

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-13675

In the Matter of

Value Line, Inc.,
Value Line Securities, Inc.,
Jean Bernhard Buttner, and
David Henigson,

Respondents.

DISTRIBUTION PLAN NOTICE OF SEC FAIR FUND TO VALUE LINE INVESTORS

TO: SHAREHOLDERS OF NINE VALUE LINE MUTUAL FUNDS THAT HELD SHARES BETWEEN JANUARY 1, 1986 AND NOVEMBER 9, 2004; THE AFFECTED FUNDS, COLLECTIVELY THE “VALUE LINE FUNDS” OR THE “FUNDS,” ARE:

- VALUE LINE ASSET ALLOCATION FUND, INC.;
- VALUE LINE CENTURION FUND, INC.;
- VALUE LINE EMERGING OPPORTUNITIES FUND, INC. (FORMERLY VALUE LINE SMALL CAP GROWTH FUND, INC.);
- VALUE LINE FUND, INC.;
- VALUE LINE INCOME AND GROWTH FUND, INC.;
- VALUE LINE LEVERAGED GROWTH INVESTORS, INC. (LATER VALUE LINE LARGER COMPANIES, INC.);
- VALUE LINE SPECIAL SITUATIONS FUND, INC.;
- VALUE LINE STRATEGIC ASSET MANAGEMENT TRUST, INC.; AND
- VALUE LINE U.S. MULTINATIONAL COMPANY FUND, INC.

If you satisfy the eligibility criteria described below and wish to receive proceeds of this settlement, you must submit a Proof of Claim Form to the fund administrator, A.B. Data, Ltd. (the “Fund Administrator”), postmarked no later than July 18, 2011. (Banks, brokers, and other nominees, please see instructions on Page 4 herein.)

BASIC INFORMATION

I. PURPOSE OF THIS NOTICE

The purpose of this Distribution Plan Notice of SEC Fair Fund to Value Line Investors (“Notice”) is to inform you that you may be entitled to share in the proceeds of the SEC Fair Fund described herein. This Notice describes the steps you must take to file a Proof of Claim Form in order to be eligible for these benefits. Proof of Claim Forms and this Notice are being mailed to all identifiable, potentially-eligible claimants who purchased any of the nine Value Line Funds listed above between January 1, 1986 and November 9, 2004. The affected funds are listed above.

Copies of this Notice and the Proof of Claim Form are also available on the SEC Fair Fund’s website at ValueLineFairFund.com and through the website of the United States Securities and Exchange Commission (the “SEC” or “Commission”) at SEC.gov.

Please Note: Receipt of this Notice does **not** mean you have an eligible claim. The Fund Administrator may be able to assist you with information regarding potentially eligible transactions beginning in 1992 **ONLY** if you purchased your shares directly from Value Line, Inc. (VLI) and did not use a bank, broker, or other nominee to make your purchases. Additional details are available on the SEC Fair Fund’s website at ValueLineFairFund.com.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. IF YOU SATISFY THE ELIGIBILITY CRITERIA DESCRIBED BELOW, YOU MAY BE ENTITLED TO A RECOVERY FROM THE SEC FAIR FUND. THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR RIGHTS.

II. BACKGROUND

Overview

From 1986 to November 2004, VLI directed approximately \$24.2 million in brokerage commissions from the Value Line Funds to an affiliated broker-dealer, Value Line Securities, Inc. (“VLS”), without disclosing to the Funds or the Funds’ shareholders that VLS did not provide any brokerage services to the Funds for these commissions. On November 4, 2009, the Commission, VLI, VLS, and two individuals at these companies¹ entered into a settlement, described in greater detail below, in which VLI paid to the Commission \$24,168,979 in disgorgement, \$9,536,786 in prejudgment interest, and \$10,000,000 as a civil penalty. These amounts have been paid and placed into a Fair Fund created by the Commission. The Distribution Plan proposes to distribute from the Fair Fund to eligible investors their share of losses resulting from the violations, plus interest.

The Distribution Plan is subject to approval by the Commission, and the Commission retains jurisdiction over implementation of the Distribution Plan.

Settlement Description

On November 4, 2009, the Commission entered an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 8A of the Securities Act of 1933, Sections 15(b)(4), 15(b)(6) and 21C of the Securities Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (Securities Act Release No. 9081) (the “Order”) with respect to Respondents. Simultaneously with the entry of the Order, the Commission accepted settlement offers from Respondents in which Respondents consented to the entry of the Order without admitting or denying the Order’s findings, except as to jurisdiction.

In the Order, the Commission found that VLI, VLS, Buttner, and Henigson willfully violated Section 17(a) of the Securities Act of 1933 (“Securities Act”) and Section 10(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 promulgated thereunder; VLI willfully violated Sections 206(1) and 206(2) of the Investment Advisers Act of 1940 (“Advisers Act”), and VLS, Buttner, and Henigson willfully aided and abetted and caused VLI’s violations of Sections 206(1) and 206(2) of the Advisers Act; VLI willfully violated Section 207 of the Advisers Act; VLI willfully violated Section 15(c) of the Investment Company Act of 1940 (“Investment Company Act”); VLI and VLS willfully violated Section 17(e)(1) of the Investment Company Act; and VLI, Buttner, and Henigson willfully violated Section 34(b) of the Investment Company Act. As a remedial sanction, the Commission ordered that VLI pay disgorgement in the amount of \$24,168,979, plus prejudgment interest of \$9,536,786. Additionally, civil monetary penalties were ordered to be paid by VLI in the amount of \$10,000,000, by Buttner in the amount of \$1,000,000, and by Henigson in the amount of \$250,000.

In accordance with the Order, monies totaling \$44,955,765 were paid to the Commission, of which \$43,705,765 comprising VLI’s payment of disgorgement, prejudgment interest, and civil penalties was used to create a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, 15 U.S.C. Section 7246, and Rule 1100 of the Commission’s Rules on Fair Funds and Disgorgement Plans, 17 C.F.R. 201.100. The SEC Fair Fund (also referred to herein as the “Distribution Fund”) has been deposited at the U.S. Department of the Treasury Bureau of the Public Debt (“BPD”) for investment. Other than interest from those investments, it is not anticipated the SEC Fair Fund will receive additional funds.

The purpose and intent of the Distribution Plan is to distribute a portion of the Distribution Fund to persons who held shares of any of the Value Line Funds during the Relevant Period² based on the Plan of Allocation described herein. The Fund Administrator has agreed to take reasonable steps to identify and contact all potential Claimants,³ verify each potential Claimant’s eligibility to receive a share of the Distribution Fund,⁴ calculate each Claimant’s Disbursement⁵ amount, resolve any disputes, and distribute the Distribution Fund to those Claimants whom the Fund Administrator determines to be eligible.

WHO IS ELIGIBLE?

III. ELIGIBILITY CRITERIA AND THE DISTRIBUTION FORMULA

Generally

The Net Distribution Fund⁶ shall be distributed based on the acceptable, timely claims forms submitted by Eligible Claimants⁷ as calculated pursuant to the Allocation Methodology described below. Eligible Claimants are those Claimants the Fund Administrator determines to be entitled to receive Disbursements from the Distribution Fund.

¹ VLI; VLS; Jean Bernhard Buttner (“Buttner”), the former Chief Executive Officer, President and Chairman of the Board of VLI and former Chairman and President of VLS; and David Henigson (“Henigson”), at various times the former Director, Vice-President, Treasurer and/or Chief Compliance Officer of VLI and former Director and Vice-President of VLS, are collectively the “Respondents.”

² “Relevant Period” shall mean January 1, 1986, through November 9, 2004.

³ “Claimants” shall mean those individuals and entities, or their lawful successors, who held shares in one or more of the Value Line Funds during the Relevant Period.

⁴ “Distribution Fund” shall mean the \$43,705,765 in disgorgement, prejudgment interest, and civil money penalties paid by VLI.

⁵ “Disbursements” shall mean the payments made to Eligible Claimants as approved by the Commission.

⁶ “Net Distribution Fund” shall mean the Distribution Fund plus any interest earned thereon, less all taxes, and all approved costs and expenses of the administration of the Distribution Fund.

Allocation Methodology

The Allocation Methodology is as follows:

- (a) Each Eligible Claimant shall be paid from the Net Distribution Fund their share of losses, plus interest thereon, as calculated by the methodology described in this paragraph.
- (b) The Fund Administrator shall determine each Eligible Claimant's allocation of the Net Distribution Fund based on the shares in the Value Line Funds held by the Eligible Claimant at the end of each calendar quarter during the Relevant Period.⁸
- (c) The Fund Administrator will calculate each Eligible Claimant's share of the Net Distribution Fund as follows:
 - Calculate the average yearly share holdings in each Fund held by each Eligible Claimant for each calendar year during the Relevant Period using the shares held at each calendar quarter end ("Average Yearly Holdings");
 - Calculate the amount of Harm Per Share for each Fund for each year in the Relevant Period by dividing the estimated amount of brokerage commissions overpaid by each Fund for each year during the Relevant Period by the total number of shares in each Fund for each year ("Harm Per Share");⁹
 - Multiply the Harm Per Share for each Fund for each year in the Relevant Period by the Average Yearly Holdings for each Eligible Claimant to determine an Eligible Claimant's harm for each year for each respective Fund ("Annualized Harm");
 - Each Eligible Claimant shall also receive interest on his/her Annualized Harm. The interest paid will be based on the three-month T-bill rate published by the U.S. Treasury, compounded annually through the approximate date of the disbursement of the Distribution Fund.
 - The total of each year of Annualized Harm plus interest thereon for all shares claimed pursuant to the calculations above is each Eligible Claimant's Disbursement from the Net Distribution Fund.

Each Eligible Claimant shall receive his/her allocation of the Net Distribution Fund as determined by the above methodology except that no payment will be issued to any Eligible Claimant whose total Disbursement Amount is less than \$10.00 (the "De Minimis Threshold").

IV. CLAIM DETERMINATIONS AND DISTRIBUTION

Within one hundred eighty (180) days after the close of the claims period, the Fund Administrator shall notify, in writing, all persons whose claims the Fund Administrator rejected for participation in the Distribution Fund. The Fund Administrator shall advise each person in writing of the basis for rejection of their claim.

Any person who seeks reconsideration of the denial must so advise the Fund Administrator within twenty (20) days of the postmark date of the initial denial of the claim. Following subsequent review, the Fund Administrator shall notify such person in writing of the Fund Administrator's decision, which shall be final.

Claimants will be able to utilize the toll-free phone number to contact the Fund Administrator and ask questions on how to correct their claims. Claimants will also be able to provide additional documentation or make inquiries using the email address or a dedicated fax number for the case that will be included on all correspondence or by sending correspondence via U.S. Mail. These contact options will be noted in all written correspondence exchanged with Claimants in regard to their claims.

After all objections have been resolved and the determination of eligibility has been reviewed by the SEC, Disbursement checks will be mailed to Eligible Claimants.

HOW TO SUBMIT A PROOF OF CLAIM FORM FOR CONSIDERATION

V. INSTRUCTIONS FOR SUBMITTING A PROOF OF CLAIM FORM

A Proof of Claim Form is enclosed with this Notice. If you require additional forms, you may make copies of the enclosed Proof of Claim Form, download and print the Proof of Claim Form from the SEC Fair Fund website at ValueLineFairFund.com, or request in writing that the Fund Administrator mail you a Proof of Claim Form by writing to the address below. Additional information regarding the SEC Fair Fund may be found on the website as well. All inquiries concerning this Notice and Proof of Claim Form should be made to the Fund Administrator in writing at the address below.

Please be sure to provide your complete name and mailing address. **To be eligible to receive a distribution from the SEC Fair Fund, you must complete and sign the Proof of Claim Form and submit it to the Fund Administrator so that it is postmarked no later than July 18, 2011, and mailed to the following address:**

⁷ "Eligible Claimants" are those Claimants the Administrator determines to be entitled to receive Disbursements from the Distribution Fund. An "Eligible Claimant" in no event shall include any of the Respondents or any of the Respondents' affiliates, assigns, creditors, heirs, distributees, spouses, parents, children, or controlled entities.

⁸ To the extent records and documents do not exist or are otherwise unavailable to determine shares in the Value Line Funds held by Eligible Claimants as of the end of the Relevant Period, November 9, 2004, reasonable estimates of such share holdings will be made based on available records and documents.

⁹ The calculation of Harm Per Share will be determined by referencing available records and documents for each Value Line Fund for each year. To the extent such records and documents no longer exist or are otherwise unavailable, Harm Per Share will be calculated based on reasonable estimates of the amount of brokerage commissions overpaid by each Value Line Fund for each year during the Relevant Period.

**VALUE LINE FAIR FUND
FUND ADMINISTRATOR
C/O A.B. DATA, LTD.
PO BOX 170500
MILWAUKEE, WI 53217-8042**

If you submit a Proof of Claim Form that fails to provide all required information, or is otherwise deficient, you may receive a Claim Deficiency Notice advising you of the reason or reasons why the claim is deficient and of the opportunity to cure such deficiency.

NOTE TO FILERS WITH MORE THAN 50 TRANSACTIONS: Claims with 50 or more transactions should be submitted electronically **and** in the required format. To obtain the mandatory electronic filing requirements and file layout, you may visit the SEC Fair Fund's website at ValueLineFairFund.com or you may email the Fund Administrator at efiling@abdata.com. Any submission not in accordance with the required electronic filing format may be rejected. Proof of authority to submit a Proof of Claim Form on behalf of any managed accounts by an institutional filer or third-party filer must be submitted with any Proof of Claim Forms for such accounts.

GETTING MORE INFORMATION

VI. MORE DETAILS ABOUT THE ACTION

This Notice summarizes the Distribution. You may obtain copies of the Distribution Plan and other relevant documents from the SEC Fair Fund website at ValueLineFairFund.com, or you may request copies by writing to the Value Line Fair Fund, Fund Administrator, c/o A.B. Data, Ltd., PO Box 170500, Milwaukee, WI 53217-8042.

VII. SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you held shares of the Value Line Funds between January 1, 1986, and November 9, 2004, as a nominee for a beneficial owner, then within ten (10) calendar days after you receive this Notice, you must either:

- (a) Provide to the Fund Administrator the name and last known address of each person or organization for whom you purchased or acquired Value Line Funds during such time period (preferably in an MS Excel data table, setting forth (i) title/registration, (ii) street address, and (iii) city/state/zip or electronically in MS Word or WordPerfect files; or on computer-generated mailing labels); or
- (b) Request additional copies of this Notice and the accompanying Proof of Claim Form, which will be provided to you free of charge, and within ten (10) calendar days, send by First-Class Mail the Notice and Proof of Claim Form directly to the beneficial owners of the Value Line Funds.

If you chose Option (b) above, after you mail the Notice and Proof of Claim Form, you must confirm in writing to the Fund Administrator that you sent them. You may seek reimbursement of your reasonable expenses actually incurred in complying with these directives, subject to approval of the SEC. All communications concerning this matter should be addressed to the Fund Administrator.

Additional copies of the Notice and Proof of Claim Form may be downloaded from abdataclassaction.com/Cases.aspx or requested by calling 866-561-6065 within the United States and Canada or 1-414-961-4888 from outside the United States and Canada, faxing your request to 1-414-961-7499, or emailing fulfillment@abdata.com. Mailing labels, data files, and written requests may also be sent to:

**VALUE LINE FAIR FUND
FUND ADMINISTRATOR
ATTENTION: FULFILLMENT DEPARTMENT
C/O A.B. DATA, LTD.
3410 WEST HOPKINS STREET
PO BOX 170500
MILWAUKEE, WI 53217-8042**

**866-561-6065 within the United States and Canada
1-414-961-4888 outside the United States and Canada
1-414-961-7499 fax
fulfillment@abdata.com
abdataclassaction.com**

VIII. ADDITIONAL INFORMATION

Additional information regarding the Value Line Fair Fund may be found at the SEC Fair Fund website, ValueLineFairFund.com. Additional Notices and Proof of Claims Forms may also be downloaded at the SEC Fair Fund website. You may also obtain additional information or request copies of forms by calling the SEC Fair Fund's toll-free helpline at 800-331-8573 or by email at info@ValueLineFairFund.com.