UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT of 1933
Release No. 10684 / September 16, 2019

SECURITIES EXCHANGE ACT OF 1934
Release No. 86971 / September 16, 2019

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4076 / September 16, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19454

In the Matter of **Marvell Technology Group, Ltd.,** **Respondent.**	**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS AND IMPOSING A CEASE-AND-DESIST-ORDER**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Marvell Technology Group, Ltd. ("Marvell" or "Respondent").

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. 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 it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of

the Securities Exchange Act of 1934, Making Findings and Imposing a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

A. Introduction

1. This matter concerns an undisclosed revenue management scheme by Marvell Technology Group. Faced with a substantial decline in customer demand in its core product markets, and concerned about the adverse consequences that would result from missing its public guidance, Marvell orchestrated a plan to accelerate, or pull-in, sales that had originally been scheduled for future quarters to the current quarter in order to close the gap between actual and forecasted revenue, meet publicly-issued guidance, and mask declining sales. As a result, Marvell made materially misleading public statements and omitted to disclose certain facts regarding its financial results for the fourth quarter of fiscal year 2015 (Q4 FY2015) and first quarter of fiscal year 2016 (Q1 FY2016). In particular, Marvell made positive statements regarding its Q4 FY2015 results and met its revised public revenue guidance in Q1 FY2016 without disclosing the significant impact on revenues from its use of pull-ins. Marvell also failed to disclose that the pull-ins reduced future sales, thereby making it exceedingly difficult for Marvell to meet its revenue guidance in future quarters, particularly in a declining market.

2. From approximately January 2015 through July 2015 (the "Relevant Period"), Marvell's senior management directed the effort to pull-in sales for the purpose of meeting public revenue guidance. Marvell's senior management placed significant pressure on its sales employees to push customers to agree to accept products earlier than scheduled, and it closely tracked the gap between actual and forecasted revenue, and the use of pull-ins to bridge that gap. Marvell used the pull-ins despite internal concerns that the pull-ins were masking declining market conditions and also obfuscating the company's deteriorating financial results, thereby misleading investors. Senior management, however, refused to abandon its use of pull-ins, and those who raised concerns were ignored. Marvell's senior management also failed to inform the company's Board of Directors or its independent auditor of its pull-in scheme.

3. As a result of such conduct, Marvell violated Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 thereunder.

B. Respondent

[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.

4. **Marvell Technology Group Ltd.** is incorporated in Hamilton, Bermuda, and is principally headquartered in Santa Clara, California. Marvell is a producer of semiconductor components used in, among other things, data storage/hard drives, mobile phones, and network devices. A significant portion of Marvell's revenue comes from certain key customers. During the Relevant Period, Marvell operated primarily through two divisions – Datacom and Storage. Marvell's securities (ticker: MRVL), which are registered with the Commission pursuant to Section 12(b) of the Exchange Act, are listed on the NASDAQ. Marvell's fiscal year ends on the Saturday nearest January 31. In May 2008, Marvell entered into a settlement with the Commission for its violation of antifraud, internal controls, books and records, and financial reporting provisions of the federal securities laws pertaining to improperly backdating stock options and paid a $10 million penalty. *SEC v. Marvell Technology Group, Ltd. and Weili Dai*, Case No. CV 08-2367-HRL (N.D. Cal. filed May 8, 2008).

C. Facts

1. Marvell Engaged in a Pull-in Scheme to Meet Publicly-Disclosed Guidance

5. In late 2014, Marvell's senior management had grown frustrated with the company's recent revenue performance. Marvell had missed publicly-disclosed revenue guidance in the second and third quarters of fiscal year 2015 and was headed toward another potential miss in the fourth quarter. Senior management perceived that the sales teams were not aggressive enough in generating sales in the company's two main divisions of Datacom and Storage. Historically, revenue and sales targets had been set from the bottom-up, where sales teams influenced the process by providing forecasts of their sales projections based on their understanding of customers' needs. However, in an effort to exert more control over the sales force, senior management, in late 2014, imposed top-down revenue and sales targets, which were reflected in the company's Annual Operating Plan (AOP) for FY 2016. Sales staff protested the top-down targets set by senior management, believing they were not realistic and had been developed without proper consideration of customers' needs. The pressure to meet the targets set in the AOP became the impetus for Marvell's pull-in effort.

6. Around the same time, Marvell began to experience a substantial decline in customer demand. The decline was initially felt in the company's China mobile market (Datacom), where the company had made significant investments in recent years, and eventually spread to the storage segment, Marvell's flagship business unit. By January 2015, the last month of Q4 FY2015, Marvell's senior management was aware of a growing gap between actual revenue and forecasted revenue for the quarter.

7. In response to this growing gap, Marvell's senior management resorted to the use of pull-ins.[2] Marvell's senior management made this decision no later than mid-January 2015, approximately two weeks prior to the end of the company's Q4 FY2015, at which time Marvell

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[2] Marvell's revenue recognition policy contained a section pertaining to pull-ins, which was not publicly disclosed, that defined a pull-in as "a transaction where Marvell initiates and obtains agreement from customer to modify an existing sales order scheduled shipment date from a subsequent quarter into the current quarter." The policy required formal tracking of pull-in transactions.

was facing a revenue shortfall of approximately $50 million against forecasted revenue guidance of $880 to $900 million. Internally, Marvell referred to the effort as the "pull-in plan." A primary motivation for the pull-in effort was concern that missing revenue guidance would adversely impact the company's stock price.

8. The pull-in effort was orchestrated and directed at the highest levels of Marvell. Senior management, including executives in sales, finance, and sales operations, were aware of the pull-in effort and tracked the company's progress in meeting its revenue targets through the use of pull-ins. Senior management also routinely pressured sales managers to obtain additional revenue through pull-ins to meet their targets. In carrying out the plan, senior management was assisted by the Financial Planning and Analysis unit (FP&A), which tracked the gap between the actual revenue (referred to internally as organic or natural revenue) and forecasted revenue, as well as the amount of pull-ins being used to close the gap. FP&A also tracked "backlog," which was the amount of predicted revenue in a given quarter based on customer orders, as well as the "backlog percentage," which was the ratio between customer orders and revenue targets for the quarter and used to determine whether revenue targets were supported by anticipated sales.

9. Marvell frequently offered various financial incentives to persuade its customers to agree to pull-ins. As a general matter, Marvell relied on certain key customers to generate a significant portion of its revenue, and those customers provided periodic forecasts of product they intended to purchase from Marvell in a given quarter. Marvell's pull-in plan, however, required its customers to accept product earlier than they had requested, and Marvell, with the approval of senior management, sought to incentivize its customers to agree to the pull-ins. Among other things, Marvell obtained pull-in sales by offering price rebates, discounted prices, free products, and extended payment terms, at times inconsistent with its revenue recognition policy. Yet, even with these incentives, Marvell's customers were at times reluctant to agree to pull-in sales. As one Marvell employee remarked in reporting on a successful pull-in, Marvell had to "beg" the customer to agree to a multi-million dollar pull-in in exchange for $75,000 in free parts.

10. Marvell used pull-ins in the following three quarters:

a. Fourth Quarter of Fiscal Year 2015 (ended January 31, 2015)

11. Communications between FP&A and the sales managers in the final days of Q4 FY2015 (January 2015) reflected the substantial pressure on the company to meet its revenue targets and the use of pull-ins as part of that effort. For example, when a sales manager expressed concern at his ability to meet his revenue target, even with the use of pull-ins, the head of FP&A at that time (and future interim CFO) simply ignored the concern, explaining to a subordinate: "We are aware of this, [but he (the sales manager)] has a target given to him by [senior management]." The same sales manager warned that the pull-ins were overstating what the actual demand was for Marvell's products: "We are pulling teeth to get to $430 [million] in Q4, with [the] natural number at $400 [million]." During this time period, Marvell also began to receive information indicating that the company could be losing market share in the declining market. In particular, the former senior FP&A official observed that although Marvell was struggling to meet its Q4 revenue goals, it appeared that industry peers were meeting their guidance. The same official closely monitored

Marvell's share of the total available market ("TAM") for the storage segment and how Marvell's revenues compared to this metric.

12. In Marvell's Q4 FY2015, which ended January 31, 2015, Marvell pulled-in $24 million of sales originally scheduled for future quarters, of which $20 million came from the storage segment.

13. On February 19, 2015, Marvell announced revenues of $857 million for Q4 FY2015 and a non-GAAP EPS of $0.25. Marvell missed its low-end revenue guidance of $880 million but beat its EPS guidance by one penny. Marvell characterized the financial results as "overall on target" and during its earnings call touted an increase of both sales and market share gains in the largest component of the storage business, hard drives (HDD). On March 26, 2015, Marvell also filed its Form 10-K for Fiscal Year 2015 that contained materially misleading information about the company's fourth quarter revenue performance.

14. Marvell did not disclose that 3% of its total Q4 FY2015 revenues (approximately $24 million), and 5% of its storage revenues (approximately $20 million), were derived from pull-ins. Notwithstanding its public comments touting its gains in its HDD business, without the benefit of the pull-ins, Marvell's HDD sales actually decreased. In addition, without the pull-ins, Marvell would have missed the low-end of its revenue guidance by the far greater margin of approximately $50 million, thereby preventing the company from characterizing its financial results as "overall on target."

b. ***First Quarter of Fiscal Year 2016 (ended May 2, 2015)***

15. The pressure to engage in pull-ins steadily increased throughout 2015, particularly as the gap between revenue guidance and actual revenues grew. The pressure became especially acute in Q1 FY2016. Early in Q1 FY2016, even as the backlog percentage for the quarter was extraordinarily low, Marvell's senior management indicated that the forecasted numbers needed to be met and emphasized that "everything and anything needed to be shipped."

16. By mid-April, several weeks before quarter end, FP&A raised alarm at the growing gap between actual revenue and forecasted revenue. As one FP&A employee warned, first quarter revenues would be "way off" guidance of $810-$830 million and were likely to be in the $641-$669 million range, or almost $200 million short of the upper-level guidance. In order to close the gap, Marvell again resorted to the use of pull-ins of sales originally scheduled for subsequent quarters. The vast majority of the pull-ins were used in the company's storage segment.

17. Less than two weeks before the quarter ended, Marvell, in the face of the large gap between actual and forecasted revenue, made a public announcement reducing its revenue guidance for Q1 FY2016. In particular, on April 24, 2015, Marvell announced a revised quarterly revenue guidance of $710-$740 million. Internal documents at the time, however, indicated that Marvell would need approximately $50 million of pulled-in revenue to meet this reduced public revenue guidance. Marvell did not disclose that it would need to pull-in a significant amount of revenue from future quarters in order to meet its revised revenue guidance. By not disclosing the

pull-ins, Marvell also was able to mask the significant decline in sales and market share it was experiencing.

18. In Marvell's Q1 FY2016, which ended May 2, 2015, Marvell pulled-in $64 million of sales scheduled for future quarters, of which $55 million came from the storage segment.

19. On May 21, 2015, Marvell announced it had met its publicly-disclosed guidance, with $724 million in total revenues, of which $348 million was storage revenue. Marvell did not disclose that it used pull-ins totaling 9% of total revenues and 16% of storage revenues for the purpose of meeting the revenue guidance. The large number of pull-ins masked what would have been Marvell missing the low end of its revenue guidance by approximately $30 million and a market share loss. On June 4, 2015, Marvell also filed its Form 10-Q for the First Quarter of Fiscal Year 2016 that contained materially misleading information about the company's first quarter revenue performance.

c. *Second Quarter of Fiscal Year 2016 (ended August 1, 2015)*

20. Several weeks into Q2 FY2016, Marvell's senior management renewed its pressure on its sales managers to pull-in as much revenue as possible to meet the quarter's revenue targets. Internal FP&A analyses reflected that the combination of declining market demand coupled with the effects of the prior quarter pull-ins had left the company almost $100 million short of its public revenue guidance of $710-$740 million. Again, senior management's response was that the company could simply not afford to miss its revenue guidance. As one Marvell employee explained: "[W]e need to pull into this QTR, we are still short, we will worry about next QTR later."

21. In Marvell's Q2 FY2016, which ended August 1, 2015, Marvell pulled-in a record amount of $77 million of sales originally scheduled for future quarters. The pull-ins totaled 11% of total revenue for the quarter.

22. Shortly after the end of the quarter, in August 2015, Marvell's Board of Directors first became aware of senior management's use of pull-ins to meet public revenue guidance. On September 11, 2015, Marvell announced a delay in filing its Form 10-Q for Q2 FY2016 and the commencement of an internal investigation to examine, among other things, the company's use of pull-ins. Shortly thereafter, Marvell's independent auditor resigned.

2. <u>The Use of Pull-ins Adversely Impacted Marvell's Future Revenue</u>

23. Within Marvell, it was understood that pull-ins negatively impacted Marvell's revenue prospects in future quarters. Because Marvell's customers provided quarterly forecasts, on a periodic basis, of how much product they intended to purchase from Marvell, if Marvell requested a customer to accept shipment of product earlier than forecast, Marvell could record the sale as occurring in the earlier quarter but, all things being equal, would lose that sale in the later quarter (when it was previously scheduled). The adverse impact of pull-ins on future quarter revenue was particularly pronounced in the declining market during the Relevant Period, as Marvell had little hope of generating additional sales in future quarters.

24. From the outset of the pull-in effort, Marvell's senior management was warned of the consequences of pull-ins on future revenue. In the final days of Q4 FY2015, a senior sales manager, who was being pressed to pull-in revenue, warned that the pull-ins would make it all the more difficult to meet—in his words, pull-ins would "destroy"— revenue targets for Q1 FY2016. Days after the end of the quarter, another senior operations manager warned that the pull-ins "did a lot of damage in Q4 and [Marvell could not] be as aggressive [in Q1]." Sales managers also alerted senior management that the pull-ins were masking the real cause of Marvell's revenue problems, *i.e.*, declining market conditions. One manager tried to explain that he could not reasonably be expected to meet the Q1 FY2016 AOP target set by senior management given the "really weak" market conditions.

25. In Q1 FY2016, as FP&A continued to track the growing gap between actual and forecasted revenue, at the direction of senior management it pressed sales teams to meet their targets. Again, sales teams pushed back, warning that the effects of the Q4 pull-ins plus the declining market demand made it all but impossible for the company to meet its revenue targets. One senior operations manager noted, approximately mid-way through the quarter: "based on the damage we had to create in Q4 in regards to pulls, we started Q1 in the hole with the cabinets left pretty bare . . . . We did not empty the cabinets the first month for Q1 of last year like we did this time." When that same senior operations manager pressed for more pull-ins, a sales employee responded: "We have tried our best to pull in. I think it's not realistic to expect such a huge increase of revenue after [huge Q4] pull in . . . . And I strongly suggest not [to] keep pulling in like this. It's too risky."

26. Even within FP&A, which performed a critical role in assisting senior management in implementing the pull-in plan, there came to be a realization that the pull-ins were having adverse impacts on future quarter revenue. One mid-level FP&A manager, in considering a sales manager's ability to meet his revenue targets, noted to the head of FP&A: "I personally think it's a miracle that he's not de-committing on the revenue target given how much we pulled in [in] Q4."

27. Marvell's senior management ultimately ignored the warnings and pressed ahead with the pull-in effort. Half way through Q1 FY2016, a senior operations manager reported that senior management had "ordered full speed ahead and is pushing everyone to achieve their [revenue targets]" and that senior management "is not going to budge from the target" set for Q1. The solution, according to the same manager, was to keep pulling-in: "[W]e have to ship anything and everything possible."

28. By the end of Q1 FY2016, and into Q2 FY 2016, Marvell's continuous pull-in effort met increased resistance from its customers, who were starting to carry excess inventory of Marvell's products as a result of the repeated requests to accept early shipments. A senior operations manager was told that customers "did not like the snowball effect of the pull-ins and holding huge inventories." Internal analyses within Marvell indicated that the cumulative effects of the pull-ins on its customers' inventory presented risks to Marvell's future revenue.

3. Marvell Ignored Those who Expressed Concern with the Pull-in Scheme

29. Several company employees pushed back on Marvell's reliance on the use of pull-ins to bridge the gap between actual revenue and publicly-disclosed guidance. These persons, however, were ignored.

30. A principal source of opposition to the pull-in plan came from sales managers, who were most familiar with their customers' needs as well as market conditions. Marvell's senior management was warned that the company was facing a substantial decline in market demand that rendered the company's revenue targets unrealistic. As one sales manager explained to a senior Marvell executive in the final month of Q1 FY 2016: "Data has been published this morning that Q1 shipments [were] down to the lowest level since [. . .] 2001 . . . . There is really weakness in the storage industry." However, when sales managers cautioned that pull-ins were masking declining market demand, the response from Marvell's senior management was to conduct more, not less, pull-ins.

31. Additional opposition to Marvell's pull-in plan came from a senior level Marvell employee with responsibilities related to Marvell's accounting and financial disclosures. During April 2015, the employee cautioned certain members of senior management, including the president, the CFO, and the head of FP&A, that Marvell's use of pull-ins could trigger disclosure obligations because they could be masking a downturn in the company's financial results. The employee cited prior SEC actions against public companies that had distorted their financial results through unusual sales practices. Rather than heed the employee's warnings, Marvell's senior management did the opposite—the warnings were ignored, and they misled the employee by falsely asserting that the pull-ins were not being used primarily or solely to meet revenue guidance. At the conclusion of one of the aforementioned discussions, the employee was directed to send an e-mail to senior management indicating that there were no issues with the pull-ins. The employee sent the e-mail as requested.

4. Marvell Misled Investors by Failing to Disclose the Purpose, Scope, and Effect of the Pull-in Transactions

32. As noted above, Marvell reported its financial results for Q4 FY2015 and Q1 FY2016 in earnings calls and in reports filed with the Commission, without disclosing that a significant portion of its revenue had resulted from the use of pull-ins intended to meet the company's public revenue guidance.

33. By failing to disclose this information, Marvell misled investors in the following ways. First, investors were left with the misleading impression that Marvell was able to meet its public guidance organically, through normal customer demand for its products. Internally, however, Marvell closely tracked what it considered to be its natural or organic revenue (without the use of pull-ins). Senior management was aware that its natural revenue was far below the company's public guidance, and that this was primarily because of a significant decline in customer demand caused by changing market conditions. Without the same information, investors lacked an ability to evaluate financial results in context and compare results across periods.

34. In addition, investors were unaware of the adverse impact that pull-ins were having on revenue and sales in future quarters. Internally, senior management was fully aware that the

pull-ins were simply shifting revenue from one quarter to another, and sales professionals repeatedly warned senior management of the "cannibalization" of future revenue, particularly in the company's key storage segment. Senior management was also aware that, in light of the deteriorating market conditions, it was highly unlikely that customers would agree to purchase products beyond what they had earlier forecasted. Without such information, investors lacked an ability to evaluate Marvell's future revenue and sales prospects and judge the company's ability to meet future guidance. And finally, investors were unaware that the pull-ins were masking declining sales and market share.

35. Marvell's internal disclosure process failed to ensure that it adequately considered its disclosure obligations surrounding its use of pull-ins. A key part of the disclosure process was the Disclosure Committee. The Disclosure Committee was responsible for, among other things, assisting Marvell's senior management in ensuring the accuracy and timeliness of the company's financial disclosures. During the Relevant Period, the Disclosure Committee met several times, including to review and approve the company's disclosures for Q4 FY2015 and Q1 FY2016. The Disclosure Committee was not made aware of, nor did it consider, whether the company's use of pull-ins needed to be disclosed publicly.

36. Marvell's senior management during the Relevant Period, including its then president, CFO and head of FP&A, did not consider or discuss the issue of whether the company needed to disclose its use of pull-ins other than during the aforementioned April 2015 meetings where they ignored the cautions of a senior level employee. Senior management also failed to ensure that the Disclosure Committee adequately considered the issue. It failed to do so even after at least one employee cautioned senior management that Marvell's use of pull-ins implicated disclosure obligations because they were masking declining financial results.

37. Marvell's Board of Directors was not informed of senior management's efforts to meet publicly-disclosed revenue guidance through the use of pull-ins. On at least two occasions, in documents that were to be provided to the Board, references to pull-ins that had existed in earlier drafts were deleted. Marvell also did not disclose to its independent auditor that the company had attempted to meet its public revenue guidance through the use of pull-ins.

38. Marvell's misleading statements were material. A reasonable investor, in considering whether to purchase or sell Marvell securities, would have found it important that Marvell was using pull-ins to generate sales for the purpose of meeting publicly-disclosed revenue targets and mask a significant downturn in sales, and that the pull-ins would adversely impact future revenue.

5. <u>Marvell's Employee Stock Purchase Plan</u>

39. As part of its employee compensation, Marvell offered an Employee Stock Purchase Plan which allowed certain employees to purchase stock at a discounted price. During the Relevant Period, Marvell employees purchased company stock at a cost of approximately $11.88 per share.

D. Violations

40. Section 17(a)(2) proscribes obtaining "money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading." Section 17(a)(3) proscribes engaging "in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser." A violation of these provisions does not require scienter and may rest on a finding of negligence. *See Aaron v. SEC*, 446 U.S. 680, 685, 701-02 (1980). Marvell violated the foregoing provisions when it made materially misleading public statements and omitted to disclose certain facts regarding its financial results for Q4 FY2015 and Q1 FY2016, and further engaged in an undisclosed effort to meet public revenue guidance through the use of pull-ins.

41. Section 13(a) of the Exchange Act requires issuers such as Marvell to file periodic reports with the Commission containing such information as the Commission prescribes by rule. Form 10-K and Form 10-Q requires registrants to comply with Regulation S-K Item 303, which required Marvell to describe in the MD&A sections of the required periodic filings "any known trends or uncertainties that have had or that the registrant reasonably expects will have a material … unfavorable impact on net sales or revenues or income from continuing operations." The failure to provide the information required by Regulation S-K constitutes a violation under Section 13(a) of the Exchange Act. Marvell used pull-ins to mask declining sales and markets, a trend, event, or uncertainty that was known to Marvell and was reasonably likely to have material effects on the registrant's financial condition or results of operations. Contrary to the requirements of Regulation S-K, Marvell failed to disclose the material impact of this known trend, event, or uncertainty on current and future revenues within its required MD&A sections of its Form 10-K for the fiscal year 2015 and its Form 10-Q for the first quarter of fiscal year 2016. As a consequence, Marvell violated Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 thereunder.

IV.

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

Accordingly, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, it is hereby ORDERED that:

A. Marvell shall cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 13(a) of the Exchange Act and Rules 13a-1, 13a-13, and 12b-20 thereunder.

B. Marvell shall, within 10 days of the entry of this Order, pay a civil penalty in the amount of $5,500,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 and 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 Marvell as the Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Anita Bandy, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F Street N.E., Washington, DC 20549-6561A.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary