

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 76512 / November 24, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4279 / November 24, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16970

In the Matter of

MARWOOD GROUP RESEARCH, LLC,

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934 AND SECTION 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS AND CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), and Section 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”) against Marwood Group Research, LLC (“Marwood”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Respondent admits the facts set forth in Section III, B and C, below, acknowledges that its conduct violated the federal securities laws, admits the Commission’s jurisdiction over it and the subject matter of these proceedings, and consents to entry of this Order Instituting Cease-and Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934 and Section 203(k) of the Investment Advisers Act of 1940, Making Findings and Imposing Remedial Sanctions and Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds¹ that

A. Summary

Marwood, a regulatory and legislative policy firm ("a political intelligence firm"), and registered broker-dealer, as well as a state-registered investment adviser, in 2010 failed to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of material, nonpublic information ("MNPI") consistent with the nature of its business. Section 15(g) of the Exchange Act requires broker-dealers to establish, maintain, and enforce written policies and procedures, consistent with the nature of their business, to prevent the misuse of MNPI. Section 204A of the Advisers Act provides a similar requirement for investment advisers. Broker-dealers and investment advisers must adopt and enforce policies and procedures that take into consideration the specific circumstances of their businesses. *See In re Gabelli & Co., Inc.*, Exchange Act Rel. No. 35057 (Dec. 8, 1994). During 2010, Marwood did not adopt a policy reasonably tailored to its business, and it failed reasonably to enforce the policy that it did have in place.

One aspect of Marwood's business was providing regulatory and policy updates ("research notes") to hedge funds and other securities market participants concerning likely outcomes of future government actions. Marwood encouraged its employees to maintain relationships with government employees to develop information to inform such research notes. In this context, Marwood's analysts would meet with, call and otherwise communicate with the relevant government actors, who were often in possession of potential MNPI. These interactions created a substantial risk for MNPI to be obtained and misused, and necessitated the establishment and enforcement of reasonable procedures to ensure against such misuse.

During 2010, Marwood sought and received from government employees information about pending regulatory or policy issues involving the agencies that employed them. Some of the information, in the context in which it was conveyed, presented a substantial risk that it could be MNPI. Based in part on that information, Marwood drafted research notes and distributed those research notes to its clients, or otherwise communicated Marwood's conclusions to its clients, who were likely using that information to inform securities trading.

Marwood had written policies and procedures that prohibited the dissemination of MNPI and required any potential MNPI received from any source to be brought to the attention of the Chief Compliance Officer ("CCO"). During 2010, the receipt of potential MNPI was not brought to the attention of the CCO. Moreover, Marwood's policies and procedures were not reasonably designed, given the nature of Marwood's business, including its employees' contact

¹ The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

and interaction with government employees in possession of potential MNPI. *See id.*; *In re Massachusetts Fin. Servs. Co.*, Advisers Act Rel. No. 2165 (September 4, 2003); *In re Guy P. Wyser-Pratt*, Exchange Act Rel. No. 44283 (May 9, 2001). During 2010, Marwood therefore failed to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of MNPI, as required of registered broker-dealers and investment advisers.

B. Respondent and Other Relevant Entities

Respondent

1. **Marwood Group Research, LLC**, was founded in 2003 and has its principal place of business in New York, NY, and an office in Washington D.C. A New York limited liability company, Marwood is a broker-dealer, registered with the Commission and an investment adviser registered with the State of New York. Since its founding, Marwood's business has included, among other things, providing research and analysis to clients as to the likely outcome of legislative and regulatory events occurring at both state and federal levels.

Other Relevant Entities

2. **The Centers for Medicare and Medicaid Services ("CMS")** is a federal agency within the U.S. Department of Health and Human Services. CMS is responsible for the administration and management of Medicare and Medicaid.

3. **The Food and Drug Administration ("FDA")** is a federal agency within the U.S. Department of Health and Human Services. Among other things, the FDA evaluates and approves drugs and medical devices prior to their marketing and sale within the United States.

C. Facts

i. Marwood's Regulatory and Legislative Research Business

4. Since its founding, Marwood's business has been to research and write reports and updates, and otherwise communicate information concerning regulatory and legislative issues. Marwood's initial focus was on healthcare, but it has expanded into other areas such as tax and education. Marwood sells its analysis to clients in the financial sector. For Marwood, "legislative and regulatory policy catalysts" were events that had the potential to affect the share price of a public company's stock or stocks within a particular market sector. Marwood emphasized its ability to provide value to clients through "tracking, analyzing and forecasting investment catalysts." Marwood distributed its reports, updates and other communications to its subscriber clients, which were predominantly mutual funds, investment advisers and hedge funds.

5. Marwood's research and policy analysts were based in its Washington, D.C. office. Marwood's New York office housed Marwood's account representatives, who were responsible for managing the relationships with Marwood's clients.

6. Account representatives communicated Marwood's research and work-product to clients. Account representatives also participated in the drafting of Marwood's published research

and took an active role in the sale and marketing of Marwood's research. Marwood's account representatives and managers highlighted Marwood's successes to current or prospective clients, and highlighted Marwood's relationships with, and connections to, government decision makers.

ii. Marwood's Research Notes

7. One of Marwood's principal means of communicating with clients was through research notes. Marwood's research notes often included previews of anticipated legislative or regulatory developments and post-views of government actions already undertaken. Preview notes often included a predictive opinion of the likely outcome of government activity. Post-view notes summarized government activity that had already occurred and reiterated prior opinions or offered new opinions about the implications of the government action.

8. To enhance Marwood's ability to write research opining on future government regulatory events, Marwood encouraged its analysts to maintain contacts and seek information from personnel within the federal government.

9. Marwood also arranged meetings and phone calls with government employees that sometimes included representatives of their clients. During these meetings and calls, Marwood employees sought and obtained information from the government employees, which Marwood then, at times, used to inform its research. During 2010, as described below, some of the information obtained, in the context in which it was conveyed, presented a substantial risk that it could be MNPI. Marwood's managers were aware of such calls and meetings, and they actively promoted them. Additionally, Marwood used outside consultants, including individuals who previously were government or agency officials, to inform its research.

10. Marwood's research notes were formulated, drafted and edited by analysts in Marwood's Washington, D.C. office, and, at times in conjunction with account representatives from the New York office. Once Marwood came to a conclusion about a future legislative or regulatory event, an analyst or account representative (or perhaps both working together) would draft and circulate a research note setting forth the analysis. These notes were generally brief, with a few paragraphs describing the opinion and several paragraphs of background information about the particular government event or regulatory activity.

11. In 2010, in addition to its written policies and procedures concerning the use and dissemination of inside information, which included material nonpublic information, Marwood's policies and procedures provided for a review process over the preparation and publication of its regulatory and legislative research notes. The policies and procedures required a review and approval by a licensed supervisory principal and submission of the reviewed material through the compliance department. Furthermore, when an employee had any doubt as to whether information in his or her possession constituted inside information, he or she was required to refrain from communicating it further and promptly contact Marwood's compliance department. Although each publication was required to be reviewed for the possible inappropriate dissemination of material nonpublic information to an outside party, during 2010, Marwood's policies and procedures did not expressly require the compliance department to be advised as to

the source of the information included in the research note or about communications with government sources, if any.

12. Research notes were distributed to Marwood clients by account representatives in Marwood's New York office. After distribution, Marwood's account representatives reached out by phone or email to clients who were known to have an interest in the subject of the note, including clients likely to trade the securities of the company whose product or service could be impacted by impending government activity.

13. During these follow up phone calls and emails, Marwood's account representatives sometimes arranged further communications between the clients and the Marwood analysts responsible for the research note. During these subsequent communications, Marwood employees sometimes disclosed that the information that formed the basis of the research note came from government employees.

14. Marwood's research notes often opined on the future actions of government agencies, including the anticipated timing and content of agency rules and decisions.

15. Marwood managers encouraged Marwood's analysts to contact relevant government officials to aid their research efforts. In making hiring decisions, Marwood also considered, in part, a prospective employee's professional experience at a particular agency as well as contacts within the government.

iii. Marwood's Managers Failed Reasonably to Enforce Marwood's Existing Policy

16. During 2010, Marwood had a written insider trading policy that prohibited its employees from using or disclosing any MNPI if they had obtained such information in the course of their employment. The policy specifically identified as potential MNPI "knowledge or awareness of the specific terms of any pending but not yet publicly proposed or approved action by a regulatory or other government agency." The Marwood policy further stated that if an employee had *any* doubt as to whether he or she had obtained MNPI from any source, the employee was to refrain from using or disclosing the MNPI, and was to consult with Marwood's compliance department.

17. Marwood's analysts' interaction with government employees resulted in Marwood's obtaining information, given the context in which it was conveyed, that should have caused Marwood's managers to quarantine the information and seek guidance from Marwood's CCO. No instances were brought to the attention of the CCO during 2010.

a. The Provenge National Coverage Analysis

18. CMS has the authority to determine what medical items and services will be covered for Medicare beneficiaries and at what reimbursement rates. For certain medical items and services, CMS may make a National Coverage Determination ("NCD") to determine the criteria for coverage of that item or service on a national basis for all Medicare beneficiaries. The process that leads to an NCD is often referred to as a National Coverage Analysis ("NCA").

19. The goal of an NCA is to determine whether an item or service is “reasonable and necessary” for the diagnosis or treatment of a specific illness or injury. Because such a determination can change Medicare coverage, the announcement of an NCD can be a material event that reduces or enhances the market value of the securities of public companies offering the medical item or service.

20. Although CMS staff were permitted to speak to the public on various topics, they were governed by a confidentiality policy and agency regulations as to what information they could disclose.

21. Marwood’s CMS analyst during the summer of 2010 was a former employee of CMS, who had previously worked in the CMS group responsible for NCAs.

22. On June 30, 2010, CMS opened an NCA to determine whether or not Provenge—an immunotherapy approved by the FDA in April 2010 for treatment of metastatic prostate cancer—was “reasonable and necessary” for Medicare beneficiaries. Immediately upon the NCA announcement there was a sharp drop in the share price of the common stock of the company that developed Provenge. The NCA raised the possibility that Medicare might deny reimbursement for Provenge completely, *i.e.*, even if Provenge were prescribed in a manner consistent with the FDA approved label, which could affect the company’s financial performance.

23. After announcement of the NCA, some Marwood clients sought Marwood’s views on why the NCA had been initiated and its likely outcome. In a June 30, 2010 email, Marwood’s CMS analyst told his manager that he knew one of several CMS employees (the “CMS contact”) listed on the NCA tracking sheet issued by CMS announcing the nature and scope of the review from whom he could obtain “decent color” on why the NCA had been initiated.

24. On July 7, 2010, Marwood’s CMS analyst successfully contacted and spoke with the CMS contact. Later that afternoon, the CMS analyst emailed to, among others, his manager and a handful of account representatives as follows:

I was able to speak with [the CMS contact] working on this, and [the CMS contact] was clear that this is being looked at both due to local contractor concerns and potential questions around the data, and specifically uses outside the data. The [CMS contact] also mentioned that CMS has gotten inquiries from patient groups, providers, and advocacy groups on this issue. Lastly, [the CMS contact] was clear that I’m the only phone call [the CMS contact] returned so if any of this leaks out [the CMS contact] will know where it came from. [T]his is good color, but please keep the sensitivity of this in mind when talking to clients because any leakage of this info will result in my getting locked out of any conversations going forward.

This email, which the analyst interpreted to express concern for off-label use and further the belief that CMS would cover on-label use, was forwarded to two other Marwood managers later that day.

25. Given the Marwood analyst's comments about the sensitivity of his contact with CMS, the information that the Marwood analyst obtained from the CMS contact, in the context in which it was conveyed, presented a substantial risk that it could be MNPI.

26. None of the Marwood staff or managers who received copies of the CMS analyst's email took steps to present the information to the CCO for further review. On July 8, 2010, Marwood published a research note on this topic to hundreds of Marwood clients. The research note predicted CMS's continued coverage and reimbursement of Provenge's on-label usages, and was entitled, in part "*Provenge NCA Likely to Support On-Label Coverage.*"

b. The Bydureon New Drug Application

27. Bydureon is an injectable diabetes drug, developed jointly by a partnership of three pharmaceutical companies, one of which acted as Bydureon's sponsor before the FDA, and took the lead in seeking government approval to market and sell the drug within the United States.

28. The sponsoring company submitted a new drug application for Bydureon to the FDA on May 4, 2009. On April 22, 2010, the sponsoring company submitted a revised new drug application to address some concerns raised by the FDA. In response to the refiling, the FDA set a new statutory decision deadline of October 22, 2010.

29. Some of Marwood's clients sought Marwood's view of the likely outcome of the FDA's decision.

30. Throughout 2010, Marwood had retained as a consultant a former high ranking FDA official to assist with its analysis of FDA issues, which included the Bydureon new drug application, among other topics. On September 14, 2010, the consultant and certain Marwood employees had a 73 minute phone call during which they discussed the consultant's views on the Bydureon new drug application. According to one Marwood employee's lengthy notes of the call, the consultant told Marwood that "contacts @ agency were saying that some @ agency still concerned about approval" and that there was a "debate between safety and reviewers." The consultant further told them several specific safety issues about which he believed the FDA was purportedly debating. As captured in the Marwood employee's notes, this information from the consultant, in the context in which it was conveyed, presented a substantial risk of being MNPI and should have been presented to the CCO for further review.

31. No Marwood staff or managers took any steps to quarantine the information received from the consultant or to alert the CCO.

32. Between September 14, 2010, and October 19, 2010, Marwood communicated the information it obtained from the consultant to its clients by email and orally. Marwood informed its clients that there was an internal debate at the FDA concerning the safety of Bydureon and that there was an under-appreciated risk in the market that the application could be denied.

v. *Marwood's Policy Was Not Reasonably Designed to Address the Risks Created by Its Business*

33. As noted above, Marwood had a general policy that prohibited the acquisition and misuse of MNPI. Marwood's policies and procedures provided that employees who acquired confidential information, which included MNPI, were required to bring it to the attention of the compliance department, which would determine whether the information could be used.

34. Marwood's analysts interacted with government employees who were likely to be in possession of potential MNPI, and Marwood's management encouraged such contacts. Marwood used information gained from such contacts in formulating research notes that were distributed to clients. Despite the significant risk that this interaction could result in Marwood receiving MNPI, Marwood had no written policy or procedure that reasonably ensured that the CCO was provided with sufficient information to assess whether a research note may have been influenced by improperly obtained MNPI or to evaluate independently other Marwood employees' assessments that any information they had received from a government employee was not MNPI. Instead, Marwood's policy principally relied on line employees and managers to make this assessment, with limited review by the CCO.

35. The Commission has previously noted that if the nature of a particular broker-dealer's or investment adviser's business exposes employees to persons in possession of MNPI on a regular basis, a general policy that those employees self-evaluate information they receive is insufficient to comply with Section 15(g) of the Exchange Act and Section 204A of the Advisers Act. *In re Gintel, Asset Mgmt. Inc.*, Advisers Act Rel. No. 2079 (November 8, 2002); *In re Deprince, Race & Zollo, Inc.*, Advisers Act Rel. No. 2035 (June 12, 2002); *In re Guy P. Wyser-Pratte*, Advisers Act Rel. No. IA-1943 (May 2, 2001); *In re Certain Market Making Activities on Nasdaq*, Exchange Act Rel. No. 40910 (January 11, 1999).

36. Consequently, Marwood's written policies and procedures failed to address the substantial risk that its analysts who were in contact with government employees likely to be in possession of potential MNPI, could obtain and disseminate MNPI to Marwood's clients, who were likely to use that information to inform their securities trading. As a result, Marwood's written policies and procedures were not reasonably designed to address the risks associated with the nature of its business activities. As noted above, Marwood's policies in this regard were also not reasonably enforced.

D. Violations

37. As a result of the conduct described above, Marwood violated Section 15(g) of the Exchange Act, which requires every registered broker or dealer to "establish, maintain, and enforce written policies and procedures reasonably designed, taking into consideration the nature of such broker's or dealer's business, to prevent the misuse in violation of...[the Exchange Act]

or the rules or regulations thereunder, of material nonpublic information by such broker or dealer or any person associated with such broker or dealer.”²

38. As a result of the conduct described above, Marwood violated Section 204A of the Advisers Act, which requires every investment adviser to “establish, maintain, and enforce written policies and procedures reasonably designed, taking into consideration the nature of such investment adviser’s business, to prevent the misuse in violation of...[the Advisers Act or the Exchange Act] or the rules and regulations thereunder, of material nonpublic information by such investment adviser or any person associated with such investment adviser.”

E. Remedial Efforts

39. In determining to accept the Offer, the Commission considered the remedial acts promptly undertaken by Marwood, including the voluntary and proactive enhancing of its policies and procedures in 2013 and 2014 governing the potential misuse of material nonpublic information.

F. Undertakings

40. Independent Compliance Consultant. Marwood undertakes to retain an Independent Compliance Consultant (“Compliance Consultant”) as follows:

a. Marwood shall retain, within 60 days of this Order, at its expense, a Compliance Consultant not unacceptable to the Commission’s staff, to conduct a review of the enforcement of Marwood’s supervisory, compliance, and other policies and procedures under Section 15(g) of the Exchange Act and Section 204A of the Advisers Act, insofar as they relate to the obtaining or use of potential Material Non-public Information (“MNPI”).

b. Marwood shall provide to the Commission staff, within thirty (30) days of retaining the Compliance Consultant, a copy of an engagement letter detailing the Compliance Consultant’s responsibilities, which shall include reviews to be made by the Monitor as described in this Order. The Compliance Consultant’s responsibilities shall include the review of Marwood’s enforcement of its policies and procedures regarding the obtaining and use of potential MNPI.

c. Marwood shall require that, within forty five (45) days from the end of the Compliance Consultant’s Review, which in no event will be more than 180 days after the date of the Monitor’s retention, the Compliance Consultant shall submit a written and dated report of its findings to Marwood and to the Commission staff (the “Report”). Marwood

² There is no requirement under Section 15(g) that there be an underlying insider trading violation or any other violation of the Exchange Act or the rules thereunder. *In the Matter of Monness, Crespi, Hardt & Co., Inc.*, Exchange Act Release No. 72886, 2014 WL 4090466, at *4, n. 3 (Aug. 20, 2014); *In the Matter of New York Stock Exchange LLC, et al.*, Exchange Act Rel. No. 72065, 2014 SEC LEXIS 1526 (May 1, 2014); *In the Matter of Certain Market Making Activities on NASDAQ*, Exchange Act Rel. No. 40910, 1999 SEC LEXIS 59 (Jan. 11, 1999).

shall require that the Report include a description of the review performed, the names of individuals who performed the review, the conclusions reached, any recommendations for changes in or improvements to the enforcement of Marwood's policies and procedures and a procedure for implementing the recommended changes in or improvements to the enforcement of Marwood's policies and procedures.

d. Marwood shall adopt all recommendations contained in the Report within ninety (90) days of the Report; provided, however, that within forty-five (45) days after the date of the Report, Marwood shall in writing advise the Compliance Consultant and the Commission staff of any recommendations that Marwood considers to be unduly burdensome, impractical, or inappropriate. With respect to any recommendation that Marwood considers unduly burdensome, impractical, or inappropriate, Marwood need not adopt that recommendation at that time but shall propose in writing an alternative enforcement mechanism designed to achieve the same objective or purpose.

e. As to any recommendation with respect to the enforcement of Marwood's policies and procedures on which Marwood and the Compliance Consultant do not agree, Marwood and the Compliance Consultant shall attempt in good faith to reach an agreement within sixty (60) days after the date of the Report. Within fifteen (15) days after the conclusion of the discussion and evaluation by Marwood and the Compliance Consultant, Marwood shall require that the Compliance Consultant inform Marwood and the Commission staff in writing of the Compliance Consultant's final determination concerning any recommendation that Marwood considers to be unduly burdensome, impractical, or inappropriate. Within 15 days of this written communication from the Compliance Consultant, Marwood may seek approval from the Commission staff to not adopt recommendations that Marwood can demonstrate to be unduly burdensome, impractical, or inappropriate. Should the Commission agree that any proposed recommendations are unduly burdensome, impractical, or inappropriate, Marwood shall not be required to abide by, adopt, or implement those recommendations.

f. Marwood shall cooperate fully with the Compliance Consultant and shall provide access to such of its files, books, records, and personnel as are reasonably requested by the Compliance Consultant for review.

g. To ensure the independence of the Compliance Consultant, Marwood shall not have the authority to terminate the Compliance Consultant or substitute another independent compliance consultant without the prior written approval of Commission staff, and (2) shall compensate the Compliance Consultant for services rendered pursuant to this Order at their reasonable and customary rates.

h. Marwood shall require the Compliance Consultant to enter into an agreement that provides that for the period of engagement and for a period of two (2) years from completion of the engagement, the Compliance Consultant shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Marwood, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such. The agreement will also provide that the Compliance

Consultant will require that any firm with which the Compliance Consultant is affiliated or of which the Monitor is a member, and any person engaged to assist the Compliance Consultant's performance of its duties under this Order shall not, without written prior consent of Commission staff, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Marwood, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of engagement and for a period of two (2) years after the engagement.

41. Recordkeeping. Marwood shall preserve for a period of not less than six (6) years from the end of the fiscal year last used, the first two (2) years in an easily accessible place, any record of Marwood's compliance with the undertakings set forth in this Order.

42. Deadlines. For good cause shown, the Commission staff may extend any of the procedural dates relating to the undertakings. Deadlines for procedural dates shall be counted in calendar days, except that if the last day falls on a weekend or federal holiday, the next business day shall be considered the last day.

43. Certifications of Compliance by Marwood. Marwood shall certify, in writing, compliance with its undertakings set forth above. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Marwood agrees to provide such evidence. The certification and supporting material shall be submitted to William P. Hicks, Associate Regional Director of the Atlanta Office of the Commission, 950 East Paces Ferry Road, Suite 900, Atlanta, Georgia 30326 no later than sixty (60) days from the date of the completion of the undertakings.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent's Offer.

Accordingly, pursuant to Section 21C of the Exchange Act and Section 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondent Marwood cease and desist from committing or causing any violations and any future violations of Section 15(g) of the Exchange Act and Section 204A of the Advisers Act.

B. Respondent Marwood shall pay a civil money penalty in the amount of \$375,000 to the Commission. Payment shall be made in the following installments: \$93,750 shall be paid within 10 days of the entry of this order; an additional \$93,750 shall be paid within 120 days of the entry of this order; an additional \$93,750 shall be paid within 240 days of the entry of this order; and a final \$93,750 shall be paid within 360 days of this order. If any payment is not made by the date the payment is required by this Order, the entire outstanding balance of the civil penalty shall be due and payable immediately, without further application. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying the party making payment as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must also be sent to William P. Hicks, Associate Regional Director of the Atlanta Office of the Commission, 950 East Paces Ferry Road, Suite 900, Atlanta, Georgia 30326.

C. Respondent Marwood shall comply with the undertakings enumerated in Section III, paragraphs 40 through 43, above.

By the Commission.

Brent J. Fields
Secretary