

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No. 3-20963

In the Matter of

EAGLE BANCORP, INC.

Respondent.

EAGLE BANCORP FAIR FUND PLAN NOTICE TO PRELIMINARY CLAIMANTS

TO: Persons who purchased or otherwise acquired Eagle Bancorp, Inc. (“EGBN”) common stock (“the Security”) between March 2, 2015, through July 17, 2019, inclusive (the “Relevant Period”), and were harmed by Eagle Bancorp’s violations of the federal securities laws.¹

If you purchased or acquired the Security during the Relevant Period, you are a Preliminary Claimant, and you may be entitled to a recovery from the Eagle Bancorp Fair Fund. To be considered for a Distribution Payment, you must submit a Claim Form with the necessary documentation to the Fund Administrator, JND. Your Claim Form must be received or postmarked by the Claims Bar Date of October 1, 2024.² Late claims will not be considered.

I. Purpose of this Notice.

The purpose of this Plan Notice (“Notice”) is to inform you that you may be eligible to share in the proceeds of the Fair Fund. Copies of this Notice and the Claim Form are available on the Fair Fund’s website at www.EagleBancorpFairFund.com and through the website of the United States Securities and Exchange Commission (the “SEC” or “Commission”) at the Harmed Investors webpage at www.sec.gov. As explained in greater detail below, if you are a Preliminary Claimant, and you did not submit a claim in the related securities class action entitled *Shiva Stein v. Eagle Bancorp, Inc., et al.*, Case No 1:19-cv-06873-LGS filed in the United States District Court for the Southern District of New York (the “Class Action”), you must submit a Claim Form in accordance with the steps set forth in this Notice and in the Plan to be considered for a Distribution Payment from the Eagle Bancorp Fair Fund.

Please Note: Receipt of this Notice does not guarantee that you are eligible to receive a Distribution Payment. In addition, the Fund Administrator does not have information regarding your transactions in the Security.

NOTICE REGARDING ELECTRONIC FILES: Claimants are strongly encouraged to submit information regarding their transactions electronically. If you plan to submit a large number of transactions, please consult the mandatory electronic filing requirements and use the file layout available on the Fair Fund website at www.EagleBancorpFairFund.com. You may also email the Fund Administrator’s electronic filing department at EABSecurities@JNDLA.com for more information. Please note that if you submit a file that

¹ Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meaning ascribed to them in the Plan, which is available on the website established for the Fair Fund at www.EagleBancorpFairFund.com.

² Claimants who participated in the related class action, *Shiva Stein v. Eagle Bancorp, Inc., et al.*, Case No 1:19 - cv-06873-LGS filed in the United States District Court for the Southern District of New York who were deemed eligible **do not need to submit a Claim Form**. These claimants should have received either a “Notice to Class Action Authorized Claimants,” or a “Notice to Class Action Deficient Claimants.” If you did not receive such a notice and you believe you should have, please contact the Fund Administrator.

does not comply with the electronic filing requirements, it will be rejected by the Fund Administrator. Proof of authority to submit a Claim Form on behalf of any managed accounts must be submitted with any Claim Forms for such accounts.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR ELIGIBILITY TO RECEIVE A DISTRIBUTION PAYMENT FROM THE FAIR FUND.

II. Background.

On August 16, 2022, the Commission issued a Corrected Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”) against the Respondent. In the Order, the Commission found that Eagle made material misstatements and omissions about related party loans that Eagle’s principal subsidiary, EagleBank, extended to family trusts affiliated with Eagle’s former Chairman, CEO, and President, Ronald D. Paul (“Paul”), and to other related parties. From March 2015 through April 2018, Eagle failed to include these undisclosed loans in the related party loan balances included in its annual reports and proxy statements filed with the Commission. Eagle and Paul also made false statements regarding the nature of the loans in two press releases. Based on this conduct, the Commission found that Eagle violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 (the “Securities Act”), and Sections 13(a), 13(b)(2)(A), 13(b)(2)(B) and 14(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rules 12b-20, 13a-1, and 14a-9 thereunder.

Investors who purchased or acquired the Security between March 2, 2015, and July 17, 2019, inclusive, suffered losses as a result of Eagle’s non-disclosure of related-party loans, which caused artificial inflation in the price of the Security and price drops surrounding corrective disclosures.

The Commission ordered Eagle to pay \$2,600,000 in disgorgement, \$750,493 in prejudgment interest, and a \$10,000,000 civil money penalty, for a total of \$13,350,493, to the Commission. In its order, the Commission also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty collected, along with the disgorgement and interest collected, could be distributed to harmed investors (the “Eagle Bancorp Fair Fund”). The Commission further ordered that the Fair Fund may be combined with any fund established for the benefit of harmed investors in *SEC v. Ronald D. Paul*, 1:22-cv-06985 (S.D.N.Y.) (the “Related Action”).³

On October 11, 2023, the court in the Related Action ordered that the funds recovered in that case be sent to the Commission to be combined with the Eagle Bancorp Fair Fund. The Fair Fund consists of the \$13,350,493 collected from the Respondent in this matter and the \$431,216 collected in the Related Action. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

On May 17, 2023, the Commission issued an order appointing Heffler, Radetich & Saitta, LLP as the tax administrator (the “Tax Administrator”) of the Fair Fund.

On November 14, 2023, the Commission issued an order appointing JND Legal Administration (“JND”) as the fund administrator (the “Fund Administrator”) of the Fair Fund to assist in overseeing the administration and the distribution of the Fair Fund in coordination with Commission staff, pursuant to the terms of the Plan. Pursuant to the Order Approving Plan of Distribution, the Eagle Bancorp Fair Fund, created by the Commission pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 for the benefit of investors harmed by the Respondents’ securities violations, shall be distributed in accordance with the methodology described in the Plan.

³ The Commission corrected the Order to add this language, which was inadvertently omitted at the time of issuance.

III. The Class Action.

The Eagle Bancorp Fair Fund is separate and independent from the settlement funds previously established in the Class Action. However, the allegations in the Class Action and the SEC’s enforcement action relate to the same conduct during the Relevant Period.

If you previously filed an approved claim in the Class Action and do not wish to amend your claim, do not submit another Claim Form. You will automatically be deemed to be an Eligible Claimant with respect to transactions in the Class Action for which your claim was approved.

If you previously filed a claim in the Class Action that was determined to be deficient and you failed to cure such deficiencies and you wish to participate in the Fair Fund, you must cure the deficiencies in your Class Action claim by submitting documentation to support your claim. You do not need to submit a Claim Form to cure a deficiency. Your response should reference your Class Action claim number and must be received or postmarked no later than the Claims Bar Date of October 1, 2024.

If you did not previously file a claim in the Class Action and wish to participate in the Fair Fund, you must submit a Claim Form and documentation, which must be received or postmarked by the Claims Bar Date of October 1, 2024.

IV. Eligibility Criteria and Allocation for the Fair Fund.

Overview of the Plan: The Fair Fund, together with accumulated interest and earnings, less taxes and the fees and expenses of administering the Plan (the “Net Available Fair Fund”) will be distributed to investors (other than Excluded Parties) who purchased or acquired Eligible Securities during the Relevant Period, who suffered a Recognized Loss, and whose Distribution Payment calculates to an amount equal to or greater than the Minimum Distribution Amount of \$10.00. Eligible Claimants include those who: (a) submitted a non-deficient claim in the Class Action matter whose transactions calculate to a Recognized Loss based on the Fair Fund Plan of Distribution (b) submitted a Claim that was determined to be deficient in the Class Action (c) submit initial or amended Claim Forms to the Fund Administrator on or before the Claims Bar Date that are determined by the Fund Administrator to be eligible for a distribution. The Fund Administrator is responsible for providing notice to persons with records in the Class Action, and for determining the amount of each Eligible Claimant’s Recognized Loss calculated pursuant to the methodology of the Plan of Allocation as set forth in Exhibit A of the Plan of Distribution for the Eagle Bancorp Fair Fund.

Eligibility Criteria and the Method of Allocation: To receive a Distribution Payment, a claimant must meet all the requirements of becoming an Eligible Claimant under the Plan of Distribution for the Eagle Bancorp Fair Fund and must have a distribution amount of at least \$10.00 (the Minimum Distribution Amount) as calculated under the Plan of Allocation, which is Exhibit A to the Plan of Distribution. The Plan of Distribution is available on the Fair Fund website.

Excluded Parties are:

- The Respondent;
- Present or former officers or directors of Respondent or any assigns, creditors, heirs, distributees, spouses, parents, dependent children or controlled entities of any of the foregoing Persons or entities;
- Any employee or former employee of the Respondent or any of its affiliates who has been terminated for cause or has otherwise resigned in connection with the conduct described in the Order;
- 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;
- Any firm, trust, corporation, officer or other entity in which Respondent has or had a controlling interest;
- The Fund Administrator, its employees, and those Persons assisting the Fund Administrator in its role as the Fund Administrator; or

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- 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.

Should the sum of the Recognized Losses of all Eligible Claimants (minus any Prior Recovery) exceed the Net Available Fair Fund, the Fund Administrator will distribute funds to the Eligible Claimants based upon a *pro rata* distribution formula. The Fund Administrator shall determine each Eligible Claimant's *Pro Rata* Share of the Fair Fund based upon each Eligible Claimant's Recognized Loss divided by the total of all Recognized Losses of all Eligible Claimants, multiplied by the total amount in the Net Available Fair Fund. To avoid a windfall, the *Pro Rata* Share will be capped at an amount equal to the Eligible Claimant's Recognized Loss less any Prior Recovery.

No Eligible Claimant shall receive a distribution payment unless his, her or its Recognized Loss calculated pursuant to the Plan of Allocation results in a payment that is equal to or greater than \$10.00 ("Minimum Distribution Amount"). Claims that would result in a payment of less than \$10.00 will not be paid.

V. Claim Forms.

CLAIM FORMS ARE AVAILABLE ON THE FAIR FUND WEBSITE AT WWW.EAGLEBANCORPFAIRFUND.COM. CLAIM FORMS MUST BE SUBMITTED TO THE ADDRESS BELOW AND POSTMARKED OR, IF NOT MAILED, RECEIVED BY OCTOBER 1, 2024.

**Eagle Bancorp Fair Fund
c/o JND Legal Administration
P.O. Box 91487
Seattle, WA 98111**

IF YOU FAIL TO TIMELY SUBMIT A COMPLETED CLAIM FORM, YOU MAY BE BARRED FROM RECEIVING A PAYMENT FROM THE FAIR FUND. THE CLAIM FORM MUST BE ACCOMPANIED BY APPROPRIATE SUPPORTING DOCUMENTS FOR EACH TRANSACTION LISTED IN THE CLAIM FORM. THE FUND ADMINISTRATOR MAY REACH OUT TO OBTAIN A COMPLETED IRS W-9 (FOR U.S. PERSONS) OR IRS FORM W-8 SERIES, ONCE YOUR CLAIM HAS BEEN FULLY PROCESSED. FAILURE TO COMPLY WITH THIS REQUEST MAY RESULT IN BACKUP WITHHOLDING ON YOUR POSSIBLE DISTRIBUTION PAYMENT.

If you submit a Claim Form that fails to provide all required information, or is otherwise deficient, you may receive a Claim Status Notice advising you of the reason(s) why the claim is deficient and of the opportunity to cure such deficiencies.

VI. Claims Determination.

The Fund Administrator shall mail a Determination Notice advising each claimant of the determination concerning such claim. If a claim is denied in whole or in part, the Fund Administrator will state the reason for such denial. All determinations of the Fund Administrator that are made in accordance with the Plan shall be final and not subject to appeal. See Plan paragraphs 17 and 67-68.

VII. Other Claims.

Upon receipt and acceptance of a distribution from the Fair Fund, you shall be deemed to have released any claims you may have against the Fund Administrator and its agents. By participating in the distribution of the Fair Fund, you will not be releasing any rights or claims you may have against any other party.

VIII. Special Notice to Securities Brokers and Other Nominee Purchasers.

If you purchased Eligible Securities during the Relevant Period as nominee for a beneficial owner and have additional names and addresses **that were not previously submitted** in the Class Action, then within fourteen (14) calendar days after you receive a Notice, you must either: (a) send a copy of the Plan Notice 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 Fund Administrator at the address above. Please refer to Plan paragraphs 48-50 for more information.

IX. Additional Information.

Additional information regarding the Fair Fund may be found at www.EagleBancorpFairFund.com. Claim Forms may be downloaded from the website. You may obtain additional information or request copies of the Claim Form by calling the Fair Fund's toll-free hotline at 1-888-995-0214 or by emailing Info@EagleBancorpFairFund.com.

**PLEASE CHECK THE WEBSITE WWW.EAGLEBANCORPFAIRFUND.COM
FREQUENTLY FOR UPDATES**