

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102751 / March 31, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-20945

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In the Matter of	:	
	:	
Surgalign Holdings, Inc. and	:	ORDER APPROVING
Robert P. Jordheim,	:	PLAN OF DISTRIBUTION
	:	
Respondents.	:	
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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”)¹ against Surgalign Holdings, Inc., formerly known as, RTI Surgical Holdings, Inc. and RTI Surgical, Inc. (“RTI” or “Surgalign”) 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 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.

The Commission ordered the Respondents to pay a collective total of \$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 collected can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund includes the \$2,075,000.00 collected from the Respondents. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair

¹ Securities Act Rel. No. 11088 (Aug. 3, 2022).

Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

On November 26, 2024, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),² pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”),³ and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Michael Lim, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice.

The Proposed Plan provides for the distribution of the Net Available Fair Fund⁴ to compensate investors for their losses on shares of RTI Surgical Holdings, Inc. common stock (the “Security”) purchased or acquired on April 23, 2015 through March 16, 2020, inclusive (the “Relevant Period”) due to the misconduct of the Respondents described in the Order.

The Commission received one comment on the Proposed Plan during the comment period from an investor (the “Commenter”). After considering the comment received on the Proposed Plan, the Commission staff, working with the Fund Administrator, recommends that the Proposed Plan be approved without modification.

After careful consideration, the Commission concludes that the Proposed Plan should be approved without modification.

I.

A. Public Comment on the Proposed Plan

The Commenter, an investor in Surgalign, requests that the Relevant Period⁵ of April 23, 2015 through March 16, 2020 be extended through August 11, 2023. The Commenter argues that RTI continued to engage in fraudulent disclosures through August 11, 2023.

In support of his argument, the Commenter states that in March 2020, “the SEC notified current management of the pending investigation against former management of RTI” but that current management did not disclose “this material event in the form of a press release.”

In fact, on March 16, 2020, RTI filed a Form 8-K with the Commission that included a press release (attached to it as Exhibit 99.1) and communication to its employees (attached to it

² Exchange Act Rel. No. 101756 (Nov. 26, 2024).

³ 17 C.F.R. § 201.1103.

⁴ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

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as Exhibit 99.2) that did disclose the material event of the Commission's investigation. As such, the Proposed Plan's Relevant Period should not be changed.⁶

B. Approval of the Proposed Plan

For the reasons stated above, the Commission finds that the Proposed Plan is fair and reasonable and should be approved without modification.

II.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules,⁷ that the Proposed Plan is approved, and the approved Plan of Distribution shall be posted simultaneously with this order on the Commission's website at www.sec.gov.

By the Commission.

Vanessa A. Countryman
Secretary

⁶ The Commenter also made other allegations that are beyond the scope of the Commission's Order, and thus are not relevant to the Proposed Plan.

⁷ 17 C.F.R. § 201.1104.