

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 4287 / December 3, 2015

Admin. Proc. File No. 3-15950

In the Matter of

S.A.C. CAPITAL ADVISORS, L.P.
S.A.C. CAPITAL ADVISORS, LLC
CR INTRINSIC INVESTORS, LLC
SIGMA CAPITAL MANAGEMENT, LLC
PARAMETER CAPITAL
MANAGEMENT, LLC
72 CREDIT MANAGEMENT, LLC
S.A.C. PRIVATE EQUITY GP, L.P.
POINT72 ASIA (HONG KONG) LIMITED
POINT72 ASIA (NORTH ASIA) LIMITED
and
POINT72 ASIA (SINGAPORE) PTE. LTD

Respondents.

ORDER GRANTING MOTION TO
AMEND ORDER INSTITUTING
PROCEEDINGS

On June 27, 2014, we instituted settled administrative proceedings against Respondents, pursuant to which they agreed to wind down their businesses as registered investment advisers and to distribute certain "side pocket" investments by December 31, 2015.¹ Two of the Respondents—S.A.C. Capital Advisors, L.P. ("SAC LP") and 72 Credit Management, LLC ("72 Credit" and, with SAC LP, "Applicants")—now seek a one-year extension of that deadline because of claimed difficulties distributing the side pocket investments. The order instituting these settled proceedings contemplated that Applicants could ask for such an extension, and neither the Division of Enforcement nor the Division of Investment Management has opposed Applicants' motion to amend the order instituting proceedings to extend the deadline. For the reasons discussed below, we find that an amendment is appropriate and grant the motion.

¹ *S.A.C. Capital Advisors, L.P.*, Investment Adviser Act Release No. 3864, 2014 WL 2915930, at * 4 (June 27, 2014).

I. Background

On November 8, 2013, SAC LP and three related entities pleaded guilty in U.S. district court to one count of wire fraud in violation of 18 U.S.C. § 1343, and one count of securities fraud in violation of 15 U.S.C. §§ 78j(b) and 78ff and 17 C.F.R. §§ 240.10b-5 and 240.10b5-2.² The criminal charges were based, in part, on allegations that multiple employees and agents of the four entities, over the course of several years, obtained material, nonpublic information relating to publicly traded companies and executed, or caused the funds managed by those entities to execute, securities trades based on that information.

On June 27, 2014, we instituted settled administrative proceedings against the four entities that pleaded guilty to the criminal charges and six other related entities, including 72 Credit. As part of the settled proceedings, Applicants agreed to complete certain undertakings, including that they would distribute certain "side pocket investments, proceeds therefrom or ownership interests in an entity holding all or a portion of such investments" to a "family office" managed by Steven A. Cohen, the founder and owner of SAC LP, by December 31, 2015. Applicants further agreed that they would cease being investment advisers as defined under Section 202(a)(11) of the Advisers Act by the same date.³ The order instituting proceedings additionally provided that, "in order to allow [Applicants] to complete an orderly winddown of their business as registered investment advisers," they may "apply to the Commission to extend the date by which they must distribute the side pocket investments"

II. Applicants' Motion

Applicants now move for an extension of the date by which they must distribute the side pocket investments. Applicants represent that Respondents have completed four of the eight required undertakings and are in compliance with the others. But Applicants claim that, despite "their best efforts," they do not expect to be able to complete an orderly winddown of their business as registered investment advisers by December 31, 2015. Applicants explain that they have encountered difficulties in distributing the side pocket investments, including that they do not directly control the liquidation process and that alternate means of distributing the assets would reduce the amount realized by side pocket investors, many of whom are third parties.

Applicants contend "that an extension until December 31, 2016 should allow enough time to dispose of a substantial portion of the investments in a manner that is in the best interest of investors." They add that they "will undertake to update the Commission staff on a quarterly basis regarding the liquidation of the remaining side pocket investments" and that "management

² *SEC v. CR Intrinsic Investors, LLC, et al.*, 12-CV-8466 (VM) (S.D.N.Y.); *SEC v. Sigma Capital Mgmt., LLC, et al.*, 13-CV-1740 (HB) (S.D.N.Y.).

³ 17 C.F.R. § 275.202(a)(11).

of these side pocket investments will remain the sole purpose for which the Applicants are permitted to operate as investment advisers." Applicants therefore request that the Commission "extend the date by which they must distribute the side pocket investments, proceeds therefrom or ownership interests in an entity holding all or a portion of such investments and cease to be 'investment advisers' from December 31, 2015 to December 31, 2016." Neither the Division of Enforcement nor the Division of Investment Management has opposed Applicants' motion.

III. Analysis

Under Rule of Practice 200(d)(1), the Commission may, at any time, upon a motion by a party, amend an order instituting proceedings to include new matters of fact or law.⁴ And the order instituting proceedings in this matter expressly contemplates that Applicants may apply to the Commission for an extension by which they must distribute the side pocket investments in order to complete an orderly winddown of their business as registered investment advisers. Based on Applicants' representations about difficulties in distributing those assets, their representations that the additional time will allow them to distribute those assets in a way that benefits third-party investors, and the fact that the Divisions of Enforcement and Investment Management have not objected, we believe that granting the requested relief is appropriate.

Accordingly, IT IS ORDERED that Applicants' motion to amend the order instituting proceedings is granted; and it is further

ORDERED that the date on the first line of paragraph 15, subsection e, be amended to read "before December 31, 2016"; and it is further

ORDERED that the date on the first line of paragraph 15, subsection f, be amended to read "before December 31, 2016"; and it is further

ORDERED that paragraph 15, subsection g, be amended to add that Respondents are also required "to update Sanjay Wadhwa, Senior Associate Regional Director (New York Regional Office), as to the status of any remaining side pocket investments each calendar quarter beginning with the first quarter of 2016"; and it is further

ORDERED that the date on the last line of paragraph 15, subsection h, be amended to read "no later than February 28, 2017"; and it is further

⁴ 17 C.F.R. § 201.200(d)(1).

ORDERED that Section IV.(A) be amended in its entirety to read "Effective December 31, 2016, the registration of Respondent SAC LP as an investment adviser is revoked."

By the Commission.

Brent J. Fields
Secretary