

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 6039 / June 3, 2022

INVESTMENT COMPANY ACT OF 1940
Release No. 34607 / June 3, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20876

In the Matter of

**GARRISON POINT
CAPITAL, LLC,**

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
AND CEASE-AND-DESIST PROCEEDINGS,
PURSUANT TO SECTIONS 203(e) AND
203(k) OF THE INVESTMENT ADVISERS
ACT OF 1940, AND SECTIONS 9(b) AND 9(f)
OF THE INVESTMENT COMPANY ACT
OF 1940, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS AND
A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), and Sections 9(b) and 9(f) of the Investment Company Act of 1940 (“Investment Company Act”) against Garrison Point Capital, LLC (“Garrison Point” 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 Respondent and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, and Sections 9(b) and 9(f) of the Investment Company Act of

1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), as set forth below.

III.

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

Summary

1. From May 2015 through at least July 2015, Garrison Point, the subadviser to the AlphaCentric Income Opportunities Fund (“the Fund”), caused the Fund to overstate its daily net asset value (“NAV”) and performance by misvaluing 42 small “odd-lot” bonds. Even though these smaller positions were less liquid than and thus often traded at discounts to larger round lots, immediately after Garrison Point purchased the odd-lot bonds for the Fund, the Fund valued those positions at the higher prices provided by the third-party Pricing Vendor (“Pricing Vendor”), which were intended for round-lot positions, not odd lots. As a result of immediately valuing the bonds at round-lot prices, the Fund overstated its NAV by over 7% from May 2015 through July 2015, and the Fund’s reported performance was overstated during this period. In addition, Garrison Point provided materially inaccurate information regarding the sources of the Fund’s performance to investors in quarterly marketing materials through at least March 2016, an investor webinar, and in the Fund’s first annual shareholder report filed with the Commission on June 10, 2016.

2. With respect to valuation, Garrison Point failed reasonably to implement its policies and procedures with respect to the Fund’s odd lot bonds. With respect to disclosures, Garrison Point failed to adopt policies and procedures reasonably designed to prevent it from making misleading statements to investors about the sources of the Fund’s performance.

3. From January 2017 to February 2019, Garrison Point failed to implement its compliance policies and procedures concerning its role in valuing Fund securities. Those policies, which obligated Garrison Point to follow the Fund’s valuation policies and procedures, required Garrison Point to raise with the Fund’s administrator its concerns about the accuracy of the Pricing Vendor’s marks (“Pricing Vendor Marks”) and to notify the Fund’s Fair Valuation Committee if it had a belief that the Pricing Vendor was not publishing reliable valuations. During that period, however, when Garrison Point believed a Pricing Vendor Mark for bonds held by the Fund was too low, Garrison Point placed bids with certain brokers expressing an interest in purchasing those bonds at prices higher than the Pricing Vendor Marks, reflecting Garrison Point’s view of the bonds’ value. Garrison Point then provided those bids, which it disclosed as its own bids (“Pricing Bids”), to the Pricing Vendor, to persuade the vendor to increase its marks on the bonds. In

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.

response, the Pricing Vendor increased its marks for those bonds and the Fund priced its securities based on the increased marks.

Respondent

4. Garrison Point, a Delaware limited liability company, is an investment adviser registered with the Commission with approximately \$4.409 billion in regulatory assets under management as of December 31, 2021. Garrison Point has been registered with the Commission as an investment adviser since October 2012. Pursuant to a sub-advisory agreement with the Fund's adviser ("the Adviser"), Garrison Point provides investment advisory services as sub-adviser to the Fund and is primarily responsible for day-to-day management of the Fund's portfolio, subject to the oversight and approval of the Adviser. Garrison Point's principal place of business is Walnut Creek, California.

Other Relevant Entities

5. AlphaCentric Income Opportunities Fund (the "Fund"), which was launched on May 28, 2015, is an actively managed series of an open-end management investment company registered with the Commission ("Fund Trust"). As of December 31, 2021, the fund had total net assets of \$4.302 billion. The Fund's A-share class traded under the ticker IOFAX.

FACTS

THE FUND'S FORMATION AND VALUATION POLICIES AND PROCEDURES

6. The Fund was launched in May 2015, advised by the Adviser and sub-advised by Garrison Point. Under the terms of its sub-advisory agreement with the Adviser, Garrison Point was responsible for portfolio management. The Fund's investments focused primarily on sub-prime non-agency residential mortgage-backed securities ("Non-Agency RMBS").

7. The Board of Trustees of the Fund Trust ("Fund Board") adopted written valuation policies and procedures ("Fund Valuation Procedures") to value the Fund's portfolio securities and calculate the Fund's NAV in a manner consistent with Section 2(a)(41) and Rule 2a-4 under the Investment Company Act. The Fund Valuation Procedures in place during all relevant periods provided that the Fund Board was responsible for valuing securities for which market quotations are not readily available at their "fair value," and defined "fair value" as "the amount that the owner might reasonably expect to receive for the security upon its current sale." The Fund used these valuations to calculate its net asset value and the prices at which it sold and redeemed its shares.

8. At the time the Fund launched, the Fund Valuation Procedures and related disclosures to investors stated that fixed income securities were to be valued by a pricing service "when the adviser believes such prices are accurate and reflect the fair market value of such securities" and that "[i]f the adviser decides that a price provided by a pricing service does not

accurately reflect the fair market value of the securities . . . then the Fund’s adviser should advise the Trust’s administrator and request that the Fair Value Committee needs to consider that the security should be considered as one required to be valued using Fair Value Pricing.”

9. The Fund Board approved the use of the Pricing Vendor for all the Fund’s sub-prime Non-Agency RMBS. As disclosed by the Fund, the Pricing Vendor published evaluated prices (“Pricing Vendor Marks”) for the bonds representing its opinion as to what the holder would receive in an orderly transaction for an institutional round-lot position under current market conditions. The Pricing Vendor considered relevant observable inputs in its evaluation process, including transaction activity, such as trades and bids, as well as reference data (such as credit ratings and cash flows) and other market inputs. This daily activity allowed the Pricing Vendor to maintain evaluated prices for specific bonds even without any observed market information for those bonds on a particular day.

10. Under the Fund Valuation Procedures, the Adviser was responsible for reviewing daily the pricing of the Fund’s portfolio holdings for reasonableness and for determining whether the Pricing Vendor Marks reflected fair value for the securities held by the Fund. The Fund Valuation Procedures also created a Fair Valuation Committee (“Fair Valuation Committee”), a committee of the Fund Board designated to provide oversight of Fund valuations that included the Trust’s Treasurer and Chief Compliance Officer. The Fund’s Valuation Procedures directed the Fair Valuation Committee and the Adviser to oversee the implementation of the procedures so as to ascertain “fair value” when a market price for a security was unavailable or did not otherwise reflect fair value of the security.

11. The Fund Valuation Procedures further provided that, in performing its valuation responsibilities, the Adviser may “utilize the information and support services” of the Fund’s sub-adviser, Garrison Point. Garrison Point’s written policies and procedures stated that it was Garrison Point’s policy “to ensure that all portfolio investments are recorded at fair value on a consistent, transparent and reasonable basis,” and, consistent with the Fund Valuation Procedures, stated that “[f]air value’ is generally defined as the price that would be received in the sale of an asset . . . in an orderly transaction between market participants under current market conditions.” These policies also required Garrison Point to assist any mutual fund it advised in valuing its assets in accordance with policies and procedures adopted by the Fund Board and directed Garrison Point to notify the Fund’s administrator and accountant (the “Fund Administrator”) if prices appeared to be incorrect. In the sub-advisory agreement between the Adviser and Garrison Point, Garrison Point also agreed, subject to the general oversight of the Adviser, to promptly advise the Fund Administrator if any security price used for determining the Fund’s NAV appeared to be incorrect.

12. The Fund’s Valuation Procedures provided that, following a review for reasonableness, the Fund Administrator could challenge “initial valuations” from the Pricing Vendor. In practice, Garrison Point, as the Fund’s sub-adviser and portfolio manager, also sent messages directly to the Pricing Vendor on behalf of the Fund seeking price adjustments based, for example, on Garrison Point’s view of market color or bond reference data. Garrison Point

generally informed or copied the Fund Administrator when making these submissions. The Fund's Valuation Policies required Garrison Point or the Adviser to notify the Fair Valuation Committee if they reasonably believed that the Pricing Vendor's methodology for valuing securities held by the Fund was not producing reliable valuations or if there was uncertainty about whether that methodology continued to be appropriate.

13. Each day, before the Fund published its NAV, the Fund Administrator submitted NAV calculations, along with the daily prices from the Pricing Vendor, to Garrison Point and the Adviser for review. The Fair Valuation Committee consulted Garrison Point with respect to fair value determinations on certain Fund holdings. Starting in February 2018, the Fund Board formally included a representative of Garrison Point on the Fair Valuation Committee as a voting member.

ODD-LOT VALUATIONS (MAY 2015 – MAR. 2016)

Impact of Odd-Lot Valuations on the Fund's Early Performance

14. From the Fund's inception on May 28, 2015, through July 31, 2015, when the Fund's total assets were less than \$13 million, between 91% and 100% of the Fund's holdings consisted of "odd-lot" positions that Garrison Point had purchased for the Fund. As Garrison Point explained to the Fund Board in February 2015, it "focused solely on small odd-lot sized bonds that typically trade cheaper to the broader market..." "Odd-lot" Non-Agency RMBS are bonds typically sold in sizes less than \$1 million in current face value, and tend to trade at a discount to bonds sold in larger quantities.² By March 31, 2016, when the Fund published its first annual shareholder report, the Fund had grown to over \$100 million due to inflows from investors and it stopped purchasing as many odd-lot Non-Agency RMBS positions.

15. In accordance with the Fund Valuation Procedures, the Fund Administrator obtained Pricing Vendor Marks to value the Fund's Non-Agency RMBS portfolio holdings prior to calculating and publishing the daily NAV. The Pricing Vendor disclosed to the Fund Trust, and the Fund disclosed to its shareholders, that its marks were reference prices based on prices for institutional round lots, which the Pricing Vendor generally defined as those bonds with at least \$1 million current face value. The Pricing Vendor did not publish marks for odd lot bonds. As Garrison Point purchased odd-lot bonds for the Fund, the Fund routinely valued those securities at the higher round-lot marks provided by the Pricing Vendor. For example, on July 6, 2015, Garrison Point bought for the Fund a single odd-lot bond for \$58,388 and the Fund priced that

² While there is no absolute definition of "odd lots", institutional investors generally consider bond positions of less than \$1 million in current face value to be "odd lots," while larger positions are considered "round lots." The Pricing Vendor based its pricing evaluations for these bonds on transactions in round lots, which it typically considered those of \$1 million or greater current value.

bond using the Pricing Vendor Marks at over \$67,000, a nearly 16% mark-up. That mark-up alone moved the daily NAV by \$0.024. That same day, Garrison Point purchased another odd-lot bond for \$573,211 and, using a Pricing Vendor Mark, marked that bond up to \$597,400, 4.22% over its the purchase price, which, on its own, moved the daily NAV by another \$0.061. Together, the first-day markups on these two bonds accounted for over 70% of the Fund's NAV gain on the day.

16. Because the Fund valued these odd-lot positions at the Pricing Vendor's round-lot prices, the Fund's NAV, which ranged between \$10.00 and \$10.79 during May 2015 through July 2015, was overstated. The aggregate impact of first-day odd lot markups to the NAV was \$0.74 as of July 31, 2015. On average, by using the Pricing Vendor's marks for round lots to value the odd-lots, those values had a first day increase (or "bump") of 2.95% from the price at which the Fund had bought the bonds. Overall, from May 28, 2015 to March 31, 2016, the Fund's reported performance benefited from marking up the purchase price of 42 odd-lot bonds purchased during the first two months of the Fund to the round-lot prices provided by the Pricing Vendor. A majority of the Fund's reported returns were due to the Fund valuing the odd lots in the Fund's holdings by using the Pricing Vendor Marks.

17. During this time, the Fund significantly outperformed its benchmark index, the Barclay's Capital U.S. Aggregate Index, finishing its first full year of performance on May 31, 2016, with a total reported return of 14.85%, ranking it first out of 78 funds in Morningstar's Multisector Bond category. A majority of those reported returns were attributable to the difference between odd lot purchase prices and the Pricing Vendor Marks. Also during this time, the Fund experienced significant net inflows, increasing from approximately \$50,000 at inception, to almost \$13 million by the end of July 2015, and over \$103 million by May 2016.

18. Rule 22c-1 under the Investment Company Act prohibits registered investment companies, among others, from selling, redeeming, or repurchasing any of the investment company's redeemable securities except at a price based on the current NAV of such security. Rule 2a-4 under the Investment Company Act defines "current NAV" for use in computing the current price of redeemable securities issued by registered investment companies. Under Section 2(a) (41)(B) of the Investment Company Act and Rule 2a-4 thereunder, registered investment companies must value their portfolio assets by using (a) market values for securities with readily available market quotations; and (b) fair value for all other portfolio assets, as determined in good faith by the Fund Board. The fair value of securities for which market quotations are not readily available is valued based on an exit price at the measurement date from the perspective of a market participant under current market conditions.

19. Garrison Point failed to follow applicable procedures to rely on Pricing Vendor Marks only when it believed those prices to be "accurate and reflect the fair market value" of the bonds purchased for the Fund. Garrison Point did not have a process in place to quantify or validate the impact to the Fund of pricing odd lot bonds using Pricing Vendor Marks that reflected prices for institutional round lots. Because of the Fund's use of the Pricing Vendor's higher round lot pricing for the Fund's odd lot bonds, the Fund's NAV was overstated.

Information Provided to Fund Investors Regarding the Source of the Fund's Early Performance

20. Garrison Point made misleading statements to investors about the sources of the Fund's reported performance. In particular, in a letter to Fund shareholders included with the Fund's first annual report filed with the Commission, marketing materials, and a webinar, Garrison Point attributed Fund performance to Non-Agency RMBS generally performing well or to obtaining higher yields from focusing on lower priced odd-lot bonds. Garrison Point did not disclose to investors that a substantial portion of the Fund's reported performance was attributable to the Fund valuing odd lot positions at Pricing Vendor Marks.

21. *Letters to Shareholders in Reports.* In both its first semi-annual report, reporting performance through September 30, 2015, and its first annual report, filed with the Commission on June 10, 2016 and reporting performance from inception through March 31, 2016 ("First Annual Report"), the Fund reported performance that significantly exceeded the Fund's benchmark index. Garrison Point addressed a letter to the Fund's shareholders in the First Annual Report that attributed its returns through March 31, 2016 to performance of bonds in the Non-Agency RMBS sector. For example, Garrison Point stated that "[n]on-agency RMBS performed well during most of 2015, as shown by the Fund's performance." Garrison Point did not disclose that a majority of the Fund's reported inception-to-date returns were attributable to markups of odd-lot positions and the Fund's portfolio otherwise appreciated little over that period.

22. *Marketing Materials.* In marketing materials for the Fund distributed to investors by the Fund's distributor, including materials produced for the second quarter of 2015, Garrison Point described its intent to purchase odd-lot Non-Agency RMBS, as such securities are "[g]enerally ignored by larger institutionalized buyers who need to focus on round lot pieces" and "[c]an trade 10% cheaper than round lots." Garrison Point further stated that it sought "absolute returns/double-digit yields" and "less liquidity or oddlot [sic] sizing in *exchange for enhanced yield.*" (Emphasis added.) Garrison Point told investors that purchasing odd-lot bonds at a discount would result in higher yields to where round lots traded over the course of the bond's life. These disclosures suggested higher *longer-term* returns for the fund through higher yields. However, when the Fund used the Pricing Vendor Marks to value odd-lot bonds, the Fund, in effect, captured the "enhanced yield" of the odd-lot position on day one rather than over time. Thus, by omitting further explanation regarding the source of the Fund's performance, Garrison Point's explanations were misleading.³

³ The enhanced yield on odd lots is derived from the difference between the purchase price for the odd lot and the round-lot price as determined by the Pricing Vendor. When the Fund marked the odd lots at the Pricing Vendor Marks on the first day the bond was calculated into the Fund's NAV, the Fund recognized an immediate unrealized capital gain. Going forward, the odd lots did not provide any additional yield as they were no longer held at a discount to the round-lot price. Therefore, investors did not receive the enhanced yield discussed in the marketing materials. Existing

23. *Webinar.* In an investor “webinar” in February 2016, Garrison Point told investors that because there is great complexity in Non-Agency RMBS, and less competition for such bonds when bought in smaller quantities, the Fund was able to find “good values” for those bonds. Garrison Point also suggested that investors could expect four to eight percent “all weather” returns for the Fund in part because, in its private strategies it had consistently been generating much larger returns of 15 to 30 percent, and the key difference between the strategies was the Fund’s allocation to lower-yielding, investment grade bonds. Garrison Point did not explain to investors that its private strategies did not have daily pricing requirements, and that the performance of the Fund during this period was substantially due to marking up odd-lot bonds to round-lot prices.

Garrison Point’s Inadequate Policies and Procedures Regarding Disclosure and its Failure Adequately to Implement its Policies and Procedures

24. Garrison Point’s written compliance policies and procedures did not address how it should incorporate relevant pricing and valuation considerations when conducting its independent review of the daily prices provided by the Fund Administrator. Garrison Point’s policies and procedures were thus not reasonably designed to prevent misleading statements from being made in communications with investors about the sources of Fund performance, including in the Fund’s annual reports filed with the Commission and in marketing materials.

25. Garrison Point also failed reasonably to implement its valuation policies and procedures when carrying out its valuation responsibilities relating to securities held by the Fund. Garrison Point’s policy was “to ensure that all portfolio investments are recorded at fair value on a consistent, transparent and reasonable basis,” defined “fair value” as “the price that would be received in the sale of an asset in an orderly transaction between market participants under current market conditions”, and stated that the purpose of a fair value assessment is to determine this “exit price.” With respect to securities held by a mutual fund, these policies and procedures further stated that Garrison Point would assist in their valuation “in accordance with policies and procedures adopted by the Board of Trustees/Directors,” and directed Garrison Point to review the security prices used by the Fund Administrator for daily NAV calculations and notify the Fund Administrator if prices appeared to be incorrect.

**ADDITIONAL POLICIES AND PROCEDURES FAILURES REGARDING VALUATION
(JAN. 2017 – FEB. 2019)**

26. The Fund’s Valuation Procedures provided that the Fund Administrator, when appropriate, could challenge a published price provided by the Pricing Vendor for reasonableness,

investors received the benefit of the capital appreciation, and later investors purchased Fund shares at an overstated NAV.

including for pricing errors. From the inception of the Fund through January 2017, when Garrison Point believed that the Pricing Vendor Mark on bonds held by the Fund were too low, it provided the Pricing Vendor with its analysis of the bond's fundamental characteristics (*e.g.*, maturity, callability, conditional default rates, prepayment risks, or delinquency rates), and sought an upward price adjustment based on this "market color". The Pricing Vendor generally did not adjust its marks upward in response to these submissions, which carried less weight with the Pricing Vendor than submissions supported by new market information, such as bids and trades.

27. From January 2017 into February 2019, Garrison Point submitted bids to broker-dealers, offering to purchase certain bonds held by the Fund at prices higher than the Pricing Vendor Marks when it believed the Pricing Vendor Marks undervalued those bonds. Garrison Point then submitted these Pricing Bids to the Pricing Vendor, noting that it was submitting bids on bonds the Fund owned, in support of higher prices for those bonds. In response to the Pricing Bids, the Pricing Vendor consistently raised its marks to the levels reflected in Garrison Point's Pricing Bids.

28. Between January 2017 and February 2019, on a total of 30 trading days, Garrison Point submitted a total of 88 Pricing Bids to the Pricing Vendor on bonds the Fund held. One of Garrison Point's purposes in bidding higher prices on bonds the Fund already owned was to provide new market information to the Pricing Vendor to persuade the Pricing Vendor to increase its marks. In several instances, Garrison Point submitted Pricing Bids on bonds for which the Fund already owned the entire tranche and thus could not purchase additional bonds in the market. In these situations, Garrison Point generally noted in its bids that the Fund owned the whole tranche but would be interested in other bonds with similar profiles. In February 2019, the Pricing Vendor informed Garrison Point that "[i]n general, going forward we will not be able to accept bids from a party who already owns these bonds."

29. Garrison Point's policies and procedures required it to "assist with the fair valuation of mutual fund securities ... in accordance with policies and procedures adopted by the [Fund Board]." While the Fund Valuation Procedures provided that the Fund Administrator could challenge initial valuations with the Pricing Vendor, those procedures also required the Adviser or Garrison Point to notify the Fund Administrator if they believed that the Pricing Vendor Marks for bonds held by the Fund were unreliable and request that the Fair Valuation Committee consider the appropriateness of the Pricing Vendor's pricing methodology and whether the bonds should be fair valued. Instead, when its pricing challenges based on "market color" were not effective, Garrison Point submitted Pricing Bids to the Pricing Vendor on bonds the Fund owned to persuade the Pricing Vendor to increase its marks for those bonds to levels that reflected Garrison Point's own view of the value of those bonds. This process was inconsistent with the Fund Valuation Procedures, which Garrison Point's valuation policies and procedures required it to follow.

Violations

30. As a result of the conduct described above, Garrison Point willfully⁴ violated Section 206(4) of the Advisers Act and Rule 206(4)-8 thereunder, which, in pertinent part, make it unlawful for any investment adviser to a pooled investment vehicle to “[m]ake any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading, to any investor or prospective investor in the pooled investment vehicle.”.

31. As a result of the conduct described above, Garrison Point willfully violated Section 34(b) of the Investment Company Act, because it was responsible for the inclusion of untrue statements of material fact in a registration statement, application, report, account, record or other document filed or transmitted pursuant to the Investment Company Act, or omitted to state therein, facts necessary in order to prevent the statements made therein, in light of the circumstances under which they were made, from being materially misleading.

32. As a result of the conduct described above, the Fund violated Rule 22c-1 under the Investment Company Act, which prohibits registered investment companies, among others, from the sale, redemption, or repurchase of the investment company’s redeemable securities except at a price based on the current net asset value of such security. Specifically, the Fund overstated its NAV and executed transactions in redeemable securities at prices not based on current net asset values from May 28, 2015 through July 31, 2015. Garrison Point caused these violations.

33. As a result of the conduct described above, Garrison Point willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, which require registered investment advisers to adopt and implement written policies and procedures reasonably designed to prevent violations of the Advisers Act and rules thereunder.

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.

⁴ “Willfully,” for purposes of imposing relief under Section 203(e) of the Advisers Act and Section 9(b) of the Investment Company Act, “means no more than that the person charged with the duty knows what he is doing.” *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor “also be aware that he is violating one of the Rules or Acts.” *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term “willfully” for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the showing required to establish that a person has “willfully omit[ted]” material information from a required disclosure in violation of Section 207 of the Advisers Act).

Accordingly, pursuant to Sections 203(e) and 203(k) of the Advisers Act, and Sections 9(b) and 9(f) of the Investment Company Act, it is hereby ORDERED that:

A. Garrison Point shall cease and desist from committing or causing any violations and any future violations of Section 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder and Section 34(b) of the Investment Company Act and Rule 22c-1 thereunder.

B. Garrison Point is censured.

C. Garrison Point shall, within 10 days of the entry of this Order, pay a civil penalty in the amount of \$3,500,000 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 of a civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717. Payment must be made in one of the following ways:

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 Garrison Point as 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 C. Dabney O'Riordan, Co-Chief, Asset Management Unit, Division of Enforcement, U.S. Securities and Exchange Commission, 444 S. Flower Street, Suite 900, Los Angeles, CA 90071.

D. 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