

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE	:	
COMMISSION,	:	
	:	
<i>Plaintiff,</i>	:	
	:	
v.	:	22 Civ. 9608 (PKC)
	:	
INFINITY Q DIVERSIFIED ALPHA FUND,	:	
	:	
<i>Defendant.</i>	:	
	:	
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**NOTICE OF SPECIAL MASTER'S  
PROPOSED AMENDED DISTRIBUTION PLAN**

PLEASE TAKE NOTICE that on March 19, 2024 the undersigned Special Master, appointed by this Court's order dated January 10, 2023, as amended on March 10, 2023 (the "Order"), shall present for the Court's approval, in accordance with paragraph 2(C) of the Order, a Proposed Amended Distribution Plan.

PLEASE TAKE FURTHER NOTICE that any objections to the Proposed Amended Distribution Plan shall be filed on or before March 18, 2024.

Dated: Stamford, Connecticut  
February 26, 2024

Respectfully submitted,

Andrew M. Calamari  
Special Master

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE	:
COMMISSION,	:
	:
<i>Plaintiff,</i>	:
	:
v.	: 22 Civ. 9608 (PKC)
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INFINITY Q DIVERSIFIED ALPHA FUND,	:
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<i>Defendant.</i>	:
	:
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**SPECIAL MASTER’S PROPOSED AMENDED DISTRIBUTION PLAN**

The undersigned Special Master, appointed by this Court’s order dated January 10, 2023, as amended March 10, 2023 (the “Order”), submits for the Court’s approval, in accordance with paragraph 2.C of the Order, this Proposed Amended Distribution Plan for the Infinity Q Diversified Alpha Fund (the “Fund”), a series of Trust for Advised Portfolios (“TAP”). As set forth in greater detail below, I propose to distribute \$487,384,067 (less distribution expenses) (the “Distribution”), leaving a Special Reserve, as defined in the Order, of \$100 million to cover the Fund’s remaining administrative expenses and incurred and potential legal liabilities. Once this Court enters an order approving the Amended Distribution Plan, I expect the Distribution to be made promptly (likely within 60 days of entry of the order). Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the Order.

1. As of January 31, 2024, the Fund’s total assets were \$587,384,067, all of which are invested in Fidelity Government Portfolio Class I, a money market mutual fund whose shares are maintained in custody on behalf of the Fund with U.S. Bank. The Fund’s total assets include accrued dividends at January 31, 2024 of \$2,594,317. Of the Fund’s total assets, the TAP Board

of Trustees had previously set aside \$562,451,129 as a Special Reserve to cover litigation expenses and indemnification obligations of, and potential claims against, the Fund and its Indemnitees, as defined in the Order. Numerous litigations, including the Mediated Securities Class Actions, have been brought against the Fund, its Indemnitees, and others to recover alleged losses resulting from the mismarking fraud committed by the Fund's investment advisor.

2. On December 21, 2023, the Supreme Court of the State of New York approved the proposed settlement of the Mediated Securities Class Actions. The settlement fully resolved the Mediated Securities Class Actions without the contribution of any money from the Special Reserve and substantially reduced the litigation exposure faced by the Fund and its Indemnitees. No appeal having been taken, the New York Supreme Court's approval of the settlement became final on January 22, 2024.

3. In proposing this Distribution and reduction in the Special Reserve, I have taken into account that there remain cases pending against the Fund and its Indemnitees brought by parties who opted-out of the Mediated Securities Class Action Settlement, namely, the plaintiffs in *Glenmede*, *Flint Hills*, and *Carson* (the "Opt-Out Cases"), in New York Supreme Court. Although the Order stayed these cases as against the Fund, its trustees and officers, and certain Indemnitees, it did not dismiss them. Consequently, the Fund and certain Indemnitees continue to face litigation expenses and, potentially, damages in the Opt-Out Cases. The proposed Distribution and reduced Special Reserve also takes into account incurred liabilities and certain additional potential liabilities and operational expenses of the Fund, including anticipated expenses of the Special Litigation Committee appointed by TAP's Board of Trustees, whose work is ongoing, and the Special Master. I plan to make a final distribution, and possibly another interim distribution, as these Fund obligations are reduced or resolved.

4. I propose to make the Distribution in accordance with the methodology set forth in the Plan of Distribution of Assets adopted by TAP's Board of Trustees on November 8, 2021 (the "Plan"), with certain offsets as further described in the Shareholder Notice Regarding the Interim Distribution dated November 8, 2021 ("Interim Distribution Notice"), and Shareholder Notice Regarding the Second Interim Distribution dated April 15, 2022 ("Second Interim Distribution Notice"). The Plan, Interim Distribution Notice, and Second Interim Distribution Notice are annexed hereto as **Exhibits A, B and C**, respectively.

5. Section II.A of the Plan provides that distributions shall be made to shareholders who held shares of the Fund on February 18, 2021, the date the final net asset value ("NAV") for the Fund was struck, as follows:

the assets of the Fund attributable to each class of shares will be distributed to the Distributees pro rata based on the number of shares the Distributee held in that Class on the Measurement Date relative to the aggregate shares held by all Distributees in that Class on the Measurement Date, less any offsetting claims the Fund has against that Distributee. Any distribution to Infinity Q or a present or former principal, officer or director of Infinity Q will be withheld until resolution of the offsetting claims that may apply to such distribution.

6. The Interim Distribution Notice provided that offsets shall be made as follows:

In calculating each shareholder's pro rata share, the Fund may make offsets based on any amounts previously received by that shareholder on a prior redemption of Fund shares pursuant to a NAV that the Fund determined was overstated.

7. The Second Interim Distribution Notice provided with respect to offsets as follows:

In calculating each shareholder's pro rata share, the Fund will also make offsets based on any amounts previously received by that shareholder on prior purchases and redemptions of Fund shares pursuant to NAVs that the Fund determined was overstated.

8. According to FAQ 2A.7 accompanying the Second Interim Distribution Notice:

. . . each shareholder account will not necessarily receive the full amount per share. In calculating each shareholder's pro rata share, the Fund will also make offsets based on that shareholder's net gains from prior acquisitions and

redemptions of Fund shares (before February 19, 2021) pursuant to NAVs that the Fund determined were overstated. Similarly, there are a number of current shareholder accounts for which the Fund is holding back the entire second interim distribution based on amounts previously received by that shareholder on one or more prior purchases and redemptions of Fund shares pursuant to a NAV that the Fund has determined was overstated. The Fund provided to each intermediary or custodian the precise dollar amount per share and dollar amount of the second interim distribution for any shareholder account that received less than the full per share amount referenced above. Shareholders who were subject to an offset may request a calculation of their offset by asking their intermediary or custodian to obtain it from the Fund. For more information, please see Shareholder Notice Regarding the Second Interim Distribution. In addition, with respect to all intermediaries and custodians that the Fund has paid the second interim distribution, as of June 29, 2022, the Fund has distributed to the intermediaries and custodians individualized offset calculations for any shareholder account that was subject to an offset in the second interim distribution. Thus, if you did not receive a second interim distribution or received only a partial distribution you may ask your intermediary or custodian to provide a copy of the offset calculation for your specific account(s).

The FAQs were published on the Fund's website and are attached hereto as

**Exhibit D.**

9. Based on the Plan and historical practice, I propose to make this Distribution to shareholders in each of the two share classes (Investor Shares and Institutional Shares) on a pro rata basis based on the number of shares held by each shareholder in the relevant share class, subject to the same offsets as prior distributions described in paragraphs 6-8 above, and using the same measurement date (February 18, 2021) as was used in the prior distributions to calculate the number of shares in each class.<sup>1</sup>

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<sup>1</sup> On November 1, 2023, I proposed a distribution of the Fund's 2023 net income using this same methodology. ECF 65-1. The Court approved that distribution by order entered November 30, 2023. ECF 70.

For the foregoing reasons, I respectfully request that the Court approve this proposed amended distribution plan.

Dated: Stamford, Connecticut  
February 26, 2024

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "AMC", with a long horizontal flourish extending to the right.

Andrew M. Calamari

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES AND EXCHANGE	:
COMMISSION,	:
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<i>Plaintiff,</i>	:
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v.	:
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INFINITY Q DIVERSIFIED ALPHA FUND,	:
	:
<i>Defendant.</i>	:
	:
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22 Civ. 9608 (PKC)

**[PROPOSED] ORDER APPROVING SPECIAL MASTER'S  
AMENDED DISTRIBUTION PLAN**

**WHEREAS**, the Securities and Exchange Commission (the “Commission”) filed this action on November 10, 2022 against defendant Infinity Q Diversified Alpha Fund (the “Fund”), a series portfolio of the Trust for Advised Portfolios (the “Trust”);

**WHEREAS**, the Court appointed Andrew M. Calamari to serve as Special Master by Order dated January 10, 2023, as amended on March 10, 2023, to oversee the distribution of the Fund’s assets to shareholders;

**WHEREAS**, as of January 31, 2024, the Fund’s total assets were \$587,384,067, of which \$562,451,129 was previously set aside by the Trust’s Board of Trustees as a Special Reserve to cover litigation expenses and indemnification obligations of, and potential claims against, the Fund and its Indemnitees, as defined in the Order;

**WHEREAS**, on December 21, 2023, the Supreme Court of the State of New York approved the proposed settlement of the Mediated Securities Class Actions, as defined in the Order. The settlement fully resolved the Mediated Securities Class Actions without the

contribution of any money from the Special Reserve and substantially reduced the litigation exposure faced by the Fund and its Indemnitees;

**WHEREAS**, as set forth in the Special Master’s application dated February 26, 2024, the Special Master has proposed to distribute \$487,384,067 (less distribution expenses) of the Fund’s total assets, leaving a Special Reserve of \$100 million to cover the Fund’s remaining administrative expenses and potential legal liabilities (the “Distribution”);

**WHEREAS**, in proposing the Distribution, the Special Master has taken into account that there remain cases pending against the Fund and its Indemnitees, as well as certain additional incurred and potential liabilities and operational expenses of the Fund;

**WHEREAS**, the Special Master has proposed to make the Distribution in accordance with the methodology contained in the existing Plan of Distribution of Assets adopted by the Board of Trustees of the Trust on November 8, 2021, with certain offsets as described in the Shareholder Notice Regarding the Interim Distribution dated November 8, 2021 and Shareholder Notice Regarding the Second Interim Distribution dated April 15, 2022;

**WHEREAS**, the Commission and the Trust have no objection to the Special Master’s proposed amended distribution plan; and

**WHEREAS**, more than 21 days have passed since the Special Master filed notice of his proposed amended distribution plan on February 26, 2024, and no objection has been filed or otherwise received by the Special Master;

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUGED AND DECREED  
THAT:**

The Special Master's proposed amended plan for distribution as set forth in the Special Master's application dated February 26, 2024, is **APPROVED**.

**SO ORDERED**

Dated: New York, New York  
March \_\_, 2024

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HON. P. KEVIN CASTEL  
United States District Judge

# **EXHIBIT A**

**Infinity Q Diversified Alpha Fund**  
**Plan of Distribution of Assets**  
**November 8, 2021**

This Plan of Distribution of Assets (the “**Plan**”) of the Infinity Q Diversified Alpha Fund (the “**Fund**”), a series of Trust for Advised Portfolios (the “**Trust**”), a statutory trust organized and existing under the laws of the State of Delaware and an open-end management investment company registered under the Investment Company Act of 1940, as amended (the “**1940 Act**”), is intended to effect the orderly distribution of assets of the Fund, in a fair and equitable manner in conformity with the laws of the State of Delaware, the 1940 Act, the Internal Revenue Code of 1986, as amended (the “**Code**”), and the Trust’s Amended and Restated Agreement and Declaration of Trust and Amended and Restated Bylaws. The Plan was submitted to the staff of the Securities and Exchange Commission (the “**Commission**”) and the Plan and its implementation will be subject to the supervision of the Commission, as required by the terms of the exemptive order issued by the Commission on February 22, 2021 (Investment Company Act Rel. No. 34198) (the “**Order**”).

As required by the Order, the Trust’s Board of Trustees (the “**Board**”) undertook to liquidate the assets of the Fund and now intends to distribute those assets in a fair and equitable manner in conformity with the laws of the State of Delaware, the 1940 Act, the Code, and the Trust’s Amended and Restated Agreement and Declaration of Trust and Amended and Restated Bylaws. As discussed in more detail in Section II of the Plan, the assets of the Fund will be distributed to shareholders (the “**Distributees**”) that owned shares of the Fund at 8:00 a.m. Eastern Standard Time on February 19, 2021 (the “**Measurement Date**”) and did not submit a request to redeem all of their outstanding shares of the Fund that was received at or before 4:00 p.m. (Eastern Standard Time) on February 18, 2021. The Board currently anticipates that distributions to Distributees will be made *pro rata* based on the number of shares of each class owned by the Distributee on the Measurement Date as a fraction of the total number of shares of that class outstanding on the Measurement Date. The distribution to each Distributee will be reduced by the claims the Fund has against that Distributee. Any distribution to Infinity Q or a present or former principal, officer or director of Infinity Q will be withheld until resolution of the offsetting claims that may apply to such distribution.

Unfulfilled redemption requests received at or before 4:00 p.m. (Eastern Standard Time) on February 18, 2021 (“**Redemption Claims**”) will be treated as claims against the Fund and will be paid subject to and after reduction on account of the Fund’s rights of offset. All redemption requests received after 4:00 p.m. (Eastern Standard Time) on February 18, 2021 will be deemed to have no force or effect per the Order.

As explained in more detail in Section II of the Plan, the Board has estimated the Fund’s potential debts, obligations, and liabilities, including, without limitation, all contingent, conditional, or unmatured debts, obligations and liabilities known or reasonably ascertainable by the Fund. The Board has established a special reserve (the “**Special Reserve**”) intended to satisfy those debts, obligations and liabilities.

Despite the need to reserve for the Fund’s debts, obligations and liabilities, the Board considers it important to provide liquidity to shareholders without prejudicing the legal rights and remedies, if any, of any shareholder’s claims. Accordingly, as discussed in more detail in Section II of the Plan, the Fund will make an interim distribution (the “**Interim Distribution**”) of a portion

of the Fund's assets net of the Special Reserve as of the date of the Interim Distribution (the "**Interim Distribution Date**").

The final distribution will occur after resolution of the Fund's debts, obligations and liabilities. The Board may make one or more interim distributions before the final distribution. The timing of such other and further distributions, including the final distribution, is unknown and any such distribution will be made at the discretion of the Board in consultation with and after review by the Commission staff.

## **I. Background**

### **A. The Order and Liquidation of the Fund**

The Fund is registered under the 1940 Act as an open-end series of the Trust. Infinity Q Capital Management, LLC ("**Infinity Q**") is the investment adviser of the Fund and is a registered investment adviser under the 1940 Act. Before the Fund was liquidated, its non-cash portfolio principally consisted of bilateral over the counter positions (the "**Bilateral OTC Positions**") that Infinity Q valued using Bloomberg's Evaluated Pricing tool ("**BVAL**").

On February 18, 2021, based on information shared with Infinity Q by the Commission's staff, Infinity Q informed the Fund that Infinity Q's Chief Investment Officer had been adjusting certain parameters within BVAL that impacted the valuation of certain of the Bilateral OTC Positions. On February 19, 2021, Infinity Q informed the Fund that at such time it was unable to conclude that the values it had previously determined for the Bilateral OTC Positions were reflective of their fair value. Infinity Q then informed the Fund that it would not be able to calculate a fair value for any of the Bilateral OTC Positions in sufficient time to calculate an accurate net asset value ("**NAV**") for at least several days. The Trust and Infinity Q informed the Commission that the Fund was unable to calculate the NAV on February 19, 2021, and it was uncertain when it would be able to calculate a NAV that would enable it to satisfy requests for redemptions of Fund shares. The federal securities laws require the Fund to stand ready to redeem its shares at their NAV every business day. Because the Fund was unable to do so, the Fund requested the Order from the Commission to suspend redemptions and stop calculating an NAV.

The Order required the Trust to create a plan for the orderly liquidation of Fund assets, and engage an independent third party to assist in determining the fair value of the Bilateral OTC Positions and any other Fund holdings for which current and reliable market quotations are not available, including re-evaluating the historical valuations of the Fund.

As of February 19, 2021, the Fund ceased its regular business as a series of a registered investment company and no longer engages in any business activities except for the purposes of winding up the Fund's business and affairs, preserving the value of its assets, and distributing its assets in accordance with the Plan, after discharging or making reasonable provision for the Fund's debts, obligations, and liabilities; provided, however, that the Fund may continue to carry on any activities necessary to maintain its status as a regulated investment company under Subchapter M of the Code.

Consistent with the Order, the Board retained Russell Investments Implementation Services, LLC ("**RIIS**"), a registered investment adviser, to advise the Board and act as its designee in connection with the liquidation of all assets held by the Fund that were not already in cash or cash equivalents at the time of the Order. After the Order was issued, Infinity Q received notices

from some counterparties of the Bilateral OTC Positions asserting that the Order constituted an Event of Default under the terms of the relevant ISDA agreements with the Fund. These notices applied to all the Fund's Bilateral OTC Positions, including variance swaps and other OTC swaps and options positions. Infinity Q and RIIS recommended the immediate voluntary unwind of those positions. All other alternatives to a voluntary unwind exposed the Fund and its shareholders to the risk of further losses from these positions without any assurance that the Fund would receive additional value for its portfolio. Accordingly, the Board authorized the voluntary unwind of the Bilateral OTC Positions, as well as the liquidation of all other non-cash positions in the Fund's portfolio.

As a result of these efforts, as of the close of business on March 19, 2021, the Fund's portfolio had been entirely liquidated. The Fund's custodian held \$1,249,395,877 in cash and cash equivalents as of June 4, 2021.

### **B. Recalculation of the NAV**

On February 18, 2021, the last day on which the Fund calculated its NAV, the Fund's stated net asset value based on valuations performed by Infinity Q was \$1,727,194,948.50. Condition Two of the Commission's Order requires the Trust to engage an independent third party to re-evaluate the Fund's February 18, 2021 NAV and historical valuations of the Fund's portfolio. Further, in order to estimate the Fund's potential liabilities, the Fund needed to verify its historical NAV, which was calculated by the Fund in part based on Infinity Q's valuations of the Fund's Bilateral OTC Positions. Due to the complexity of certain of the Fund's positions and as required by the Order, the Board retained Alvarez and Marsal Valuation Services, LLC ("**A&M**") as the independent third party valuation consultant to advise the Board regarding the Fund's historical valuations.

A&M has concluded that the valuations applied to most of the Fund's Bilateral OTC Positions were materially overstated as of February 18, 2021, and in light of these findings, the NAV will be recalculated as of February 18, 2021. A&M is finalizing its evaluation of the extent to which the Fund's Bilateral OTC Positions were materially overstated in prior periods and the effect on the Fund's NAV for prior periods.

### **C. Estimation of Claims Against the Fund**

The Fund has retained Cornerstone Research to assist the Board in developing reasonable worst case estimates of the total amounts the Fund may be liable to pay on account of transactions in the shares of the Fund during the period for which NAVs will be adjusted.

### **D. Pending and Potential Legal Action(s) and Claims**

The Fund and its assets are currently the subject of claims asserted by a number of parties and may be subject to additional claims in the future. These parties include current or former shareholders that previously redeemed all or some of their shares, as well as indemnified parties and third-party service providers. For example, certain current or former shareholders have filed putative class actions (the "**Securities Litigations**") against the Trust, the Board, and others whom the Fund is or may be required to indemnify. The complaints in the Securities Litigations assert generally that the Trust, the Board, and others violated securities laws by making misrepresentations or omissions in the Fund's registration statements and other public statements. The plaintiffs in the Securities Litigations seek damages and attorney's fees. The Trust also

received a shareholder demand to inspect certain books and records of the Fund pursuant to 12 Del. C. § 3819.

The Trust, the Board, and others are currently involved in enforcement investigations related to the events giving rise to the Order and could become the subject of additional legal proceedings (the “**Potential Adverse Legal Actions**”). At this early stage, it is not possible to predict or estimate with precision the outcome of these proceedings or the Fund’s potential damages exposure, if any.

The Fund also continues to analyze any potential claims it may have against others (the “**Potential Fund Claims**”). Potential Fund Claims include, but are not limited to, claims against Infinity Q, claims against third-party service providers to the Fund, and claims against insurers for coverage under various insurance policies. The Fund has provided notices to Infinity Q and to certain service providers reflecting that the Fund reserves its rights as it explores the Potential Fund Claims. The Fund has reached or is seeking agreements with Infinity Q (and certain of its affiliates, officers and directors) and certain of the Fund’s service providers to toll the statute of limitations with respect to any potential claims the Fund may have.

Under the terms of the Investment Advisory Agreement (“**IAA**”) between Infinity Q and the Fund dated September 23, 2014, Infinity Q is responsible for paying any costs of liquidating the Fund. Pursuant to that provision, the Fund has demanded that Infinity Q agree to pay those expenses. Infinity Q has denied its responsibility to pay those expenses and rejected the Fund’s demand. In addition to payment of liquidation expenses, the Fund has also reserved the right to recoup any overpayment of prior management fees, and the Fund expects to seek such recoupment from Infinity Q in the event that the Fund determines in a recalculation of its NAV that Infinity Q was not entitled to some or all of the management fees it previously received.<sup>1</sup>

The Fund is also considering whether there may be claims in favor of the Fund relating to overdistribution to certain current or former shareholders based on recalculated NAV, and the Fund is reserving all rights and taking appropriate steps to protect its and shareholders’ interests with respect to potential claims the Fund may have while the nature, extent, duration, and consequences of the conduct at issue are being determined.

In connection with each of the Securities Litigations, Potential Adverse Legal Actions, and Potential Fund Claims, the Board is in the process of estimating the Fund’s potential expenses

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<sup>1</sup> Under the IAA, Infinity Q is also responsible for indemnifying the Fund for all losses the Fund may sustain, including legal fees, arising from Infinity Q’s willful misfeasance, bad faith, gross negligence or reckless disregard of the obligations or duties under the IAA. The Fund has provided notice to Infinity Q that it intends to seek indemnification from Infinity Q for all legal fees and other expenses arising from the issues addressed in the Order. The Fund is reserving all rights and taking appropriate steps to protect the Fund’s and shareholders’ interests with respect to potential claims against Infinity Q while the nature, extent, duration, and consequences of the conduct at issue are being determined. To date, Infinity Q has not agreed to reimburse or advance the Fund for any of these amounts or any future amounts. Further, the Fund anticipates that the approximately \$1.8 million in accrued but not paid management fees, even if not adjusted downward based on any NAV recalculation, will be insufficient to pay for either the liquidation costs or the losses the Fund incurs based on Infinity Q’s conduct. The Fund has informed Infinity Q that the Fund reserves all rights to seek to recover all fees and expenses from Infinity Q and that the Fund is withholding any payment of management fees to Infinity Q until such time these matters are resolved. Further, the Order prevents Infinity Q, its affiliates, and its and their associated persons, from receiving any fee for managing the Fund.

and liabilities requiring reserves so that the Fund will be able to meet claims for potential damages (if any) and fund the cost of defending or pursuing legal actions (as the case may be), while still returning as much money as possible to shareholders as quickly as possible. By reserving for potential damages and other claims, the Board makes no admission that any damages will be owed and any estimate is merely an estimate that assumes, without agreeing, that there is any legal or factual basis for any such claim or damages amount. At this time, the Board has identified the following categories of potential litigation-related expenses and liabilities and expressly reserves the right to amend the categories as appropriate:

- Litigation Expenses. The Fund will incur legal and expert fees and costs in defending against the Securities Litigations and Potential Adverse Legal Actions, and in pursuing Potential Fund Claims, and currently is subject to claims for damages in connection with the Securities Litigations.<sup>2</sup>
- Indemnification. In addition to its own litigation fees and expenses, the Trust, with respect to the Fund, has an obligation to indemnify, among others, the trustees and officers of the Trust, and the Fund's distributor, Quasar Distributors, LLC ("**Quasar**") (the "**Indemnitees**") and to advance their reasonable legal expenses, so long as those persons did not engage in "disabling conduct" as defined in the Fund's governing documents and Section 17(h) of the Investment Company Act.<sup>3</sup>
- Plaintiffs' Attorney's Fees. The Securities Litigation plaintiffs seek attorney's fees in the event plaintiffs establish a violation of the securities laws. Depending on the length and complexity of the litigation and the amount of damages awarded or the settlement amount agreed upon, under a percentage approach, plaintiffs' attorney's fees could total up to approximately 30% of any potential damages awarded.

The Trust maintains insurance that covers its trustees and officers with respect to particular losses, including legal fees and other expenses resulting from litigation involving the Fund and its trustees and officers. However, available insurance may not be sufficient to satisfy claims that are covered. Additionally, certain of the expenses and liabilities that the Fund has incurred and anticipates incurring in connection with its liquidation and other matters discussed in the Order are not covered by any available insurance. These costs include expenses associated with the liquidation, expenses associated with the investigation and pursuit of affirmative claims on behalf of the Fund and its shareholders, other expenses associated with certain government investigations, and certain expenses, including legal fees, incurred by service providers and others

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<sup>2</sup> At this early stage, it is not possible to predict or estimate with precision the outcome of these proceedings or the Fund's potential damages exposure (if any).

<sup>3</sup> Pursuant to the Fund's governing documents and Section 17(h) of the Investment Company Act of 1940, the Trust cannot indemnify any trustee or officer of the Trust for any liability to the Trust or its shareholders to which he would otherwise be subject by reason of willful malfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office ("disabling conduct"). In addition, under the advisory agreement with Infinity Q, the distribution agreement with Quasar and Section 17(i) of the Investment Company Act of 1940, Infinity Q, Quasar, their officers, directors, employees or agents remain liable for acts or omissions constituting disabling conduct.

who are indemnified by the Fund but for whom insurance coverage does not apply. Accordingly, the Fund must reserve assets to fund these expenses and liabilities.

### **E. Fund Expenses**

In connection with and for the purposes of implementing and ensuring completion of this Plan, the Fund has incurred and will incur significant and extraordinary fees and expenses beyond those an investment company would typically incur (the “**Extraordinary Trust Expenses**”). Extraordinary Trust Expenses include, but are not limited to, for example, the fees and expenses incurred (i) by the accounting firm engaged to perform certain tasks in connection with the Order, including the liquidation audit; (ii) in connection with the recalculation of the NAV; and (iii) in connection with the distributions made pursuant to the Plan. Additionally, the Fund has and will continue to incur its ordinary brokerage, agency, professional fees and other such ordinary trust expenses (“**Ordinary Trust Expenses**”). Accordingly, the Fund must establish a reserve to fund the Extraordinary Trust Expenses and the Ordinary Trust Expenses.

## **II. Distribution Approach**

### **A. Overall Approach**

For the Interim Distribution described in Section II.C., below, the assets of the Fund attributable to each class of shares will be distributed to the Distributees *pro rata* based on the number of shares the Distributee held in that Class<sup>4</sup> on the Measurement Date relative to the aggregate shares held by all Distributees in that Class on the Measurement Date, less any offsetting claims the Fund has against that Distributee. Any distribution to Infinity Q or a present or former principal, officer or director of Infinity Q will be withheld until resolution of the offsetting claims that may apply to such distribution.

Following the Interim Distribution, the Board will continue to assess the historical revaluation of the Fund’s NAV, historical purchase and redemption activity in the Fund, and the status of litigation involving the Fund, to determine the appropriate methodology for any distributions following the Interim Distribution. The Board’s adoption of the methodology for such subsequent distributions will be subject to consultation with and review by the Commission staff, including discussions with the Commission staff regarding the Board’s assessment of the appropriate methodology for such subsequent distributions. Any adjustments to the methodology for subsequent distributions may result in an amendment to the Plan.

Redemption Claims will be paid subject to and after reduction on account of the Fund’s right to offset claims against the recipient. All redemption requests made after 4:00 p.m. (eastern standard time) on February 18, 2021 will be deemed to have no force or effect per the Order.

### **B. Special Reserve**

Without admitting the merits of any claim or potential claim against the Fund, the Board or the Trust, the Board must reserve assets to provide for the debts, obligations and liabilities of the Fund. Accordingly, the Board has established the Special Reserve based on estimates of debts, obligations, and liabilities (whether contingent, conditional, or unmatured) known or reasonably ascertainable by the Fund. Examples of such debts, obligations and liabilities include, among other

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<sup>4</sup> As of February 18, 2021, the last day as of which the Fund calculated its NAV, the Fund had issued and outstanding two classes of shares: Investor Class and Institutional Class.

things: (a) anticipated Ordinary Trust Expenses and Extraordinary Trust Expenses; (b) Litigation Expenses; and (c) other claims, including but not limited to claims for indemnification that could be made against Fund assets.

The Board's overarching goal has been to set the Special Reserve at an amount that will cover the Fund's total potential debts, obligations and liabilities, while still returning as much money as possible to shareholders as quickly as possible. While it has been extremely difficult to estimate the initial amount of the Special Reserve with any degree of precision, the Board has endeavored to calculate the range of costs, expenses and liabilities that might be included in the Special Reserve. The Board has preliminarily determined, based on currently available information, including good faith estimates, that the initial amount of the Special Reserve will be \$750,000,000. The Board reserves the right to increase or decrease the Special Reserve as events unfold.

### **C. Interim Distributions**

After the Special Reserve is first set, the Fund: (i) will make the Interim Distribution on the Interim Distribution Date to Distributees; (ii) may, subject to the Board's sole discretion, make such other and further interim distributions as may be prudent based on changes in the Special Reserve as events unfold; and (iii) will make a final distribution upon resolution of all the Fund's debts, obligations, and liabilities to the satisfaction of the Board. All distributions following the Interim Distribution may only be made following consultation with and review by the Commission staff, based on a methodology that is presented to and approved and assessed as appropriate by the Board.

The total amount of the Interim Distribution will be the assets in the Fund on the Interim Distribution Date less the Special Reserve on the Interim Distribution Date. Each Distributee's Interim Distribution will be *pro rata* based on the number of shares the Distributee held of each Class on the Measurement Date relative to the aggregate shares held by all Distributees of each Class on the Measurement Date. A Distributee's Interim Distribution may be reduced by any offsetting claims the Fund has against that Distributee. Failure to effect any such offset in the Interim Distribution, however, shall not constitute a waiver of any such claim against a Distributee.

Cash will be distributed to Distributees in the following manner: Direct shareholders will receive payments via check from the Fund using the account information the Fund has on file. Any shareholders invested in the Fund through financial intermediaries will receive payment through a credit to their intermediary account. In the event funds are unable to be delivered to a direct shareholder due to inadequate information on file, or are returned as undeliverable, and if the Fund is unable to obtain, within a reasonable time, information sufficient to effect delivery, the undeliverable funds will be reserved for that Distributee for the period of time required under Delaware law for unclaimed property, and if still unclaimed at the end of that period will be distributed to remaining Distributees as a supplemental distribution. The Fund will maintain records of undelivered funds and attempts to identify and contact Distributees.

The Interim Distribution, and any subsequent interim distribution, will be accompanied by a public statement on the Fund's liquidation website, [www.infinityqfundliquidation.com](http://www.infinityqfundliquidation.com), stating the value of the assets remaining after the distribution.

### **D. Redemption Claims**

Redemption Claims will be treated as claims against the Fund and will be paid, subject to and after reduction on account of the Fund's rights of offset, within 15 days after the Fund, based on A&M's analysis, completes the historical NAV recalculation.

#### **E. Final Distribution**

The final distribution will occur after the Board determines, in its sole discretion, that the debts, liabilities and obligations of the Fund have been satisfied. The Board anticipates that it will take more than a year from the date of this Plan to resolve all of the matters that give rise to the need for the Special Reserve. Accordingly, there is no estimate regarding the timing of the final distribution.

### **III. Asset Accumulation**

As required by the 1940 Act and the Order, all Fund assets, including cash accumulated in accordance with the liquidation plan, will remain in the custody of the Fund's custodian. Pending distribution pursuant to this Plan, the Fund, with the prior written approval of the Board or its designee (other than Infinity Q), has and will invest proceeds of cash dispositions of portfolio holdings solely in U.S. government securities, cash equivalents, securities eligible for purchase by a registered money market fund with legal maturities not in excess of 90 days and, if the Board determines to be necessary to protect the value of a portfolio position in a rights offering or other dilutive transaction, additional securities of the affected issuer.

Net income generated from Fund holdings since February 19, 2021 will be distributed in accordance with the Plan.

#### **IV. Reporting**

The Fund has established the website, [www.infinityqfundliquidation.com](http://www.infinityqfundliquidation.com) and posts regular updates and information relating to the Fund's liquidation and distribution under the Plan. The Fund intends to provide the following information on its website, monthly:

1. Total assets.
2. Accrued Fund expenses.
3. Amount of Special Reserve.
4. Amount of undistributed net income.

#### **V. Amendment**

This Plan can be amended from time to time by the Board, in its absolute discretion, subject to the Order, provided that the Fund shall consult with the Commission staff prior to making any material amendments and shall provide notice of any material changes to Distributees (by means of a website posting) prior to implementation.

#### **VI. Glossary of Definitions**

For the purposes of the Plan, the following definitions apply:

1. **1940 Act** means the Investment Company Act of 1940, as amended.
2. **A&M** means Alvarez and Marsal Valuation Services, LLC.
3. **Bilateral OTC Positions** means the Fund's bilateral over the counter positions.

4. **Board** means the Board of Trustees of Trust for Advised Portfolios.
5. **BVAL** means Bloomberg's Evaluated Pricing tool.
6. **Code** means the Internal Revenue Code of 1986, as amended.
7. **Commission** means the Securities and Exchange Commission.
8. **Distributee** means shareholders that owned shares of the Fund on the Measurement Date and did not submit a request to redeem all of their outstanding shares of the Fund that was received at or before 4:00 p.m. (eastern standard time) on February 18, 2021.
9. **Extraordinary Trust Expenses** means fees and expenses beyond those an investment company or trust would typically incur.
10. **Fund** means the Infinity Q Diversified Alpha Fund.
11. **IAA** means the Investment Advisory Agreement between Infinity Q and the Fund dated September 23, 2014.
12. **Indemnitees** means the trustees and officers of the Trust, the Fund's distributor, Quasar and others for whom the Trust and/or Fund are required to advance reasonable legal expenses, so long as those persons did not engage in "disabling conduct" as defined in the Fund's governing documents and Section 17(h) of the Investment Company Act.
13. **Infinity Q** means Infinity Q Capital Management, LLC, the investment adviser of the Fund and a registered investment adviser under the 1940 Act.
14. **Interim Distribution** means the initial distribution to Distributees made on the Distribution Date.
15. **Interim Distribution Date** means the date the Interim Distribution is made.
16. **Measurement Date** means 8:00 a.m., Eastern Time, on February 19, 2021.
17. **NAV** means net asset value.
18. **Order** means the exemptive order issued by the Commission on February 22, 2021.
19. **Ordinary Trust Expenses** means the ordinary brokerage, agency, professional fees and other such expenses that a trust may incur.
20. **Plan** means this Plan of Distribution of Assets.
21. **Potential Adverse Legal Actions** means the additional legal proceedings that may be initiated against the Trust, the Board, and others in relation to the Fund.
22. **Potential Fund Claims** means potential claims and legal actions the Fund may have against others.
23. **Quasar** means Quasar Distributors, LLC
24. **Redemption Claims** means claims against the Fund for unfulfilled redemption requests received at or before 4:00 p.m. (eastern standard time) on February 18, 2021.
25. **RIIS** means Russell Investments Implementation Services, LLC.
26. **Securities Litigations** means the putative class actions brought by current or former shareholders against the Trust, the Board and others in connection with the Fund.
27. **Special Reserve** means the reserve set aside by the Board to satisfy all of the Fund's such debts, obligations and liabilities.
28. **Trust** means the Trust for Advised Portfolios.

**EXHIBIT B**

## Infinity Q Diversified Alpha Fund Commences Interim Distribution of \$500 Million

November 8, 2021

The Infinity Q Diversified Alpha Fund (the "Fund"), a series of Trust for Advised Portfolios, has commenced the process of making the interim \$500 million distribution to the Fund's shareholders. This distribution follows completion of the review by the staff of the Securities and Exchange Commission ("SEC") of the Plan of Distribution originally submitted on June 7, 2021 (the "Plan"). An updated version of the Plan based on the SEC staff's comments has been posted on the Fund's website and can be found at [Plan of Distribution](#). The distribution represents approximately 40 percent of the current gross assets of the Fund.

As set forth in the original and updated Plan, the interim distribution is being paid to investors who owned shares in the Fund as of February 18, 2021. The distribution is being made on a pro rata basis to those investors. **Shareholders do not need to take any steps to receive this interim distribution.** The Fund will send checks to shareholders who purchased their shares directly from the Fund using account information the Fund has on file. For shareholders who purchased shares in the Fund through intermediaries, the Fund will distribute amounts to their intermediaries for credit to those shareholders' accounts. The Fund anticipates sending checks and distributing amounts to intermediaries with respect to the interim distribution by the week of November 29, 2021.

If an investor submitted a request to redeem shares on or before 4:00 p.m. EST on February 18, 2021 but which has not been paid, that investor will not receive an interim distribution with respect to those shares. Please click on the Fund's [Overview of Plan of Distribution Submitted to the SEC Staff and Frequently Asked Questions](#) for more information.

In calculating each shareholder's pro rata share, the Fund may make offsets based on any amounts previously received by that shareholder on a prior redemption of Fund shares pursuant to a NAV that the Fund determined was overstated. Moreover, the receipt of the distribution is without prejudice to any legal rights or remedies available to a shareholder. Shareholders are also strongly encouraged to consult their own tax advisors regarding the income tax consequences of having received a liquidating distribution from the Fund.

**EXHIBIT C**

## **Infinity Q Diversified Alpha Fund Commences Second Interim Distribution in the Amount of \$170 Million**

April 15, 2022

The Infinity Q Diversified Alpha Fund (the “Fund”), a series of Trust for Advised Portfolios, has commenced the process of making an interim \$170 million distribution to the Fund’s shareholders in accordance with the Fund’s Plan of Distribution (the “Plan”), a copy of which is posted on the Fund’s website and can be found at [Plan of Distribution](#). After the completion of the second interim distribution, the Fund will have distributed more than 50 percent of the gross assets of the Fund after completion of the liquidation mandated under the SEC’s Order of February 22, 2021.

As set forth in the Plan, the second interim distribution is being paid to investors who owned shares in the Fund as of February 18, 2021. The distribution is being made on a pro rata basis to those investors. **Shareholders do not need to take any steps to receive this second interim distribution.** The Fund will send checks to shareholders who purchased their shares directly from the Fund using account information the Fund has on file. For shareholders who purchased shares in the Fund through intermediaries or custodians, the Fund will distribute amounts to their intermediaries or custodians for credit to those shareholders’ accounts. The Fund anticipates it will begin sending checks and distributing amounts to intermediaries with respect to the interim distribution in late April 2022. The Fund will update the website once the distribution is made. However, shareholders should expect it will take several days for the intermediaries and custodians to credit the shareholder accounts. Each shareholder’s share balance will remain unchanged by the second interim distribution.

If an investor submitted a request to redeem shares on or before 4:00 p.m. EST on February 18, 2021 but which had not been paid, that investor received payment relating to its Redemption Claim (as defined in the Plan) in the Fund in January 2022 and, therefore, will not receive the second interim distribution (or any future distribution) with respect to those redeemed shares. Please click on the Fund’s Frequently Asked Questions for more information.

In calculating each shareholder’s pro rata share, the Fund will also make offsets based on any amounts previously received by that shareholder on prior purchases and redemptions of Fund shares pursuant to NAVs that the Fund determined was overstated. Moreover, the receipt of the distribution is without prejudice to any legal rights or remedies available to a shareholder or the Fund. Shareholders are also strongly encouraged to consult their own tax advisors regarding the income tax consequences of having received a cash liquidating distribution from the Fund.

**EXHIBIT D**

< Cases

# Infinity Q Diversified Alpha Fund (IQDNX/IQDAX) Liquidation

- Case Home
- Shareholder Updates
- Submit Inquiry
- Important Documents
- Frequently Asked Questions

## Frequently Asked Questions

This website is operated by the Infinity Q Diversified Alpha Fund (the "Fund") to provide information on the Fund's liquidation and distribution process. Please check this website regularly for future updates and information, as well as certain Fund documents relating to the Fund's liquidation and distribution.

Shareholders or their representatives who have questions about the Fund that are not answered below can submit them using the "Submit Inquiry" link above.

The Fund will strive to answer as many inquiries as it can through this section of the website. Shareholders with account-specific questions or requests may continue to call the Fund at 844-473-8631.

Expand All

### 1. Infinity Q Capital Management

1.1 To what extent are Infinity Q and its employees involved in the liquidation of the Fund's portfolio and distribution of Fund assets? Why is that involvement appropriate, as opposed to using third-party service providers to fill those roles?

1.2 Is Infinity Q paying for any of the expenses associated with the liquidation and other expenses arising from its alleged valuation errors?

1.3 (Revised 3/8/22) Have any lawsuits been filed against Infinity Q? Which law firms are representing the plaintiffs?

1.4 (Updated 3/8/22) Has the Fund concluded the re-valuation of the Fund's Bilateral OTC Positions for periods before February 18, 2021?

Expand All

### 2. Distributions Generally

2.1 (Updated 12/28/21) Does the Fund anticipate making more than one interim distribution?

2.3 (Updated 12/28/21) Since the distribution process will go past 2021, will the Fund provide investors an opportunity to sell shares and realize tax losses in 2021?

2.4 (Updated 6/7/21) Why is such a large reserve necessary when current shareholders may be the ones who suffered the most losses? Shouldn't that money just be distributed to current shareholders, thereby reducing the potential exposure in the class action litigation?

2.5 (Updated 6/7/21) The Plan does not provide for distributions to former shareholders. Why?

2.6 (Updated 6/7/21) Why did the Board adopt a pro rata distribution based on February 18, 2021 holdings instead of re-striking the NAV and recalculating the number of shares each shareholder has, which would give consideration to later purchasers who presumably were harmed more by the overvaluation than earlier purchasers?

2.7 (Updated 6/7/21) Who could have a claim to the Fund's assets that are senior to the shareholders?

2.8 (Updated 12/28/21) What is the status of the Fund's revaluation of historical NAVs?

2.9 (Updated 6/25/21) Will the NAV recalculation change the proportional stake that current shareholders will own in the initial or further distributions, or the proportional stake used to calculate claims against shareholders and former shareholders who redeemed some or all of their shares

2.10 (Updated 6/25/21) Will institutional investors receive more money in the distribution than individual investors?

2.11 (Updated 6/23/23) Does the SEC have to approve each distribution under the Plan before it is made?

2.12 (Updated 6/25/21) If the Fund's reported net asset value on February 18, 2021 was about \$1.727 billion, and the cash assets of the Fund remaining after liquidation were about \$1.249 billion as of June 4, 2021, then why isn't the Special Reserve something closer to \$500 million?

2.13 (Updated 6/25/21) Will claims asserted in litigation by shareholders and former shareholders get paid from the Special Reserve?

2.14 (Updated 6/25/21) How many shares of each class of the Fund are outstanding?

2.15 (Updated 8/23/21) Why can't the Fund just distribute all of its assets immediately to current shareholders and declare bankruptcy?

2.16 (Revised 9/14/22) Can you explain further why the Fund needs to establish a Special Reserve of approximately \$750 million, and whether the amount of the Special Reserve is primarily to cover legal and other fees?

2.17 (Updated 6/23/23) When does the Fund expect to make an additional distribution to current shareholders?

Expand All

**2A. Interim Distribution**

2A.2 (Updated 12/3/21) Did the Interim Distribution result in a reduction in shares?



2A.3 (Updated 12/28/21) Why didn't I receive an interim distribution?



2A.4 (Updated 12/28/21) How was the per share dollar amount of the recent interim distribution determined?



2A.5 (Updated 12/8/22) Will the Fund post an IRS Form 8937 in connection with the interim distribution or the second interim distribution?



2A.6 (Updated 3/8/22) Will Shareholders receive an IRS Form 1099 from the Fund on account of the Interim Distribution?



2A.7 (Updated 6/29/22) How was the per share dollar amount of the second interim distribution determined?



2A.8 (Updated 6/29/22) Where can shareholders obtain more information if they did not receive a distribution or received only a partial distribution due to an offset?



2A.9 (Updated 5/18/22) How can shareholders or their beneficiaries provide updated account and contact information regarding subsequent transfers?



Expand All



### 3. Potential Claims for Recovery on Behalf of the Fund

3.1 (Revised 3/8/22) What investigation has the Board undertaken to identify potential claims against service providers to the Fund or former shareholders who redeemed?



3.2 (Revised 3/8/22) Why hasn't the Fund sued anyone yet for the conduct that led to all this?



Expand All



### 4. Miscellaneous Questions

4.1 (Revised 12/28/21) Will shareholders be able to claim a loss in tax year 2021?



4.2 (Revised 9/14/22) What insurance is available to cover claims against the Trust, the Trustees and Officers?



4.3 (Updated 8/2/23) Who is exercising oversight over the Fund's expenses? What is causing variability in the Fund's expenses on a month-to-month basis?



4.4 (Updated 11/8/21) Have the Fund's assets been liquidated?



4.5 (Updated 1/30/23) Is the Fund earning interest income on the cash/reserves?



4.6 (Updated 11/8/21) What guidance can the Fund provide for retirement account investors who cannot withdraw their required minimum distribution for the year?



4.7 (Updated 12/30/21) Why did the Fund publish an updated NAV on December 30, 2021 and how was it calculated?



4.8 (Updated 3/8/22) Can I redeem my shares in the Fund?



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