

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING

File No. 3-16846

In the Matter of UBS FINANCIAL SERVICES INCORPORATED OF PUERTO RICO Respondent.

NOTICE FOR DISTRIBUTION OF THE UBS PUERTO RICO FAIR FUND

If you purchased certain UBS Financial Services Incorporated of Puerto Rico (“UBSPR”) non-exchange-traded closed-end funds (“CEFs”) through proceeds received from a UBSPR non-purpose line of credit (“LOC”) during the period of time from January 1, 2011 through September 13, 2013, you may be eligible to share in the distribution of the \$15,025,000 fund.

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

This is not a solicitation from a lawyer.

The United States Securities and Exchange Commission (“SEC” or “Commission”) filed Orders Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“OIPs”) on September 29, 2015 against UBSPR and Ramiro L. Colon, III charging them with violations of the anti-fraud and other provisions of the federal securities laws. As set forth in the Orders, Respondents paid a total of \$15,025,000 into a distribution fund (“UBS Puerto Rico Fair Fund”) that will be distributed to investors harmed by the Respondents’ misconduct. The purpose of this Fair Fund Notice is to advise you of your rights and of the eligibility criteria that may entitle you to participate in the distribution of the UBS Puerto Rico Fair Fund.

YOUR LEGAL RIGHTS AND OPTIONS	
SUBMIT A CLAIM	This is the only way to be considered for payment.
DO NOTHING	You will not be considered for payment.
DEADLINE	Claim Forms must be postmarked no later than March 9, 2018 .

PLEASE DIRECT ALL QUESTIONS REGARDING THIS FAIR FUND NOTICE TO		
Call: 1-877-657-9155	Email: info@SECUBSFairFund.com	Write: UBS Puerto Rico Fair Fund c/o Rust Consulting, Inc. Fund Administrator - 5474 P.O. Box 2570 Faribault, MN 55021-9570

Please read this Fair Fund Notice carefully.

For More Information: Call 1-877-657-9155 or Visit www.SECUBSFairFund.com.

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BASIC INFORMATION

1. Why did I receive this Fair Fund Notice?

You or someone in your family may have purchased certain UBSPR non-exchange-traded CEFs through proceeds received from a UBSPR LOC during the Relevant Period (the period from January 1, 2011 through September 13, 2013).

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

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

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

On September 29, 2015, the Commission issued separate, but related, settled Orders Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (collectively, the “Orders”)¹ against UBS Financial Services Inc. of Puerto Rico (“UBSPR”) and, UBSPR Guayanabo branch office manager, Ramiro L. Colon, III (“Colon”) (collectively, the “Respondents”). Each Order found that UBSPR, through Colon, violated Section 15(b)(4)(E) of the Securities Exchange Act of 1934 (“Exchange Act”) by failing to supervise Jose Ramirez, Jr., a registered representative and associated person of UBSPR and UBSPR’s Guayanabo branch, who engaged in conduct that violated the anti-fraud provisions of Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

According to the Orders, from approximately 2011 through 2013, Ramirez made material misrepresentations and omissions to customers and engaged in a fraudulent scheme involving the offer and sale of approximately \$50 million of certain UBSPR affiliated, non-exchange-traded, closed-end funds (“CEFs”).² Ramirez solicited certain customers to

¹ See Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions, Exchange Act Rel. No. 76013 (Sept. 29, 2015), Admin. Proc. File No. 3-16846 and Order Instituting Administrative Proceedings, Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions, Exchange Act Rel. No. 76014 (Sept. 29, 2015), Admin. Proc. File No. 3-16847.

² CUSIP’s for the relevant CEFs are: 745274100, 74527K104, 74527M100, 74527N108, 74527Q101, 745276105, 745296103, 74529P101, 74527G103, 87675M102, 87675H103, 87675W100, 74514M105, 74514P108, 74514T100, 74527W108, 74528E107, 744907106, 744908104, 744909102, 74528A105, 74528B103, 74528D109.

improperly use proceeds from non-purpose lines of credit (“LOCs”) offered by UBSPR’s banking affiliate, UBS Bank USA (“BUSA”), to purchase additional shares of UBSPR CEFs. According to UBSPR’s Order, UBSPR lacked procedures and systems to prevent and detect the broker’s misconduct. On at least two occasions, UBSPR was made aware that Ramirez may have been violating internal policy, but UBSPR’s procedures failed to address reasonable follow-up for violations of the policy.

Respondent UBSPR was ordered to pay disgorgement of \$1,188,149.41, prejudgment interest of \$174,196.97, and a \$13,637,653.62 civil money penalty; Colon was ordered to pay a \$25,000 civil money penalty. UBSPR and Colon paid the amounts ordered in their respective orders, which total \$15,025,000 (the “Fair Fund”). The UBSPR Order created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, for the amounts ordered. The Fair Fund is subject to the continuing jurisdiction and control of the Commission and the Fair Fund is currently on deposit at the United States Department of Treasury’s Bureau of the Fiscal Service (“BFS”) for investment.

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

WHO IS ELIGIBLE

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

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

All persons and entities who purchased certain UBSPR non-exchange-traded CEFs through proceeds received from a UBSPR LOC during the Relevant Period (the period from January 1, 2011 through September 13, 2013) and who sustained a loss.

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

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

The following may not be Eligible Claimants:

- a) Respondent or any Person who served as an officer or director of UBS Financial Services Incorporated of Puerto Rico (“UBSPR”) during the Relevant Period, or any subsidiary or affiliate of UBSPR directly involved in the conduct detailed in the Orders;
- b) Any employee or former employee of UBSPR or any of its affiliates who has been terminated for cause, or has otherwise resigned, in connection with the conduct described in the Orders;
- c) Any Person who, as of the Claims Bar Date, has been the subject of criminal charges related to the conduct found in the Orders or any related Commission action, unless and until such defendant is found not guilty in all such criminal actions prior to the Claims Bar Date, and proof of the finding(s) is included in such defendant’s timely filed Claim Form;
- d) Any affiliates, assigns, creditors, heirs, distributees, spouses, parents, children or controlled entities of any of the foregoing Persons described in paragraphs a-c above;
- e) The Fund Administrator and those persons assisting the Fund Administrator in its role as Fund Administrator; or
- f) Any purchaser or assignee of another Person’s right to obtain a recovery from the Fair Fund; however, this provision shall not be construed to exclude those Persons who obtained such a right by gift, inheritance, devise or operation of law.

HOW TO SUBMIT A CLAIM FORM FOR CONSIDERATION

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

To qualify for a Distribution Payment, you **must** file a signed Claim Form with the Fund Administrator postmarked on or before the Claims Bar Date, **March 9, 2018**. A Claim Form is included with this Fair Fund Notice. If you require additional information or Claim Forms, you may obtain them from the UBS Puerto Rico Fair Fund website at www.SECUBSFairFund.com. You may also request them by calling 1-877-657-9155 or you may submit a written request or email to the Fund Administrator.

For More Information: Call 1-877-657-9155 or Visit www.SECUBSFairFund.com.

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

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

Your completed Claim Form must be postmarked no later than the Claims Bar Date of March 9, 2018 and mailed to the following address:

UBS Puerto Rico Fair Fund
c/o Rust Consulting, Inc.
Fund Administrator - 5474
P.O. Box 2570
Faribault, MN 55021-9570

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

The Court has approved a Distribution Plan that provides a mathematical formula for the Fund Administrator to determine each Eligible Claimant's Eligible Loss Amount based on each Eligible Claimant's purchases of Eligible Securities. The Net Fair Fund will be allocated *pro rata* to Eligible Claimants based upon the ratio of the Eligible Loss Amount of each Eligible Claimant to the aggregate Eligible Loss Amounts of all Eligible Claimants (the "Distribution Payment"). No distribution shall be made to an Eligible Claimant whose Distribution Payment is less than \$10.

PLAN OF ALLOCATION

CALCULATION OF ELIGIBLE LOSS

Based on the formula set forth below, an Eligible Loss Amount shall be calculated for each investment in the Eligible Securities during the Relevant Period that is listed in the claim and for which adequate documentation is provided showing withdrawals from a LOC and purchases of Eligible Securities during the Relevant Period.

1. Eligible Securities purchased during the Relevant Period, and:
 - a. Sold on or before September 13, 2013, the Eligible Loss Amount shall be the total investment dollars invested in the Eligible Securities minus the total proceeds received from the sale of the Eligible Securities.
 - b. Held as of the close of trading on September 13, 2013, the Eligible Loss Amount shall be the total dollars invested in the Eligible Securities minus the value of the Eligible Securities on September 14, 2013.

GENERAL PROVISIONS

Subject to the limitations set forth in the Plan, if a Potential Claimant acquired Eligible Securities by way of gift, inheritance, devise or operation of law, such claim will be computed using the date and price of the original purchase and not the date and price of transfer, gift or inheritance. To the extent those investments were not originally purchased in the Relevant Period, the Eligible Loss Amount for that investment shall be zero.

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

For Eligible Claimants who made multiple purchases, acquisitions or sales of Eligible Securities during the Relevant Period, the sales will be matched in chronological order against purchases or acquisitions made in the Relevant Period until all such shares have been exhausted. Purchases and sales of Eligible Securities shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date.

COMPUTATION OF THE ELIGIBLE LOSS AMOUNT FOR EACH ELIGIBLE CLAIMANT

The Eligible Loss Amount will be calculated for the Eligible Securities that were purchased or sold in the Relevant Period, listed in the Claim Form and for which adequate documentation is provided showing withdrawals from a LOC and purchases of Eligible Securities during the Relevant Period. An Eligible Claimant's total Eligible Loss Amount equals the sum of Eligible Losses for all investments in Eligible Securities. If the Eligible Loss Amount calculates to a negative number, that Eligible Claimant's Eligible Loss Amount shall be \$0.00.

DISTRIBUTION PAYMENT CALCULATIONS

Should the total Eligible Loss Amounts of all Eligible Claimants exceed the Net Fair Fund, the 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 Net Fair Fund based upon each Eligible Claimant's total Eligible Loss Amount divided by the total Eligible Loss Amounts of all Eligible Claimants.

Each Eligible Claimant shall be allocated a Distribution Payment if eligible. An Eligible Claimant's Eligible Loss Amount will be reduced by the amount of any compensation that resulted from the conduct described in the Order in this matter that was received from another source (e.g., arbitration settlement), excluding any FINRA restitution, to the extent known by the Fund Administrator. In no event will an Eligible Claimant receive a Distribution Payment totaling more than his, her or its Eligible Loss Amount.

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

8. When will I receive my Distribution Payment?

Processing of the Claim Forms will require significant time. The Fund Administrator estimates that distributions from the Net Fair Fund will be made approximately 9 to 12 months after the Claims Bar Date, although that estimate is subject to change, depending on various factors.

Potential Claimants can receive information about the progress of the distribution by visiting the website at www.SECUBSFairFund.com, by calling 1-877-657-9155, sending an email to info@SECUBSFairFund.com, or writing to: UBS Puerto Rico Fair Fund, c/o Rust Consulting, Inc., Fund Administrator - 5474, P.O. Box 2570, Faribault, MN 55021-9570.

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

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

IFYOU DO NOTHING

10. What happens if I do nothing at all?

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

GETTING MORE INFORMATION

11. Are there more details about the action?

This Fair Fund Notice summarizes the distribution. You may obtain copies of the Commission's Complaints and other relevant documents from the website at www.SECUBSFairFund.com.

12. How do I get more information?

You can visit the website at www.SECUBSFairFund.com, where you will find answers to common questions about the distribution, the Claim Form, plus other information to help you determine whether you are an Eligible Claimant and whether you are eligible for payment. You can also call 1-877-657-9155 toll-free, write to the UBS Puerto Rico Fair Fund, c/o Rust Consulting, Inc., Fund Administrator - 5474, P.O. Box 2570, Faribault, MN 55021-9570, or send an email to info@SECUBSFairFund.com.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased certain UBSPR non-exchange-traded CEFs through proceeds received from a UBSPR LOC during the Relevant Period (the period from January 1, 2011 through September 13, 2013) as nominee for a beneficial owner, then within fourteen (14) calendar days after you receive this Fair Fund Notice, you must either: (a) send a copy of this Fair Fund Notice and the accompanying Claim Form by first class mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Fund Administrator so that the Fund Administrator can provide them with a copy of this Fair Fund Notice and a Claim Form.

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

For More Information: Call 1-877-657-9155 or Visit www.SECUBSFairFund.com.

INQUIRIES

All inquiries concerning this Fair Fund Notice, the Claim Form, or any other questions by Potential Claimants should be directed to the Fund Administrator as follows:

UBS Puerto Rico Fair Fund
c/o Rust Consulting, Inc.
Fund Administrator - 5474
P.O. Box 2570
Faribault, MN 55021-9570
Toll-Free: 1-877-657-9155

Email: info@SECUBSFairFund.com; Website: www.SECUBSFairFund.com

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

Dated: November 9, 2017