

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 92274 / June 28, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-18843

In the Matter of	:	
	:	
	:	
Petróleo Brasileiro, S.A. - Petrobras	:	NOTICE OF PROPOSED PLAN OF
	:	DISTRIBUTION AND
Respondent.	:	OPPORTUNITY FOR COMMENT
	:	

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission's ("Commission") Rules on Fair Fund and Disgorgement Plans ("Commission's Rules"), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the "Proposed Plan") for the distribution of monies paid in the above-captioned matter.

On September 27, 2018, the Commission issued an 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")¹ against Petróleo Brasileiro, S.A. - Petrobras (the "Respondent"). In the Order, the Commission found that from at least 2003 to April 2012, Petrobras engaged in a large-scale expansion of its infrastructure for producing oil and gas, a matter of significant interest to investors. During the same period, certain former Petrobras executives ("Corrupt Executives") worked with Petrobras' largest contractors and suppliers to inflate the cost of Petrobras' infrastructure project by billions of dollars. In return, the companies executing those projects paid billions of dollars in kickbacks that typically amount to between 1% to 3% of the contract cost to the Corrupt Executives and conspiring politicians and political parties, including the Brazilian politicians to whom the Corrupt Executives owed their jobs at Petrobras. As a result of the Corrupt Executives' failure to implement Petrobras' internal controls, their exploitation of deficiencies in these controls, and their submission of false certifications in connection with Petrobras' internal process for preparing its Commission filings, the Commission found that Petrobras made material misstatements and omissions in filings made with the Commission and in documents relating to a public offering in 2010. The Commission ordered the Respondent to pay a total of \$933,473,797 in disgorgement, subject to reduction by payments by Petrobras to the Class Action, which Petrobras satisfied by paying the Class Action settlement amount of

¹ Securities Act Rel. No. 10561 (Sept. 27, 2018).

\$2,950,000,000. The Commission further ordered Petrobras to pay a civil money penalty of \$853,200,000, subject to reductions of up to \$682,560,000 and \$85,320,000 for monies paid to the Brazilian authorities and the United States Department of Justice respectively, resulting in a post-reduction minimum penalty of \$85,320,000, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty can be distributed to harmed investors (the “Fair Fund”). The Commission further ordered Petrobras to pay all reasonable administrative costs and expenses of the distribution, including payments of taxes and the premium fee for the administrator bond.

The Fair Fund is comprised of the \$85,320,000 paid by the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund and has been deposited in an interest-bearing account at the U.S. Department of the Treasury’s Bureau of the Fiscal Service, and any interest accrued will be added to the Fair Fund.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Proposed Plan by submitting a written request to Nancy Chase Burton, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission’s Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted by email or via the Commission’s website should include “Administrative Proceeding File No. 3-18843” in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

THE PROPOSED PLAN

The Net Available Fair Fund² is comprised of the \$85,320,000 in civil money penalties paid by the Respondent, plus interest and income earned thereon. The Proposed Plan provides for the distribution of the Net Available Fair Fund to investors who purchased AD shares (ADS) and/or preferred ADS securities during the Relevant Period and who have a Recognized Claim equal to or greater than \$10.00, as described in the Proposed Plan.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.³

Vanessa A. Countryman
Secretary

² All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

³ 17 C.F.R. § 200.30-4(a)(21)(iii).