

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80233 / March 13, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-16575

In the Matter of

Computer Sciences Corporation, Michael Laphen, Michael Mancuso, Wayne Banks, Claus Zilmer, and Paul Wakefield

Respondents.

**NOTICE OF PROPOSED PLAN OF
DISTRIBUTION AND OPPORTUNITY
FOR COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission’s (“Commission”) Rules on Fair Fund and Disgorgement Plans (“Rules”), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan (“Plan”) for the distribution of monies placed into a Fair Fund in the above-captioned matter.

On June 5, 2015, 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 (“Order”)¹ against Computer Sciences Corporation (“CSC”), Michael Laphen (“Laphen”), Michael Mancuso (“Mancuso”), Wayne Banks (“Banks”), Claus Zilmer, and Paul Wakefield (collectively, the “Respondents”). The Order found that CSC engaged in a wide-ranging accounting and disclosure fraud that materially overstated its earnings and concealed from investors significant problems with its largest contract. The Order required CSC to pay a civil money penalty of \$190,000,000.00, Laphen to pay a civil money penalty of \$750,000.00, Mancuso to pay a civil money penalty of \$175,000.00 and Banks to pay disgorgement of \$10,990.00 and prejudgment interest of \$2,400.00. The Order also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, for the monies paid by the Respondents for the distribution to harmed investors (“Fair Fund”).

¹ Securities Act Rel. No. 9804 (June 5, 2015).

Additionally, in two related district court actions, Wilfred Robert Sutcliffe (“Sutcliffe”) was ordered to pay disgorgement of \$6,003.33 and prejudgment interest of \$1,060.62² and Edward Parker (“Parker”) was ordered to pay disgorgement of \$2,800.00 and prejudgment interest of \$750.00³ to the Commission, and for the monies received to be transferred into the Fair Fund.

In total, \$190,948,983.95⁴ was paid into the Fair Fund. The Fair Fund is subject to the continuing jurisdiction and control of the Commission and has been deposited into an interest-bearing account at the United States Department of the Treasury.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Plan by submitting a written request to Nancy Chase Burton, Esq., United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission’s Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted should include “Administrative Proceeding File No. 3-16575” in the subject line. Comments received will be publicly available. Persons should submit only information that they wish to make publicly available.

THE PLAN

The Fair Fund is comprised of \$190,948,983.95 in disgorgement, prejudgment interest, and civil penalties paid by Respondents, Sutcliffe and Parker. The Commission’s Order arose out of securities law violations and substantially similar facts and occurred during the same time period as those in a related class action (“Class Action”).⁵ The Fund Administrator⁶ for this Fair Fund was also the claims administrator in the Class Action, and has compiled a list of all persons and entities that potentially purchased or acquired Eligible Securities from August 5, 2008 through December 27, 2011, inclusively (the “Relevant Period”).

² *Securities and Exchange Commission v. Wilfred Sutcliffe*, No. 15-cv-4340 (S.D.N.Y. 2015).

³ *Securities and Exchange Commission v. Edward Parker*, No. 15-cv-4341 (S.D.N.Y. 2015).

⁴ There was a \$20.00 shortfall in the amount paid by Sutcliffe, which was written off by the Office of Financial Management, pursuant to their applicable delegated authority, 17 C.F.R. § 200.30-4(a)(15).

⁵ *In Re Computer Sciences Corporation Securities Litigation*, No. 11-cv-00610 (E.D. Va. 2011.).

⁶ All terms used herein but not defined shall have the same meanings ascribed to them in the Plan.

The Plan proposes to distribute the Net Available Fair Fund to Eligible Claimants according to the Plan of Allocation attached as Exhibit B to the Plan. The Plan of Allocation for the Fair Fund is substantially similar to the plan of allocation in the Class Action, and the calculations are based on records obtained from CSC and certain other entities that were shareholders of record during the Relevant Period.

The Plan involves a claims process for some investors, as described in detail in the Plan. However, all Class Action Authorized Claimants, those who filed an approved claim in the Class Action, are automatically deemed Eligible Claimants without filing a claim, but only as to the transactions approved in their Class Action claim. If a Class Action Authorized Claimant wishes to amend their claim to include additional transactions, they must submit a claim for such additional transactions. Other potentially eligible investors must submit a Proof of Claim Form or cure the deficiencies identified in the claim they filed in the Class Action. The Plan provides that the Fund Administrator shall mail to all persons and entities in their database, their applicable Notice, within forty-five (45) days of the Commission's approval of the Plan, which identifies their eligibility status and whether a claim needs to be filed and/or if supporting documentation is needed to participate in the Plan's distribution.

For the Commission, by its Secretary, pursuant to delegated authority.

Brent J. Fields
Secretary