

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 67761 / August 30, 2012

INVESTMENT ADVISERS ACT OF 1940
Release No. 3451 / August 30, 2012

INVESTMENT COMPANY ACT OF 1940
Release No. 30187 / August 30, 2012

ADMINISTRATIVE PROCEEDING
File No. 3-14520

In the Matter of

MATTHEW CRISP,

Respondent.

**ORDER MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS AND A
CEASE-AND-DESIST ORDER PURSUANT
TO SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, SECTIONS 203(f)
AND 203(k) OF THE INVESTMENT
ADVISERS ACT OF 1940, AND
SECTION 9(b) OF THE INVESTMENT
COMPANY ACT OF 1940.**

I.

On August 29, 2011, the Securities and Exchange Commission (“Commission”) deemed it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), Sections 203(f) and 203(k) of the Investment Advisers Act of 1940 (“Advisers Act”), and Section 9(b) of the Investment Company Act of 1940 (“Investment Company Act”) against Matthew Crisp (“Respondent” or “Crisp”).

II.

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 him and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order Pursuant to Section 21C of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, (“Order”), as set forth below.

III.

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

Summary

1. In this matter, Crisp exploited undisclosed conflicts of interest for his personal gain. While working as a partner and fiduciary of Adams Street Partners, LLC ("Adams Street"), a registered investment adviser to multiple private equity funds, Crisp and a friend secretly formed a private investment vehicle called AV Partners LP. Crisp then usurped from Adams Street's funds, for AV Partners, a lucrative investment opportunity in a private company. Crisp concealed the misappropriation with misrepresentations and omissions regarding at least four material facts: (1) that Crisp redirected the investment opportunity from Adams Street's funds to AV Partners; (2) Crisp's involvement with AV Partners, and the resulting conflicts of interest; (3) that Crisp was motivated by personal profits and conflicting loyalties, not a purported prior commitment, when steering the investment opportunity to AV Partners; and (4) that Crisp's conduct violated provisions of Adams Street's Integrity Policy and the limited partnership agreements for Adams Street's funds.

2. Crisp further enriched himself with a personal payment of \$150,000 during a later buyout of the same private company. That money should have gone to Adams Street to reduce the fees due from its private equity funds. Crisp's deceit also secured for AV Partners a second investment opportunity in another private company in which Adams Street's funds invested. Further, Crisp attempted to arrange a second payout to AV Partners from that same company. Although later forced to repay the money, Crisp initially profited by over \$2 million from this conduct, at the expense of Adams Street and its private equity funds.

Respondent

3. Crisp, age 40, resides in Hillsborough, California. He was a partner in Adams Street from June 2006 until his termination in March 2008. Crisp earned both a B.S. and a M.S. from the University of Virginia.

Other Relevant Entities

4. Adams Street is a Delaware limited liability company headquartered in Chicago, Illinois. Adams Street has been registered with the Commission as an investment adviser since November 2000. Adams Street is the Management Company for, and Managing Member of the General Partner of, multiple private equity funds primarily for institutional investors, including Adams Street V, L.P.; Adams Street 2006 Direct Fund, L.P.; and Adams Street 2007 Direct Fund, L.P. Among others things, Adams Street's funds make direct investments in private companies that are seeking venture capital, growth equity, or additional liquidity.

5. AV Partners LP (“AV Partners”) is an unregistered investment club established orally by Crisp and a friend, Joseph Wolf, to make investments together. It was never formally constituted as a limited partnership (or other type of entity).

Background

Adams Street Hired Crisp

6. In June 2006, Adams Street hired Crisp as a partner assigned to its direct investment group. Crisp located technology and growth equity companies for Adams Street’s private equity funds to invest in, he advised in which opportunities Adams Street’s funds should invest, he executed on and managed the investment transactions on behalf of Adams Street and its funds, and he monitored the companies after the initial investments. As an investment adviser, and as an associated person to a registered investment adviser, Crisp owed fiduciary duties to Adams Street’s funds.

Crisp and Wolf Secretly Formed AV Partners

7. Towards the end of 2006, Crisp and Wolf discussed forming AV Partners. They orally established the entity as an informal investment club to make investments together. In February and March 2007, they circulated draft partnership agreements, which they do not appear to have executed. The initials “A” and “V” are the first letters of the first names of Wolf’s daughter and Crisp’s son, respectively.

8. Wolf provided the initial funds for AV Partners’s investments. Crisp provided access to and analysis of potential deals. Both decided what investments to make. After Wolf was repaid his initial investment money, Crisp and Wolf shared profits evenly. Crisp and Wolf shared losses evenly. Crisp therefore had a direct interest in AV Partners’s investments.

9. Crisp’s fiduciary duties and Adams Street’s policies required him to disclose to Adams Street personal investments and any conflicts of interest, including Crisp’s involvement with AV Partners. Adams Street’s policies required both annual and quarterly disclosure forms, which Crisp completed. Crisp, however, consistently concealed from Adams Street and its employees his interest in, and involvement with, AV Partners. Crisp knew that his deceit in turn led Adams Street not to disclose AV Partners to Adams Street’s private equity funds, and thus to the funds’ investors.

10. Crisp failed to make the required disclosures to Adams Street and its funds, despite knowing that Wolf had disclosed AV Partners to the compliance department of his employer, a registered investment adviser to a registered investment company. On or around May 7, 2007, Wolf asked Crisp to send Wolf a copy of a private placement memorandum so that Wolf could provide it to his own compliance department.

11. Moreover, as detailed below, on at least three occasions in two separate transactions, Crisp lied about his involvement with AV Partners.

Crisp Usurped a Lucrative Investment Opportunity from Adams Street's Funds for AV Partners with Material Misrepresentations and Omissions

12. In 2006 and 2007, Crisp worked on an Adams Street investment in the VIP Tour Company, which operated a secondary market ticket brokerage business called TicketsNow (the "TicketsNow transaction"). Adams Street typically assigned a lead sponsor, who was primarily responsible for the deal, and a co-sponsor, who provided support, to each potential transaction. In the TicketsNow transaction, Crisp served as lead sponsor. Another Adams Street partner served as co-sponsor.

13. As lead sponsor on the TicketsNow transaction, Crisp met with Adams Street's Direct Investment Team to discuss the transaction, co-authored (with the deal co-sponsor) a memorandum recommending the investment to Adams Street's Investment Committee, and took the lead on otherwise communicating with Adams Street personnel about the transaction. The memorandum to the Investment Committee that Crisp co-authored advised about the company and the market sector, and recommended that Adams Street's funds invest in TicketsNow. The Investment Committee decided, as the Management Company and Managing Member of the General Partner, to invest Adams Street's funds' money in the TicketsNow transaction.

14. To win the opportunity to invest in TicketsNow, in 2006 Adams Street committed to invest a total of \$15 million from its private equity funds. This total commitment exceeded Adams Street's typical investment amount for its funds. As a result, in or around December 2006, Adams Street's partners decided to syndicate to (or, share with) other investors a portion of the \$15 million total commitment. Around this time, the Adams Street investment committee decided that Adams Street should syndicate up to \$5 million of the commitment to TicketsNow. As lead sponsor, Crisp led efforts to locate syndicate investors for the TicketsNow transaction.

15. The TicketsNow transaction closed in two tranches. The first tranche closed on or around January 19, 2007. Investors in the first tranche received promissory notes convertible to Series A Preferred Stock of TicketsNow. Three of Adams Street's funds – Adams Street V, L.P.; Adams Street 2006 Direct Fund, L.P.; and Adams Street 2007 Direct Fund, L.P. – invested a total of \$9 million at that time. Adams Street did not syndicate any part of the first tranche. The second tranche closed on or around June 15, 2007. Investors in the second tranche received Series A Preferred Stock of TicketsNow.

16. Around the time of the closing of the first tranche, Crisp and Wolf discussed AV Partners investing in TicketsNow. On or around January 17, 2007, Crisp sent TicketsNow's investment summary to Wolf. On or around January 18, Crisp wrote in an email to a TicketsNow employee that AV Partners "will likely be in for \$500,000 to \$1 million" in the TicketsNow transaction.

17. By May 2007, however, Crisp had increased AV Partners's investment in the TicketsNow transaction by \$500,000. On or around May 4, 2007, Crisp and Wolf decided that AV Partners would invest \$1.5 million in the TicketsNow transaction – not the \$500,000 to \$1 million that Crisp previously represented. On or around May 14, Crisp sent an email to attorneys negotiating the

documents for the second closing stating that Adams Street “syndicated \$2M of our \$6M remaining investment in TicketsNow.” (In addition to AV Partner’s \$1.5 million, Adams Street syndicated \$500,000 to Croft & Bender, an entity familiar to Adams Street and suggested by the TicketsNow transaction co-sponsor.)

18. Crisp’s May 16 email instructed that his increased syndication to AV Partners reduced *pro rata* the amounts invested in the TicketsNow transaction by Adams Street V, L.P.; Adams Street 2006 Direct Fund, L.P.; and Adams Street 2007 Direct Fund, L.P. Crisp lacked the authority to single-handedly change the agreed-upon syndication amount.

19. Crisp concealed his misappropriation of the investment opportunity in TicketsNow’s securities, for AV Partners from Adams Street’s funds, with intentional and reckless misrepresentations and omissions regarding at least four material facts:

- a. First, Crisp concealed from Adams Street that he redirected the \$500,000 opportunity from Adams Street’s funds to AV Partners until two days before the closing of the second tranche. Then, Crisp lied about taking the opportunity for AV Partners. On June 13, 2007, Crisp sent the Adams Street deal co-sponsor documents indicating that Crisp syndicated a total of \$2 million – not the previously-discussed and agreed upon \$1.5 million – in the transaction. When asked about the discrepancy in the syndication amount by the co-sponsor, Crisp falsely replied that the co-sponsor was thinking of a different transaction. Crisp never revealed that he adjusted the syndication amount and that he and Wolf alone decided how much AV Partners would invest in the TicketsNow transaction.
- b. Second, Crisp misrepresented to and concealed from Adams Street and TicketsNow Crisp’s involvement with AV Partners, and the resulting conflicts of interest. On or around May 16, 2007, a TicketsNow employee asked Crisp “[w]ho are AV Partners?” Crisp falsely stated that “AV Partners is the investment vehicle of a friend.” Adams Street’s transaction co-sponsor also asked Crisp multiple times about AV Partners. Each time, Crisp falsely responded that AV Partners was Wolf’s personal investment vehicle. Crisp described Wolf as a wealthy individual who set up his own investment vehicle to invest in venture backed companies. Crisp said that he was friendly with Wolf and that they had previously invested together. Moreover, as stated, Crisp failed to disclose AV Partners to Adams Street in the firm’s required annual and quarterly disclosures.
- c. Third, Crisp misrepresented to and concealed from Adams Street and TicketsNow that Crisp was motivated by personal profits and conflicting loyalties, not a purported prior commitment, when steering the investment opportunity to AV Partners. On or around May 16, 2007, a TicketsNow employee emailed that he was “surprised” by the increased allocation to AV Partners, and asked Crisp “[w]as this discussed before?” Crisp falsely responded that he “syndicated to both groups [AV Partners and Croft & Bender] right after we did the first close” in January 2007, “Im [*sic*] just honoring my word here.” Likewise, in his June 13, 2007 email, Crisp falsely stated

that he had committed AV Partners's investment amount "6 months ago right after the first close" and that "[n]ow that things are looking peachy, I wish I hadn't syndicated anything." Crisp thus falsely indicated that he had syndicated to AV Partners solely to satisfy a prior obligation, and that he was powerless to change it. In truth, on or around May 4, 2007, Crisp and Wolf decided that AV Partners would invest \$1.5 million in TicketsNow, noting its "value." Also, in fact, Crisp was not honoring a prior commitment – Crisp personally profited more from AV Partners's investment than if Adams Street had invested in TicketsNow.

- d. Fourth, on or around May 9, 2007, Crisp falsely represented and warranted to Adams Street that he was in compliance with Adams Street's Integrity Policy. Among other things, the Integrity Policy provided that employees, such as Crisp, obtain Adams Street's prior approval before investing in portfolio companies, such as TicketsNow. Crisp also hid that his conduct violated, and thus rendered false, similar provisions of Adams Street's limited partnership agreements for its funds – including for Adams Street V, L.P., Adams Street 2006 Direct Fund, L.P., and Adams Street 2007 Direct Fund, L.P. – as well as other documents. Crisp was aware of these requirements, having sought approval in September 2006 for an unrelated transaction. And in another potential Adams Street transaction, Crisp recused himself from Adams Street's dealings with a company owned by his brother, and in which Crisp had an interest, because of the potential conflict of interest. Yet Crisp never sought or obtained prior approval for AV Partners's investment in TicketsNow.

20. Crisp's conduct also substantially assisted Adams Street's violations with respect to its funds.

21. In February 2008, another ticket broker company purchased TicketsNow by paying a specified amount of cash for each outstanding share of TicketsNow stock. TicketsNow's shareholders – including AV Partners and Adams Street's private equity funds – received almost four times their initial investment amount. AV Partners received approximately \$5,749,808. This translated to a profit of \$4,249,808 after Wolf was repaid his initial investment capital. Crisp personally received \$2,124,904 – half of AV Partners's profits. The additional \$500,000 investment that Crisp usurped from Adams Street for AV Partners resulted in profits (after Wolf was repaid his initial investment) of approximately \$1,416,603, of which Crisp received \$708,301.

22. Part of the TicketsNow buyout proceeds were held back in an escrow. This escrow money has now been distributed. Crisp is entitled to receive an additional distribution from the escrow funds in the amount of \$89,761.

Crisp Further Enriched Himself in the TicketsNow Buyout

23. At the time of the TicketsNow buyout in February 2008, Crisp served on the TicketsNow board of directors as Adams Street's representative. He acted as the firm's primary point of contact with TicketsNow.

24. On or about February 29, 2008, Crisp received a \$150,000 “transaction bonus” from the TicketsNow closing money. TicketsNow’s other outside directors did not receive similar payments. Indeed, when he learned that certain officers of TicketsNow were to receive bonuses, Crisp demanded that he too be paid a bonus for his contribution to the company. Crisp initially asked for a larger payment, but was negotiated down to \$150,000. The payment reduced the amount that the company’s shareholders – including Adams Street V, L.P.; Adams Street 2006 Direct Fund, L.P.; and Adams Street 2007 Direct Fund, L.P. – received from the buyout proceeds.

25. Crisp did not tell Adams Street or its funds that he requested, negotiated, and received this money. Crisp acted as Adams Street’s primary point of contact throughout the buyout and handled virtually all communications with Adams Street’s attorneys for the buyout. He instructed TicketsNow personnel to wire the money to his personal bank account – the same account in which Adams Street deposited Crisp’s salary. After receiving the money, Crisp took no apparent steps to pay it to Adams Street before he was terminated on or about March 20, 2008.

26. Crisp knew, but ignored, that Adams Street’s policies prohibit employees, like Crisp, from receiving personal payments in connection with Adams Street’s transactions. And Crisp knew, but ignored, that the limited partnership agreements for Adams Street’s funds promise that compensation paid to Adams Street partners, like Crisp, from a portfolio company “shall be remitted to the Management Company [Adams Street] and shall reduce the Management Fee” paid by the funds. Crisp’s conduct rendered these representations to Adams Street’s funds and investors false. Crisp’s decision to ignore these provisions and to keep the money further demonstrates his fraudulent intent and substantial assistance of Adams Street’s violations.

Crisp’s Deceit Secured a Second Investment Opportunity for AV Partners, and Crisp Tried to Arrange a Second Payout to AV Partners

27. Between March and May 2007 – while Crisp was also syndicating the second tranche of the TicketsNow transaction – Adams Street committed certain of its private equity funds to invest \$14 million in a travel company named Sherman’s Travel. Adams Street anticipated syndicating up to \$3 million of the committed amount. Crisp again served as lead sponsor for this transaction and the same Adams Street partner as in the TicketsNow transaction served as co-sponsor.

28. As lead sponsor on the Sherman’s Travel transaction, Crisp met with Adams Street’s Direct Investment Team to discuss the transaction, co-authored (with the deal co-sponsor) a memorandum recommending the investment to Adams Street’s Investment Committee, and took the lead on otherwise communicating with Adams Street personnel about the transaction. The memorandum to the Investment Committee that Crisp co-authored advised about the company and the market sector, and recommended that Adams Street’s funds invest in Sherman’s Travel. The Investment Committee decided, as the Management Company and Managing Member of the General Partner, to invest Adams Street’s funds’ money in the Sherman’s Travel transaction.

29. Crisp again syndicated \$1 million of the stock investment opportunity to AV Partners. AV Partners continues to own its shares of Sherman's Travel. In their May 4, 2007 email exchange, Crisp and Wolf initially discussed investing \$1.5 million in Sherman's Travel. Instead, Crisp and Wolf invested the extra \$500,000 in TicketsNow, which ultimately proved to be the more lucrative opportunity.

30. Crisp again lied about his involvement with AV Partners in connection with the Sherman's Travel transaction. On May 4, 2007, a Sherman's Travel employee asked Crisp by email about AV Partners. Crisp falsely replied that AV Partners was Wolf's "'personal' investment vehicle, named after the first names of his kids."

31. In December 2007 and January 2008, a Sherman's Travel representative and Crisp exchanged ideas about raising additional capital for the company. Crisp proposed a payout to AV Partners while negotiating possible changes to Adams Street's funds' investment. Ultimately, the discussions did not culminate in a transaction.

Adams Street Terminated Crisp and Crisp Admitted his Wrongdoing

32. After discovering Crisp's misconduct and conducting an internal investigation, Adams Street terminated Crisp on or about March 20, 2008. Adams Street also self-reported the matter to the staff of the Commission. In or around May 2008, Crisp paid \$2,274,903.86 to Adams Street, which equaled Crisp's half of AV Partners's payout from the TicketsNow transaction (except for the escrow funds recently received), plus his \$150,000 merger compensation from the same deal. Crisp, through AV Partners, still holds the interest in Sherman's Travel. Crisp's repayment did not include \$708,302 of AV Partners's profits (after Wolf was repaid his initial investment) from Crisp's increased syndication to it in the TicketsNow transaction.

33. During a phone call with one of Adams Street's partners after Crisp's termination in March 2008, Crisp admitted that his conduct was "clearly against Adams Street's policy, so I [Crisp] didn't tell you [the Adams Street partner]" about the conduct.

34. In or around January 2009, Crisp told an Adams Street partner in a telephone conversation that Crisp sought to raise investor money to start his own investment fund.

35. Crisp's actions described above made use of the mails and other means and instrumentalities of interstate commerce.

Violations

36. As a result of the conduct described above, Crisp willfully violated Sections 206(1), 206(2) and 206(4) of the Advisers Act, which prohibit fraudulent conduct by an investment adviser, and Rule 206(4)-8 promulgated thereunder, which prohibits fraudulent conduct by advisers to "pooled investment vehicles" with respect to investors or prospective investors in those pools.

37. As a result of the conduct described above, Crisp also willfully aided and abetted Adams Street's violations of Sections 206(1), 206(2) and 206(4) of the Advisers Act, which prohibit fraudulent conduct by an investment adviser, and Rule 206(4)-8 promulgated thereunder, which prohibits fraudulent conduct by advisers to "pooled investment vehicles" with respect to investors or prospective investors in those pools.

38. As a result of the conduct described above, Crisp willfully violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

IV.

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

Accordingly, pursuant to Section 21C of the Exchange Act, Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ORDERED that:

A. Respondent Crisp cease and desist from committing or causing any violations and any future violations of Sections 206(1), 206(2), and 206(4) of the Advisers Act, and Rule 206(4)-8 promulgated thereunder, and Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder.

B. Respondent Crisp be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter,

with the right to apply for reentry after one (1) year to the appropriate self-regulatory organization, or if there is none, to the Commission.

C. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

D. Respondent shall pay disgorgement of \$89,761 to Adams Street Partners, LLC, One North Wacker Drive, Suite 2200, Chicago, Illinois 60603-2823 for distribution to the following funds: Adams Street V, L.P.; Adams Street 2006 Direct Fund, L.P.; and Adams Street 2007 Direct Fund, L.P. Respondent shall pay a civil penalty of \$50,000 to the Securities and Exchange Commission. Payment shall be made as follows: the \$89,761 disgorgement amount and the first \$25,000 of the civil penalty are to be paid within 14 days from the date of this Order; the remaining \$25,000 of the civil penalty, plus post-Order interest, is to be paid within 365 days of the date of this Order. If any payment is not made by the dates required by this Order, the entire outstanding balance of disgorgement and civil penalties, plus any additional interest accrued pursuant to SEC Rule of Practice 600 or pursuant to 31 U.S.C. 3717, shall be due and payable immediately, without further application. Payments to the Commission 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 Matthew Crisp as a 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 Timothy L. Warren, Division of Enforcement, Securities and Exchange Commission, 175 West Jackson Blvd., Suite 900, Chicago, IL 60604.

E. Such civil money penalty may be distributed pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended ("Fair Fund distribution"). Regardless of whether any such Fair Fund distribution is made, 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, he shall not argue that he is entitled to, nor shall he 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 he 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 United States Treasury or to a Fair Fund, as the Commission directs. 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.

Elizabeth M. Murphy
Secretary