, CA 94948-6159
Phone: 1-844-460-0580

Appendix A: BMW USC 144a Bonds Issued between 2016 and 2019, the “Securities”

CUSIP	Issue Date	Maturity	Amount Issued	Coupon Frequency	Coupon Rate	Status as of Feb. 28, 2023
05565EAH8	Apr-11-2016	10-year	\$1,000,000,000	S/A	2.80000	Open
05565EAF2	Apr-11-2016	5-year	\$1,500,000,000	S/A	2.00000	Matured
05565EAD7	Apr-11-2016	3-year	\$1,500,000,000	S/A	1.50000	Matured
05565EAM7	Sep-15-2016	7-year	\$750,000,000	S/A	2.25000	Open
05565EAL9	Sep-15-2016	5-year	\$750,000,000	S/A	1.85000	Matured
05565EAK1	Sep-15-2016	3-year	\$500,000,000	S/A	1.45000	Matured
05565EAN5	Sep-15-2016	3-year	\$250,000,000	Qtr	LIBOR + 41	Matured
05565EAT2	Apr-6-2017	10-year	\$500,000,000	S/A	3.30000	Open
05565EAS4	Apr-6-2017	5-year	\$250,000,000	Qtr	LIBOR + 64	Matured
05565EAR6	Apr-6-2017	5-year	\$600,000,000	S/A	2.70000	Matured
05565EAP0	Apr-6-2017	3-year	\$600,000,000	S/A	2.15000	Matured
05565EAQ8	Apr-6-2017	3-year	\$250,000,000	Qtr	LIBOR + 38	Matured
05565EAY1	Apr-12-2018	10-year	\$750,000,000	S/A	3.75000	Open
05565EAW5	Apr-12-2018	5-year	\$1,000,000,000	S/A	3.45000	Open
05565EAU9	Apr-12-2018	3-year	\$1,000,000,000	S/A	3.10000	Matured
05565EAV7	Apr-12-2018	3-year	\$750,000,000	Qtr	LIBOR + 41	Matured
05565EAQ8	Apr-26-2018	2-year	\$500,000,000	Qtr	LIBOR + 38	Matured
05565EBE4	Aug-14-2018	10-year	\$500,000,000	S/A	3.95000	Open
05565EBD6	Aug-14-2018	3-year	\$750,000,000	Qtr	LIBOR + 50	Matured
05565EBC8	Aug-14-2018	3-year	\$500,000,000	S/A	3.40000	Matured
05565EBB0	Aug-14-2018	2-year	\$750,000,000	Qtr	LIBOR + 37	Matured
05565EBA2	Aug-14-2018	2-year	\$500,000,000	S/A	3.25000	Matured
05565EBH7	Apr-18-2019	5-year	\$1,000,000,000	S/A	3.15000	Open
05565EBF1	Apr-18-2019	3-year	\$750,000,000	S/A	2.95000	Matured
05565EBG9	Apr-18-2019	3-year	\$300,000,000	Qtr	LIBOR + 53	Matured
05565EBJ3	Apr-18-2019	10-year	\$650,000,000	S/A	3.62500	Open

Source: Bloomberg

Notes: S/A= semi-annually, Qtr= quarterly. Basis point additions to LIBOR.
CUSIP 05565EAQ8 was used for issuances in both 2017 and 2018.