UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4307 / January 8, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-15382

In the Matter of **STEVEN A. COHEN,** **Respondent.**	**ORDER MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS PURSUANT TO SECTION 203(f) OF THE INVESTMENT ADVISERS ACT OF 1940**

I.

On July 19, 2013, the Securities and Exchange Commission ("Commission") instituted public administrative proceedings pursuant to Section 203(f) of the Investment Advisers Act of 1940 ("Advisers Act") against Steven A. Cohen ("Cohen" or "Respondent").

II.

Cohen has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, Cohen consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (the "Order"), as set forth below.

III.

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

A. SUMMARY

1. Cohen — the founder and owner of hedge fund investment advisers that bear his initials (S.A.C.) and that until recently managed portfolios of over $15 billion — failed reasonably to supervise one of his senior employees, who engaged in insider trading.

2. In 2008, a portfolio manager who reported to Cohen obtained material nonpublic information about two publicly traded companies. The portfolio manager provided information to Cohen that should have caused a reasonable hedge fund manager to investigate whether the

portfolio manager may have had access to inside information to support his trading. Based on that information, the portfolio manager engaged in unlawful insider trading.

3. Cohen received information that should have caused him to take prompt action to determine whether an employee under his supervision was engaged in unlawful conduct and to prevent violations of the federal securities laws. Cohen failed to take reasonable steps to investigate and prevent such a violation.

4. Based on these trades, and Cohen's failure reasonably to supervise his portfolio manager who executed the trades, Cohen's hedge funds earned profits and avoided losses of approximately $275 million.

5. The portfolio manager was later rewarded with a $9 million bonus for his work.

6. The portfolio manager has since been criminally convicted of insider trading and has appealed his conviction.

B. RESPONDENT

7. **Cohen**, age 59, resides in Greenwich, Connecticut. Before and during the relevant period, he founded, directly and indirectly owned, and controlled investment advisers whose names bore his initials, including S.A.C. Capital Advisors, LLC ("SAC"). Before entering the hedge fund business in 1992, Cohen held a Series 3 license while working at Gruntal & Co.

C. RELEVANT ENTITIES AND PERSONS AFFILIATED WITH COHEN

8. **SAC** was an unregistered investment adviser based in Stamford, Connecticut in 2008. SAC managed certain affiliated hedge funds until the end of 2008, when another entity that Cohen directly and indirectly owned assumed SAC's role.[1]

9. **CR Intrinsic Investors, LLC ("CR Intrinsic")** was an investment adviser based in Stamford, Connecticut in 2008, when it was a wholly-owned subsidiary of SAC. On January 1, 2009, it became a wholly-owned subsidiary of SAC LP, which registered with the Commission as an investment adviser in March 2012. At its peak, CR Intrinsic advised hedge funds with approximately $2.8 billion in assets under management. On April 11, 2014, the United States District Court for the Southern District of New York (the "District Court") entered a criminal judgment against CR Intrinsic after it pleaded guilty to one count of wire fraud and one count of securities fraud. The District Court sentenced CR Intrinsic to five years of probation and required it to "cease operating as an investment adviser," among other things.

10. **Mathew Martoma ("Martoma")**, age 41, worked at CR Intrinsic between 2006 and 2010. From at least January 1, 2008 until his departure in 2010, Martoma served as a portfolio manager. In December 2012, the United States Attorney's Office for the Southern District of New York (the "USAO"), filed an indictment against Martoma in the District Court charging him with

[1] At approximately the end of 2008, SAC's role was assumed by S.A.C. Capital Advisors, L.P. ("SAC LP"), an investment adviser also founded, directly and indirectly owned and controlled by Cohen. SAC LP registered with the Commission in March 2012. In early 2013, SAC LP had approximately $15 billion in assets under management.

two counts of securities fraud and one count of conspiracy to commit securities fraud based on certain of the securities trades alleged here. On February 6, 2014**,** a jury found Martoma guilty of all three counts. On September 9, 2014, the District Court entered a judgment of conviction against him and sentenced him to nine years of imprisonment, among other things. Martoma later appealed, and his appeal is pending.

D. THE RELEVANT SECURITIES ISSUERS AND THE INSIDERS

11. **Elan Corporation, plc ("Elan")** was at all relevant times a biotechnology company incorporated in Ireland, with its principal place of business in Dublin, Ireland. Elan's Ordinary Shares traded on the Irish Stock Exchange and the London Stock Exchange. Its American Depositary Receipts ("ADRs") — each representing one Ordinary Share — traded on the New York Stock Exchange ("NYSE") under the symbol "ELN." Elan reported as a foreign issuer.

12. **Wyeth ("Wyeth")** was a pharmaceutical company incorporated in Delaware with its principal place of business in Madison, New Jersey in 2008. Until Wyeth was acquired by Pfizer Inc. in 2009, Wyeth's securities were registered with the Commission pursuant to Section 12(b) of the Securities Exchange Act of 1934 ("Exchange Act") and its stock traded on the NYSE under the symbol "WYE."

13. **Dr. Sidney Gilman ("Gilman")**, age 83, lives in Ann Arbor, Michigan and is a former professor at the University of Michigan Medical School. Gilman served as a consultant to Elan and Wyeth. At the same time, he served as a paid consultant for an expert network firm.

E. FACTS

1. Cohen's Supervision of Martoma

14. Cohen was the chief executive officer of SAC and directly and indirectly owned 100 percent of SAC, which in turn wholly owned CR Intrinsic.

15. At all relevant times, Cohen, along with others, supervised Martoma.

16. Cohen had the authority to hire and fire Martoma and the authority to affect his conduct as a portfolio manager.

17. Cohen also allowed some of the positions in his own portfolio to be "tagged" with Martoma's name or the names of other portfolio managers who had recommended the positions. "Tagged" portfolio managers received additional compensation based on profits and losses from these "tagged" positions. When he took a portfolio manager's trading recommendation, Cohen generally determined whether to "tag" that portfolio manager with the position and therefore with more potential compensation.

18. Cohen exercised his authority over Martoma by, among other things, requiring him to update Cohen on Martoma's positions and to convey to Cohen the reasons for Martoma's positions.

2. The Elan and Wyeth Trades

a. Overview

19. In the first half of 2008, Martoma built a substantial long position in Elan and Wyeth stock based on the two companies' joint clinical trial of a drug with the potential to treat Alzheimer's disease (the "Drug"). In portfolios over which Cohen had exclusive or shared trading authority, SAC and CR Intrinsic held additional long positions of more than half a billion dollars.

20. Cohen ignored red flags indicating that Martoma might have access to material nonpublic information about the clinical trial. Martoma in fact had access to material nonpublic information through a doctor, Gilman, who worked on the clinical trial of the Drug and who was associated with a firm that provided expert consulting services to investment industry clients. On July 17 and 18, 2008, Martoma received material nonpublic information from Gilman that the clinical trial results were worse than expected. In exchange, Gilman received consulting fees that CR Intrinsic paid to him through Gilman's expert network firm.

21. Two days later, on Sunday, July 20, 2008, after months of building up a substantial position and being bullish on both Elan and Wyeth, Martoma had a twenty-minute phone conversation with Cohen. Despite receiving red flags, Cohen failed to take prompt action to determine whether Martoma was engaged in unlawful conduct and failed to take reasonable steps to prevent violations of the federal securities laws. Instead, starting the next morning, Cohen oversaw the liquidation of his and Martoma's positions in Elan and Wyeth and the accumulation of a short position instead. These trades earned the firm approximately $275 million in illicit profits and avoided losses.

b. Background

22. Before a pharmaceutical company can release a new drug, it must conduct clinical trials to demonstrate the safety and efficacy of the drug.

23. Clinical trials generally proceed in phases. In Phase I, a trial typically tests the drug on a small group of people (generally, 20 to 80 people) to determine its safety, determine a safe dosage range, and identify side-effects. In Phase II, a trial typically tests the drug on a larger group of people (generally, 200 to 300 people) to further evaluate its safety and efficacy. In Phase III, a trial typically tests the drug on large groups of people to more conclusively demonstrate its safety and efficacy and monitor any side-effects.

24. Between 2006 and 2008, Elan and Wyeth jointly conducted a Phase II clinical trial (the "Phase II Trial") for the Drug. The Phase II Trial was designed to assess the Drug's safety and tolerability in mild-to-moderate Alzheimer's disease patients and to explore the Drug's efficacy at a range of doses.

25. On June 17, 2008, Elan and Wyeth released top-line results of the Phase II Trial (the "June 17 Announcement") and announced plans to release detailed final results of the trial on July 29, 2008.

26. The market reacted positively to the June 17 Announcement: on June 18, the stock prices of Elan and Wyeth rose more than 10% and 4%, respectively.

27. Yet just afterwards, investors started looking ahead to the expected release of the

detailed results on July 29 (the "July 29 Announcement"). As one analyst put it, the "[p]resentation of more complete data at [a scheduled conference on Alzheimer's disease] at the end of July will be a much anticipated event as investors should gain much greater insight into the drug's safety and efficacy profile as well as whether there may be the possibility for an accelerated registration strategy."

28. The more detailed July 29 Announcement failed to meet the market's expectations. On July 30, Elan's closing stock price plummeted by more than 40% and Wyeth's closing stock price dropped almost 12% from the previous day's close.

c. Gilman's Material Nonpublic Information and Duty of Confidentiality

29. Gilman, a consultant to Elan, had continuing access to material nonpublic information about the Phase II Trial.

30. Gilman served as the chairman of the Phase II Trial's Safety Monitoring Committee ("Safety Committee"), which met regularly between 2006 and 2008 to discuss the health of the trial participants.

31. Gilman also agreed to present, on behalf of Elan and Wyeth, the Phase II Trial results at the International Conference on Alzheimer's Disease (the "Conference"), a medical conference scheduled for July 29, 2008. As a presenter, Gilman received access to the full Phase II Trial results approximately two weeks before the July 29 Announcement.

32. In 2007 and 2008, Elan paid Gilman approximately $79,000 for his consultations on the Drug.

33. Based on his roles in the Phase II Trial and under the terms of his contract with Elan, Gilman owed Elan a duty to hold in strict confidence all information he learned from his participation in the clinical trial and to use such information only for Elan's benefit.

34. The expert network firm for which Gilman moonlighted also trained him on the prohibitions of the federal securities laws. Specifically, the firm repeatedly reminded Gilman not to share nonpublic information with clients and listed the Drug as a topic that Gilman was "not allowed to discuss."

d. Gilman Gives Martoma Material Nonpublic Information on the Drug Trial

35. Gilman first met Martoma through paid consultations arranged by Gilman's expert network firm. Between 2006 and 2009, Gilman earned approximately $108,000 from fifty-nine consultations with portfolio managers and analysts at CR Intrinsic and SAC, including forty-two consultations just with Martoma.

36. SAC's own records show payments from SAC to Gilman through his expert network firm. SAC also had emails between Gilman and Martoma (at Martoma's CR Intrinsic email address) reflecting that Gilman was a consultant for Elan and that Gilman could not discuss the Drug.

37. Beginning in at least 2007, Gilman provided Martoma with material nonpublic information concerning the Phase II Trial. As a member of the Safety Committee, Gilman received periodic updates from Elan concerning nonpublic safety data for the ongoing trial. Starting in at

least 2007, Gilman regularly called Martoma just after Safety Committee meetings to share information from the meetings with Martoma. During these calls, Gilman discussed the PowerPoint presentations and provided Martoma with his perspective on the results.

38. Martoma and Gilman coordinated their expert network consultations around scheduled Safety Committee meetings

e. Prior to July 2008, the SAC Funds Held Long Positions in Elan and Wyeth

39. Martoma and Cohen respectively controlled the CR Intrinsic and SAC portfolios that held most of SAC and its affiliates' Elan and Wyeth positions.

40. Throughout 2007 and up to July 2008, the CR Intrinsic and SAC portfolios established substantial long positions in Elan and Wyeth securities. As of June 30, 2008, the CR Intrinsic portfolios owned over $233 million worth of Elan securities and over $80 million of Wyeth stock. The combined holdings in Elan and Wyeth securities represented approximately 14% of CR Intrinsic's entire equity position at that time. Similarly, as of June 30, 2008, the SAC portfolios owned over $293 million of Wyeth stock and over $95 million of Elan securities — totaling over 4% of SAC's entire equity position at that time. In addition, SAC also held an equity swap position with respect to 12 million shares of Wyeth stock.[2]

41. Between January 1, 2008 and early July 2008, Martoma included Elan and Wyeth as "long ideas" in his weekly portfolio updates to Cohen and others and listed the release of the Phase II Trial results as an "[u]pcoming catalyst."

42. Cohen invested in Elan and Wyeth securities based at least in part on Martoma's advice.

f. Cohen Encourages Martoma to Talk to a Doctor About Nonpublic Trial Results

43. In March and April 2008, two analysts at CR Intrinsic (the "Analysts") repeatedly sent emails to Cohen advocating against the Elan and Wyeth positions and suggesting trading strategies to hedge them.

44. The Analysts exchanged a number of emails and instant messages with Cohen about whether Martoma's advice on Elan and Wyeth was sound. On March 28, 2008, one of the Analysts told Cohen in an instant message that he did not think anyone could yet know the Phase II Trial data, because the trial was not over yet. Cohen responded by saying he would follow Martoma's and another hedge fund manager's advice, because "they are closer to it than you." Later in the same message, the Analyst asked Cohen: "[I] don't know if [the other hedge fund manager] or mat [Martoma] will answer, but do you think they know something or do they have a very strong feeling." Cohen replied: "[T]ough one . . . i think mat [Martoma] is the closest to it." The Analyst responded: "[T]he question that I would ask is if it[']s possible to know the data yet –

---

[2] An equity swap is a transaction, typically with a broker-dealer, in which a party receives cash flow based on the performance of the underlying equity for a specified period of time in exchange for paying a premium. Generally, a party will sell its equity position and buy the economic interest on the shares it sold via an equity swap in order to free up cash.

i could be wrong, but i don't think it is yet."

45. A few days later, on April 6, 2008, Cohen exchanged instant messages with the other Analyst about the Drug. Cohen remarked that it "seems like mat [Martoma] has a lot of good relationships in this arena."

46. On April 11 and 12, 2008, the Analysts relayed to Cohen their conversation with another doctor, who, according to the Analysts, implied that he had seen some Phase II Trial data that was at that time not widely known. Like Gilman, this doctor was a paid consultant to SAC, through an expert networking firm, and simultaneously participated in confidential clinical trials conducted by Elan and Wyeth. During his email exchanges with the Analysts, Cohen displayed no concern about the apparent disclosure of potentially nonpublic information by the doctor to the Analysts or about the Analysts' use of such information to inform their investment decisions on the firm's behalf.

47. Instead, Cohen tried to determine the weight any such information should be given for investment purposes. Cohen wrote to one of the CR Intrinsic Analysts that it "[s]eems strange that [the doctor] would have seen the [interim] data when other investigators haven't." The Analyst responded, "Some small # of [people] have seen the data, otherwise they would not have been able to design the phase 3s. Was [the doctor] one of those ppl, I have no idea…. But he said he saw the data before agreeing to be in the study, which isn't totally unreasonable…."

48. Cohen also forwarded the Analyst's email to Martoma to have him follow up with the same doctor. About an hour after receiving Cohen's email, Martoma emailed the doctor to schedule a consultation. A few days later, Martoma reported back to Cohen to tell him he had spoken with the doctor himself and that it was a "[n]on issue." Cohen replied: "How come[?]"

49. Cohen thus failed to take prompt action to determine whether an employee under his supervision was engaged in improper conduct and failed to take reasonable steps to prevent violations of the federal securities laws.

50. Cohen's failure to do so was inconsistent with the instructions of SAC's then-applicable Code of Ethics. The Code of Ethics warned that "[e]mployees should also be conscious of the prohibitions of trading on or the misuse of material nonpublic information when communicating with potential sources of market information such as . . . doctors conducting clinical trials . . . . Questions concerning the propriety or advisability of contacting such sources should be discussed with the [Chief Compliance Officer] or the General Counsel prior to doing so." SAC's compliance officers also provided training to employees about the potential for doctors participating in drug trials to have access to material nonpublic information.

g. In July 2008, Gilman Tells Martoma about the Phase II Trial Results

51. After the June 17 Announcement, Martoma maintained his bullish view of Elan. On June 30, 2008, when Elan securities were trading at about $35 per share, Martoma told Cohen that he intended to increase the Elan position and predicted that the stock would rise past $40 per share after the July 29 Announcement.

52. In late June, Gilman learned that he likely would be selected to present the Phase II Trial results at the Conference on July 29. Soon after, Gilman told Martoma. When later designated as the presenter, Gilman arranged to travel to Elan's offices on July 15 and 16, 2008, to obtain the full results of the Phase II Trial.

53. In the weeks leading up to the July 29 Announcement, Gilman had several telephone calls with Martoma. He provided Martoma with material nonpublic information not only on the safety results, but also on the efficacy results for the Phase II Trial.

54. For example, on Friday, July 11, 2008, Gilman participated in a Safety Committee meeting where the safety results for the completed Phase II Trial as a whole were discussed. Two days later, on Sunday, July 13, Gilman spoke with Martoma for more than 1 hour and 40 minutes and provided Martoma with confidential information about the completed Phase II Trial safety results. Towards the end of the call, Martoma and Gilman scheduled another call on July 17, 2008 — the day after Gilman returned from his anticipated two-day meetings with Elan.

55. On July 15, 2008, Gilman traveled to San Francisco in a private plane arranged by Elan to participate in two days of meetings about the Phase II Trial efficacy results. Gilman received the complete efficacy results of the trial and reviewed and commented on a draft PowerPoint presentation that he would use to present the results at the Conference.

56. On July 17, 2008, after Gilman returned to his home in Michigan, an Elan officer sent Gilman an updated Conference PowerPoint presentation in an email labeled "Confidential, Do Not Distribute." The twenty-four page PowerPoint included summaries of the detailed efficacy results and safety results for the Phase II Trial as well as additional commentary on Elan's and Wyeth's interpretation of the data.

57. Later in the afternoon of July 17, 2008, Gilman and Martoma spoke again by phone. During a call that lasted for almost two hours, Gilman provided Martoma with confidential information about the detailed results of the Phase II Trial, including all the information contained in the revised PowerPoint presentation. Shortly afterward, Gilman sent the revised PowerPoint presentation to Martoma and then gave Martoma a password for the encrypted file.

58. On July 18, 2008, Martoma and Gilman spoke again by phone at least three times.

h. Martoma, CR Intrinsic, and SAC Trade Based on the Material Nonpublic Information from Gilman and Cohen Fails Reasonably To Supervise

59. After his July 17 and July 18 communications with Gilman, Martoma reached out to Cohen on the morning of Sunday, July 20, 2008. Martoma told Cohen "[i]t's important" they speak.

60. Later that morning, Cohen and Martoma spoke by phone. According to Cohen, Martoma said that he was no longer "comfortable" with the Elan investments that CR Intrinsic and SAC held. Despite being informed of Martoma's abrupt change in view on the Elan investments and other red flags, Cohen failed to take prompt action to determine whether an employee under his supervision was engaged in unlawful conduct and failed to take reasonable steps to prevent violations of the federal securities laws.

61. Before the market opened on Monday, July 21, 2008, CR Intrinsic and SAC held over 10.5 million Elan securities worth over $365 million and over 7.1 million Wyeth shares worth over $335 million in the portfolios Cohen and Martoma controlled.

62. On July 21, 2008, Cohen's head trader at SAC (the "Head Trader") began selling Elan and Wyeth securities held in those portfolios.

63. Between July 21 and July 29, 2008 (the last trading day before the post-market July

29 Announcement), the CR Intrinsic and SAC portfolios sold over 15 million Elan securities for gross proceeds of more than $500 million. Although the investment advisers' portfolios achieved a zero balance in Elan securities by July 25, 2008, they continued to sell short Elan securities until the July 29 Announcement.[3] By the close of the market on July 29, 2008, the CR Intrinsic and SAC portfolios had a combined short position of approximately 4.5 million Elan securities. CR Intrinsic's and SAC's trading in Elan made up over 20% of the reported market trading volume in Elan during the seven days before the July 29 Announcement.

64. Between July 21 and July 29, 2008, the CR Intrinsic and SAC portfolios also sold over 10.4 million shares of Wyeth for gross proceeds of more than $460 million, including over 6.1 million Wyeth shares worth more than $270 million on July 29 before the announcement. CR Intrinsic's and SAC's trading in Wyeth made up over 11% of the reported market trading volume in Wyeth during the seven days before the July 29 Announcement.

65. CR Intrinsic and SAC also placed options trades in Elan ADRs that bet on the ADRs' share price going down. For example, on July 28 and July 29, the CR Intrinsic and SAC portfolios purchased over $1 million worth of Elan put options with strike prices below the Elan ADR share price on those trading days.[4]

i. On July 29, Elan and Wyeth Announce Bad News About the Phase II Trial

66. On July 29, 2008, after the close of U.S. securities markets, Gilman presented the results of the Phase II Trial at the Conference, and Elan and Wyeth issued a press release summarizing the results. Although Elan and Wyeth emphasized the positive aspects of the trial, the press release and Gilman's presentation included details not in the June 17 Announcement. The market reacted negatively to the full results.

67. On July 30, 2008, the first trading day after the July 29 Announcement, Elan's share price fell from $33.75 (the closing price on the day of the announcement) to $19.63 (the closing price on the day after the announcement), a decline of approximately 42%. Wyeth's stock price fell from $45.11 (the closing price on the day of the announcement) to $39.74 (the closing price the day after the announcement), a decline of approximately 12%.

68. Cohen's and Martoma's CR Intrinsic and SAC portfolios collectively reaped profits and avoided losses of approximately $275 million based on the trades Martoma and Cohen placed after Martoma received material, nonpublic information from Gilman about the Phase II Trial results and Cohen failed reasonably to supervise Martoma.

---

[3] To "sell short" is to sell a security that one does not own, but rather has arranged to borrow from a third party, with the intention of purchasing (also called "covering") the security at a later date to deliver to the lender. A short seller stands to gain if the price of the security drops between the short sale and the purchase because the short seller has sold the security at a price higher than the purchase price.

[4] A put option is a financial contract between two parties that gives the buyer the right, but not the obligation, to sell an agreed quantity of stock during a specified time period at a specified price. A buyer of a put option pays a premium to purchase this right and generally stands to gain if the stock price drops.

j. SAC Affiliates Pay Martoma a Big Bonus Before His Termination Two Years Later

69. At the end of 2008, Martoma received a bonus of over $9.3 million. The bonus included a percentage of the Elan trading profits in the CR Intrinsic portfolios, as well as a share of the Elan profits in certain SAC portfolios managed by Cohen. In a 2010 email suggesting that Martoma be fired, a firm officer said that Martoma had been a "one trick pony with Elan."

F. VIOLATIONS

70. As a result of the conduct described above, Cohen failed reasonably to supervise Martoma with a view to preventing Martoma's violation of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

Undertakings

Cohen has undertaken to:

71. Within 30 days of this Order, Cohen shall arrange for any broker, dealer, investment adviser, or entity excluded from the definition of investment adviser pursuant to Rule 202(a)(11)(G)-1 as promulgated under the Advisers Act that he directly or indirectly wholly owns or controls (each, a "Cohen Entity") to retain an independent consultant ("IC"), which shall be either: (a) Bart M. Schwartz of Guidepost Solutions LLC who was previously retained by a Cohen Entity as a consultant in connection with the matter *United States of America v. S.A.C. Capital, Advisors, L.P. et al.*; or (b) another IC not unacceptable to the Commission staff. This IC shall be retained through December 31, 2017, and during such other period as provided for in paragraph 76, and shall:

(a) conduct a review of the Cohen Entity's compliance with the federal securities laws and issue a report at least every six months to the Cohen Entity and the staff of the Commission describing the scope and results of the IC's review; and

(b) In connection with each report described in paragraph 71(a) above, recommend any additional policies and procedures which, on the basis of the review, the IC believes are reasonably designed to ensure the Cohen Entity complies with the federal securities laws (the "Recommendations").

72. Cohen agrees that within 60 days following the receipt by a Cohen Entity of the Recommendations, the Cohen Entity shall adopt all Recommendations of the IC; provided, however, that within 30 days of the receipt of the Recommendations, Cohen shall in writing (i) notify the IC and the staff of the Commission of any Recommendations that he considers to be unnecessary, inappropriate, or unduly burdensome, and (ii) propose an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any Recommendation on which Cohen and the IC do not agree, such parties shall attempt in good faith to reach an agreement within 30 days after Cohen serves the written notice and proposal described above. In the event that Cohen and the IC are unable to agree to an alternative proposal, Cohen will ensure that the Cohen Entity abides by the determinations of the IC by no later than the 75th day following the receipt of the Recommendations.

73. Cohen shall not have the authority to terminate the IC without prior written approval of the staff of the Commission. Cohen shall compensate the IC, and persons engaged to assist the IC, for services rendered, at their reasonable and customary rates. Cohen shall not be in, and shall not have, an attorney-client relationship with the IC and shall not seek to invoke the attorney-client privilege or any other doctrine or privilege to prevent the IC from transmitting any information, reports, or documents to the staff of the Commission. Cohen shall require the IC to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the IC shall not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Cohen, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the IC will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the IC in performance of his/her duties under this Order shall not, without prior written consent of the staff of the Commission, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Cohen, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

74. Cohen agrees that, through December 31, 2017, he shall, or shall cause the relevant Cohen Entity to: (a) perform an internal investigation of any profitable (including loss avoidance) trade identified by the Commission's staff; (b) consent to any onsite examination of any Cohen Entity that the Commission staff elects to conduct; and (c) arrange for any Cohen Entity to undertake reasonable efforts to make any employee available for a deposition or interview by the Commission within 21 days of any request.

75. The undertakings outlined in paragraphs 71-74 shall continue at least through December 31, 2017, but shall be extended in the event of a new enforcement action by the Commission, filed on or prior to December 31, 2017, for an alleged violation of the federal securities laws for any conduct that occurred after August 1, 2013 and that was not brought to the attention of the SEC by a Cohen Entity or a person associated with such entity acting in a capacity other than a whistleblower ("New SEC Action"). The parties agree that in the event of a New SEC Action naming Cohen, the provisions of paragraphs 71-74 will be extended until the final adjudication of that action. In the event of a New SEC Action naming a Cohen Entity or an employee employed with a Cohen Entity, paragraphs 71-74 shall remain in effect until December 31, 2019.

76. In the event that Cohen becomes associated in a supervisory capacity with a Cohen Entity that is a registered broker, dealer, or investment adviser, Cohen agrees that any such registered entity shall retain an IC and abide by the provisions in paragraphs 71-73 above until December 31, 2019.

77. In the event of a New SEC Action that results in a final judgment or order, after appeal, finding liability for a federal securities law violation by Cohen or a Cohen Entity, or a scienter-based federal securities violation of a Cohen Entity employee acting in the course of his or her employment for such entity and supervised by Cohen, Cohen agrees not to be associated in a supervisory capacity with any broker, dealer, or investment adviser for a period of two years in addition to the period from the date of the Order to December 31, 2017 provided for in Part IV, paragraph A. If such final judgment or order is entered prior to December 31, 2017, such additional two year period shall begin January 1, 2018 and expire on December 31, 2019. If such

final judgment or order is entered subsequent to January 1, 2018 (i.e., after the two year period provided for in Part IV, paragraph A) such additional two year period shall commence at the time such final judgment or order, after appeal, is entered. Nothing herein shall be deemed to limit the Commission's ability to enter an order ordering other sanctions available to the Commission based on the entry of such final judgment or order.

78. Nothing in this Order shall be read to preclude or inhibit any Cohen Entity from applying to register as an investment adviser under the Advisers Act, provided that Cohen shall not be associated with such adviser in a supervisory capacity until December 31, 2017 and during such other period as provided for in paragraph 77. This Order is not intended to serve as a basis for bar or disqualification of any person or entity by any other U.S. or foreign regulatory entity.

IV.

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

Accordingly, pursuant to Section 203(f) of the Advisers Act, it is hereby ORDERED that the Respondent be subject to the following limitations on his activities:

A. Cohen shall not be associated in a supervisory capacity with any broker, dealer, or investment adviser until December 31, 2017, or such later date as provided for in paragraph 77; and

B. Cohen shall comply with the undertakings enumerated in paragraphs 71-75 and 77 above.

By the Commission.

Brent J. Fields
Secretary