

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

SECURITIES AND EXCHANGE COMMISSION

Plaintiff,

v.

BROADWIND ENERGY, INC.,
J. CAMERON DRECOLL; and
STEPHANIE K. KUSHNER,

Defendants.

Case No. 1:15-cv-01142

Hon. Charles R. Norgle, Sr.

Broadwind Energy, Inc. Fair Fund Plan Notice

TO: Persons who purchased or acquired Broadwind Energy (“Broadwind”) common stock, traded on the NASDAQ under the trading symbol BWEN (the “Security”) during the Recovery Period (March 16, 2009 through March 11, 2010, inclusive).

If you purchased or acquired the Security during the Recovery Period, you must submit a completed Claim Form with the necessary documentation so that it is postmarked (or if not sent by U.S. Mail, received) by June 14, 2022 (the “Claims Bar Date”) to be considered for eligibility to recover from the Broadwind Fair Fund. Claim Forms may also be submitted online on the Broadwind Fair Fund’s website at www.SECvBroadwindFairFund.com. If you choose to file your Claim Form online, you must file on or before 11:59 p.m. Eastern Standard Time on June 14, 2022.

1. Purpose of this Plan Notice

The purpose of this Plan Notice is to inform you that you may be eligible for a distribution from the Broadwind Fair Fund. To be potentially eligible to share in the Broadwind Fair Fund, you must file a Claim Form in accordance with the steps set forth in this Plan Notice and in the Court-approved Distribution Plan (the “Plan”). Claim Forms together with this Plan Notice are being mailed to all known Potential Claimants¹ who purchased the Security during the Recovery Period, including all Potential Claimants identified by the Court-appointed Distribution Agent (“Distribution Agent”), Analytics Consulting LLC (“Analytics”). Copies of the Plan, this Plan Notice, and the Claim Form are also available on the Broadwind Fair Fund website at <http://www.SECvBroadwindFairFund.com>. Certain persons and entities are excluded from eligibility under paragraph 13 of the Plan; these exclusions are set forth in Section III below.

PLEASE NOTE: Receipt of this Plan Notice does not mean you are an Eligible Claimant; eligibility will be determined by the Distribution Agent pursuant to the Plan..

NOTICE TO INSTITUTIONAL FILERS: Claims with 100 or more transactions or on behalf of 20 or more different accounts must be submitted electronically and in the required format specified by the Distribution Agent.

If you fall within this category and wish to file your Claim Form electronically, you must send an e-mail to info@SECvBroadwindFairFund.com, or visit www.SECvBroadwindFairFund.com to obtain the required electronic filing template. Files that do not comply with the template and format provided by the Distribution Agent may be rejected. Electronic files will NOT be considered properly submitted unless the Distribution Agent issues to the Potential

¹ Capitalized terms used in this Claim Form but not defined are defined in the approved distribution plan, which you can access on the Broadwind Fair Fund website: www.SECvBroadwindFairFund.com.

Claimant a written acknowledgment of receipt and acceptance of the electronically submitted data. If you do not receive such an acknowledgement, please contact the Distribution Agent.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY BECAUSE YOU MAY BE ENTITLED TO A RECOVERY FROM THE FAIR FUND. THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR ABILITY TO SHARE IN THE BROADWIND FAIR FUND.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES: If you purchased or acquired Broadwind common stock as nominee for a beneficial owner, then within fourteen (14) calendar days after you receive this Claims Packet, you must either: (a) notify the respective beneficial owners of receipt of the Claims Packet so that beneficial owners may timely file a claim; or (b) provide to the Distribution Agent a list of last known names and addresses for all beneficial owners for whom the record holders purchased or acquired the Security during the Recovery Period so that the Distribution Agent can send them a Claims Packet directly. If you choose to follow procedure (a), a copy of the Claims Packet is available to download and print at www.SECvBroadwindFairFund.com. Requests to the Distribution Agent for additional copies of the Claims Packet in excess of 500 are subject to approval by the Distribution Agent in consultation with the Commission staff.

2. Background

On February 5, 2015, the U.S. Securities and Exchange Commission (the “SEC” or “Commission”) filed a Complaint against Broadwind Energy, Inc. (“Broadwind”), J. Cameron Drecoll (“Drecoll”), and Stephanie K. Kushner (“Kushner”) (collectively, the “Defendants”) in the United States District Court for the Northern District of Illinois (the “Court”). The SEC alleged accounting and disclosure securities law violations arising from Broadwind’s failure to record and disclose a \$58 million impairment charge for intangible assets prior to a public offering in January 2010.

On February 11, 2015, the Court entered final judgments against all of the Defendants, ordering them, in the aggregate, to pay disgorgement of \$495,000.00 plus prejudgment interest of \$71,467.00 and civil penalties of \$1,125,000.00, for a total of \$1,691,467.00. The Defendants have paid the full amounts ordered by the Court, which is deposited in an interest-bearing account at the U.S. Treasury’s Bureau of Fiscal Service (“BFS”). Each of the final judgments provides that the SEC may propose a plan to distribute the collected funds subject to the Court’s approval that the plan may provide for a distribution pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002 (“SOX”), and that the Court shall retain jurisdiction over the administration of any distribution of the Fund.

On February 20, 2020, the Court established a Fair Fund, pursuant to Section 308(a) of SOX consisting of the \$1,691,467.00 paid by the Defendants, along with any accrued interest and earnings thereon (the “Fair Fund”), and appointed Miller Kaplan Arase LLP as tax administrator (“Tax Administrator”) to fulfill the tax obligations of the Fair Fund (“MKA Appointment Order”).

On February 20, 2020, the Court also appointed Analytics Consulting LLC as the distribution agent (“Analytics” or “Distribution Agent”) for the Fair Fund to assist in overseeing the administration and the distribution of the Fair Fund in coordination with SEC staff, pursuant to the terms of a distribution plan to be approved by this Court. On January 6, 2022, the Court approved the Plan.

3. Eligibility Criteria and the Distribution Formula

To be eligible for a payment from the Broadwind Fair Fund, you must satisfy certain eligibility criteria that are described in detail in the Plan. The Plan is available on the Broadwind Fair Fund’s website at www.SECvBroadwindFairFund.com. You can also request a copy of the Plan by calling the Distribution Agent at 1-855-907-3474 or by sending an email to info@SECvBroadwindFairFund.com. Those criteria include the following:

1. You must have purchased or acquired Broadwind common stock, traded on NASDAQ under the trading symbol BWEN, during the Recovery Period.
2. Your approved transactions must calculate to a Recognized Loss as calculated under the Plan, and the Distribution Payment must equal or exceed \$10.00.

3. You are excluded from participation in the Broadwind Fair Fund if you are an Excluded Party as defined in the Plan, including:
- a. Any director or officer, past or present, of Broadwind or any of their past or present advisers, agents, affiliate (or any of the nominees, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities of the foregoing) who served in such capacity during the Relevant Period
 - b. The Defendants in the captioned action (or any of the Defendant’s advisers, agents, affiliates, nominees, assignees, creditors, heirs, distributees, spouses, parents, children, or controlled entities);
 - c. Any employee or former employee of the Defendant 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. The Distribution Agent, its employees, and those persons assisting the Distribution Agent in its role as Distribution Agent;
 - e. Any Person who assigned their right to obtain a recovery in the Commission’s action against Defendants; provided, however, that this provision shall not be construed to exclude those Persons who obtained such a right by gift, inheritance, devise or operation of law; and
 - f. Any Person who, as of the Claims Bar Date, has been the subject of criminal charges related to the violations alleged in the Commission’s complaint in this action or any related Commission action (or any of his or her affiliates, assignees, creditors, heirs, distributees, spouses, parents, children, or controlled entities) 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.

The Plan of Allocation that will be used to calculate Distribution Payments is set forth in Exhibit A of the Plan.

The Plan of Allocation is designed to compensate Eligible Claimants based on their losses from purchases of the Security during the Recovery Period due to conduct of the Defendant. If the Net Available Fair Fund has sufficient funds, each Eligible Claimant will receive a Distribution Payment equal to the amount of his, her, or its Recognized Loss less his, her, or its Prior Recovery. If the Net Fair Fund is not sufficient to pay the full Recognized Loss for all Eligible Claimants, then each Eligible Claimant will receive a Distribution Payment equal to their Recognized Loss in proportion to the total Recognized Loss of all Eligible Claimants (“Pro-Rata Share”) multiplied by the Net Fair Fund. In no instance will an Eligible Claimant receive a Distribution Payment that when combined with any compensation received from another source for the loss that resulted from the conduct described in the complaint in this case exceeds his, her, or its Recognized Loss. However, Reasonable Interest, if awarded, may result in a Distribution Payment in excess of the Recognized Loss.

4. Claim Forms

A CLAIM FORM IS BEING MAILED TOGETHER WITH THIS PLAN NOTICE TO ALL POTENTIAL CLAIMANTS KNOWN TO, OR IDENTIFIED BY, THE DISTRIBUTION AGENT. IF YOU DO NOT RECEIVE A CLAIM FORM IN THE MAIL OR REQUIRE ADDITIONAL CLAIM FORMS, SEE THE INSTRUCTIONS BELOW UNDER “ADDITIONAL INFORMATION.”

THE DEADLINE TO SUBMIT A CLAIM FORM AT THE ADDRESS BELOW IS **JUNE 14, 2022** (PLEASE NOTE: THIS IS A POSTMARK DEADLINE). IF YOU CHOOSE TO FILE YOUR CLAIM FORM ONLINE, YOU MUST FILE ON OR BEFORE 11:59 P.M. EASTERN STANDARD TIME ON **JUNE 14, 2022**. IF YOU FAIL TO TIMELY SUBMIT A COMPLETED CLAIM FORM, YOU WILL BE BARRED FROM RECEIVING A PAYMENT FROM THE BROADWIND FAIR FUND. THE CLAIM FORM MUST BE ACCOMPANIED BY APPROPRIATE SUPPORTING DOCUMENTS FOR EACH TRANSACTION LISTED IN PART II OF THE CLAIM FORM.

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

5. Claim Determinations

The Distribution Agent will mail a Final Determination Notice advising each Potential Claimant that submitted a Claim Form of the determination concerning such claim. If a claim is denied in whole or in part, the Distribution Agent will state the reason for such denial.

All determinations of the Distribution Agent that are made in accordance with the Plan shall be final and not subject to appeal.

6. Instructions for Submitting a Claim Form

YOU MUST COMPLETE AND SIGN THE CLAIM FORM AND SUBMIT IT TO THE DISTRIBUTION AGENT SO THAT IT IS POSTMARKED (OR IF NOT SENT BY U.S. MAIL, RECEIVED) NO LATER THAN **JUNE 14, 2022**, AT THE ADDRESS LISTED BELOW IN ORDER TO BE CONSIDERED FOR ELIGIBILITY TO RECOVER FROM THE BROADWIND FAIR FUND:

Broadwind Fair Fund
c/o Analytics Consulting LLC
Distribution Agent
P.O. Box 2007
Chanhassen, MN 55317-2007

Claim Forms may also be submitted online on the Broadwind Fair Fund's website at www.SECvBroadwindFairFund.com. If you choose to file your Claim Form online, you must file on or before 11:59 p.m. Eastern Standard Time on **June 14, 2022**.

7. Other Claims

Upon receipt and acceptance of a distribution from the Broadwind Fair Fund, you shall be deemed to have released any claims you may have against the Distribution Agent and its agents. You are not required to release any rights or claims you may have against, among others, the Defendants, and Defendants' past or present directors, officers, employees, advisers and agents in order to participate in the distribution of the Broadwind Fair Fund.

8. Additional Information

Additional information regarding the Broadwind Fair Fund may be found at www.SECvBroadwindFairFund.com. Additional Claim Forms and Plan Notices may also be downloaded at the Broadwind Fair Fund's website. You may obtain additional information or request copies of Claim Forms and Plan Notices by calling the Broadwind Fair Fund's toll-free helpline at 1-855-907-3474 in the United States, or by emailing info@SECvBroadwindFairFund.com.

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