

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 88920 / May 21, 2020

Administrative Proceeding
File No. 3-18473

In the Matter of	:	ORDER APPROVING APPLICATION
	:	OF FUND ADMINISTRATOR FOR
Visium Asset Management, LP	:	PAYMENT OF FEES AND EXPENSES
	:	AND APPROVAL OF FUTURE FEES
Respondent.	:	AND EXPENSES
	:	

On May 8, 2018, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against the Respondent. In the Order, the Commission found that from at least July 2011 to December 2012, Visium portfolio managers Christopher Plaford (“Plaford”) and Stefan Lumiere (“Lumiere”), engaged in a mismarking scheme, using sham broker quotes to falsely inflate the value of securities held by a fund for which Visium acted as investment adviser (the “Credit Fund”). As a result, the Credit Fund reported falsely inflated returns, overstated its net asset value, misclassified certain distressed assets, and paid Visium approximately \$3.15 million in falsely charged performance and management fees. The Commission further found that Visium issued misstatements concerning its valuation policies and procedures, made material misstatements in its Form ADV, and failed to enforce certain written policies and procedures reasonably designed to prevent insider trading. Based on the foregoing, the Commission found that Visium willfully violated Section 17(a) of the Securities Act of 1933 (the “Securities Act”); Section 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 thereunder; and Sections 204A, 206(1), 206(2), 206(4), and 207 of the Investment Advisers Act of 1940 (the “Advisers Act”) and Rules 206(4)-7 and 206(4)-8 thereunder. The Commission ordered Visium to pay to the Commission disgorgement of \$4,755,223, prejudgment interest of \$720,711, and a civil money penalty of \$4,755,223.

On August 30, 2018, the Commission issued an order establishing a fair fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the civil penalties, along with the disgorgement and prejudgment interest, can be distributed to harmed investors (the “Fair Fund”).²

The Respondent has paid a total of \$10,231,157.00 pursuant to the Order.

¹ Securities Act Rel. No. 10494 (May 8, 2018).

² Exchange Act Rel. No. 83998 (Aug. 30, 2018).

On November 16, 2018, the Commission issued an order appointing KCC, LLC as the fund administrator of the Fair Fund and set the administrator's bond amount.³

On March 25, 2019, the Secretary, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment ("Notice"), pursuant to Rule 1103 of the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103.⁴ The Notice provided a 30-day comment period. One comment was received by the Commission in response to the Notice, and after careful consideration the Commission issued an order approving the Plan, as published on July 8, 2019.⁵

The Plan contemplates that the Fund Administrator's fees and expenses will be paid from the Fair Fund.⁶ In accordance with Rule 1105(d) of the Commission's Rules, 17 C.F.R. § 201.1105(d), the Fund Administrator has submitted to the Commission staff one invoice for services rendered from November 16, 2018 through February 2020, totaling \$23,481.23. The Commission staff has reviewed the Fund Administrator's invoices, confirmed that the services have been provided, and finds the fees and expenses of \$23,481.23 to be reasonable. The Commission staff has requested that the Commission authorize the Office of Financial Management ("OFM") to pay the Fund Administrator's current fees and expenses of \$23,481.23 from the Fair Fund.

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of the Assistant Director of the Office of Distributions, to pay the Fund Administrator's future fees and expenses from the Fair Fund so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission's Rules, 17 C.F.R. § 201.1105(d), that OFM pay the Fund Administrator's current fees and expenses of \$23,481.23 from the Fair Fund. Further, OFM is authorized to pay, at the direction of the Assistant Director of the Office of Distributions, any future fees and expenses of the Fund Administrator from the Fair Fund so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

By the Commission.

Vanessa A. Countryman
Secretary

³ See Order Appointing Fund Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. Exchange Act Rel. No. 84608 (Nov. 16, 2018).

⁴ Exchange Act Rel. No. 85403 (Mar. 25, 2019).

⁵ Exchange Act Rel. No. 86330 (July 8, 2019).

⁶ Plan at ¶ 8.