ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”) against GLG Partners, LP (“GLG” 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 arising out of or related to these proceedings, 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, Making Findings, and Imposing a Cease-and-Desist Order Pursuant to Section 21C of the Securities Exchange Act of 1934 (“Order”), as set forth below.
III.

On the basis of this Order and Respondent’s Offer, the Commission finds\(^1\) that

**Respondent**

GLG is one of the largest hedge fund managers in Europe. GLG manages thirty hedge funds with total assets in excess of $12 billion. GLG is headquartered in London, United Kingdom, and subject to regulation by the Financial Services Authority of the United Kingdom. Several of GLG’s funds trade in securities through United States markets.

**Summary**

This matter involves multiple violations of Rule 105 of Regulation M under the Exchange Act by GLG. On sixteen occasions from July 2003 through May 2005, GLG violated Rule 105. During the period, GLG did not have any policies, procedures or training with respect to Rule 105.

With respect to each violation, GLG sold securities short during the five business days before the pricing of public offerings and then covered the short positions with securities purchased in the offerings. These transactions occurred in four of GLG’s Funds: GLG Market Neutral Fund; GLG North American Opportunity Fund; GLG Technology Fund; and GLG European Long Short Fund (collectively, the “GLG Funds”). GLG made over $2 million in profits for the GLG funds on these transactions.\(^2\)

**Violative Trades**


During the relevant period, GLG violated Rule 105 on sixteen occasions in fourteen different public offerings involving the following securities: ChipMos Technologies (Bermuda) Ltd. (Nasdaq: IMOS), Petco Animal Supplies, Inc. (Nasdaq: PETC), Nextel Partners, Inc. (Nasdaq: NXTP), Chicago Mercantile Exchange Holdings, Inc. (NYSE: CME), AU Optronics, Inc.

\(^1\) The findings herein are made pursuant to Respondent's Offer and are not binding on any other person or entity in this or any other proceeding.

\(^2\) In a related civil action, GLG consented to entry of a final judgment ordering it to pay a penalty. See SEC v. GLG Partners, L.P (D.D.C. 2007).
Taiwan Semiconductor Manufacturing Co. Ltd. ("Taiwan")

On October 21, 2003, Taiwan announced a secondary offering of 100 million ADSs representing 500 million common stock shares. The underwriters priced the ADSs at $10.77 after the market closed on November 10, 2003. Accordingly, the Restricted Period was Tuesday November 4, 2003 through Monday November 10, 2003.

During the Restricted Period, from November 5, 2003 through November 10, 2003, GLG, on behalf of GLG Market Neutral Fund, on nine occasions sold short a total of 2.548 million Taiwan ADSs. On November 10, 2003, GLG, on behalf of GLG Market Neutral Fund, purchased 7 million Taiwan ADSs in the secondary offering at a price of $10.77. In violation of Rule 105, GLG used the ADSs purchased in the offering to cover the fund’s outstanding short position in Taiwan, realizing profits for the fund of $651,111.20.

Spectrasite, Inc. ("Spectrasite")

On April 23, 2004, Spectrasite announced a secondary offering of over 10 million shares of its common stock, which was subsequently amended to over 9 million shares. The underwriters priced the offering after the market closed on May 10, 2004. Accordingly, the Restricted Period was Tuesday May 4, 2004 through Monday May 10, 2004.

During the Restricted Period, from May 4, 2004 through May 7, 2004, GLG, on behalf of GLG North American Opportunity Fund, on six occasions sold short a total of 152,490 shares of Spectrasite. On May 10, 2004, GLG, on behalf of GLG North American Opportunity Fund, purchased 266,535 shares of Spectrasite in the secondary offering at a price of $36.25. In violation of Rule 105, GLG used the shares purchased in the offering to cover the fund’s outstanding short position in Spectrasite, realizing profits for the fund of $217,871.78.

AU Optronics, Inc. ("AU Optronics")

On May 7, 2004, AU Optronics announced a secondary offering of 30 million ADSs representing 300 million shares of common stock. The ADSs in the offering would be temporary shares for seven business days, after which time they would automatically convert to ADSs exchangeable for common stock. The underwriters priced the offering after the market closed on June 17, 2004. Accordingly, the Restricted Period was Friday June 11, 2004 through Thursday June 17, 2004.

On June 17, 2004, within the Restricted Period, GLG, on behalf of GLG Market Neutral Fund, sold short 400,000 ADSs for $16.8208 per share and 100,000 ADSs for $16.90 per share. On June 18, 2004, GLG, on behalf of GLG Market Neutral Fund, purchased 9,000 AU Optronics ADSs in the market. On June 18, 2004, GLG, on behalf of GLG Market Neutral Fund, purchased
2,427,500 temporary AU Optronics ADSs in the secondary offering at a price of $16. In violation of Rule 105, GLG used the ADSs purchased in the offering to cover the fund’s outstanding short position in AU Optronics (491,000 ADSs) once the shares converted from temporary ADSs, realizing profits for the fund of $418,979.70.

In each of the above trades related to the fourteen offerings, GLG sold securities short during the five business days before the pricing of public offerings and then covered the short positions with securities purchased in the offerings. GLG made a total of $2,214,180 in profits for the GLG funds on these transactions.

As a result of the conduct described above, GLG violated Rule 105 of Regulation M under the Exchange Act which makes it “unlawful for any person to cover a short sale with offered securities purchased from an underwriter or broker or dealer participating in the offering, if such short sale occurred during the . . . period beginning five business days before the pricing of the offered securities and ending with the pricing.”

**GLG’s Remedial Efforts**

In determining to accept the Offer, the Commission considered remedial acts undertaken by Respondent and cooperation afforded the Commission staff.

**Undertakings**

GLG has undertaken to:

a. adopt, implement and maintain written compliance policies and procedures reasonably designed to prevent violations of Rule 105 of Regulation M of the Exchange Act and, commencing in 2008, review those policies and procedures annually;

b. provide training on Rule 105 of Regulation M to all new and existing employees of GLG who participate in or supervise trades or trading decisions, and all compliance and legal personnel;

c. designate a senior level GLG employee with responsibility for overseeing GLG’s compliance with Rule 105 and these undertakings; and

d. certify in writing to the Commission no later than forty five (45) days after the entry of this Order that it has adopted the policies and procedures described in paragraph (a) above.

**IV.**

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

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, GLG cease and desist from committing or causing any violations and any future violations of Rule 105 of Regulation M.
B. IT IS FURTHERED ORDERED that GLG shall, within 10 days of the entry of this Order, pay disgorgement of $2,214,180 and prejudgment interest of $489,455.94 for a total amount of $2,703,635.94 to the United States Treasury. Such payment shall be: (A) made by United States postal money order, certified check, bank cashier's check or bank money order; (B) made payable to the Securities and Exchange Commission; (C) hand-delivered or mailed to the Office of Financial Management, Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (D) submitted under cover letter that identifies GLG Partners, LP as a Respondent in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Antonia Chion, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., N.E., Washington, D.C. 20549-8549B.

C. GLG shall comply with the undertakings enumerated in Section III above.

By the Commission.

Nancy M. Morris
Secretary