

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 96010 / October 7, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20945**

<b>In the Matter of</b>	:	
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	:	
<b>Surgalign Holdings, Inc. and</b>	:	<b>EXTENSION ORDER</b>
<b>Robert P. Jordheim,</b>	:	
	:	
<b>Respondents.</b>	:	

The Division of Enforcement (“Division”) has requested an extension of time until October 7, 2023 to submit a Proposed Plan of Distribution under Rule 1101(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101(a).

On August 3, 2022, the Commission issued an Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 4C and 21C of the Securities Exchange Act of 1934, and Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)<sup>1</sup> against Surgalign Holdings, Inc. (formerly known as RTI Surgical Holdings, Inc. and RTI Surgical, Inc.) (“RTI”) and Robert P. Jordheim (collectively, the “Respondents”). In the Order, the Commission found that from 2015 through 2019, RTI shipped orders weeks or months before its customers had originally requested delivery, thereby pulling sales forward from future quarters, to address projected quarterly revenue shortfalls. In some instances, RTI did so after

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<sup>1</sup> Securities Act Rel. No. 11088 (Aug. 3, 2022).

requesting and obtaining customer permission; in other instances, RTI shipped orders early without customer approval and then prematurely recognized revenue for the sales. In multiple quarters, RTI would not have met its revenue guidance without these undisclosed pull-forwards. RTI and its former senior management, including its CFO until September 2017, Jordheim, did not disclose to investors that RTI's apparent success at achieving its revenue guidance resulted from its reliance on pull-forwards, and they did not disclose the known uncertainty that this practice created for RTI's future revenue streams. In 2020, RTI issued a restatement to correct, among other things, its premature recognition of revenue, in violation of generally accepted accounting principles (GAAP), for orders shipped early to customers without their approval. In total, the Commission ordered the Respondents to pay \$2,075,000.00 in civil money penalties to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties paid can be distributed to harmed investors (the "Fair Fund").

The Fair Fund consists of the \$2,075,000.00 paid by the Respondents. The Fair Fund has been deposited in an interest-bearing account at the U.S. Department of the Treasury's Bureau of the Fiscal Service, and any accrued interest will be for the benefit of the Fair Fund.

In its request for an extension of time, the Division states that additional time is needed to complete the fund administrator solicitation and appointment process, develop the distribution methodology, and prepare the proposed plan of distribution. Additionally, the Division is awaiting the outcome of the related case *SEC v. Brian H. Hutchison*, 22-cv-2296 (D.D.C.), which may provide additional distributable funds.

Accordingly, for good cause shown, IT IS HEREBY ORDERED that the Division's request for an extension of time until October 7, 2023 to submit a Proposed Plan of Distribution is granted.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>2</sup>

Vanessa A. Countryman  
Secretary

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<sup>2</sup> 17 C.F.R. § 200.30-4(a)(21)(i).