

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 80559 / April 28, 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.

ORDER APPROVING PLAN OF DISTRIBUTION

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 \$750,000.00.00, 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 (the "Fair Fund").

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

In two separate, but related district court actions, Wilfred Robert Sutcliffe (“Sutcliffe”) and Edward Parker (“Parker”) were ordered to pay a total of \$10,613.95 to the Commission for transfer into the Fair Fund.² In total, \$190,948,983.95³ 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.

On March 13, 2017, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”)⁴ pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans.⁵ The Notice advised all interested persons that they may obtain a copy of the proposed Plan of Distribution (“Plan”) from the Commission’s public website, <http://www.sec.gov/litigation/faifundlist.htm>, or by submitting a written request to Nancy Chase Burton, Esq., United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876.

The Notice also advised all persons desiring to comment on the Plan that they could submit their comments, in writing, no later than 30 days from the date of the Notice: (1) by sending a letter 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. The Commission received no comments on the Plan during the comment period.

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

² See *Securities and Exchange Commission v. Wilfred Sutcliffe*, No. 15-cv-4340 (S.D.N.Y. 2015). See also *Securities and Exchange Commission v. Edward Parker*, No. 15-cv-4341 (S.D.N.Y. 2015).

³ 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).

⁴ Exchange Act Rel. No. 80233 (Mar. 13, 2017).

⁵ 17 C.F.R. § 201.1103.

period as those in a related class action (“Class Action”).⁶ The Plan provides for the distribution of the Net Available Fair Fund⁷ to Eligible Claimants according to the Plan of Allocation attached as Exhibit B to the Plan, which is substantially similar to the plan of allocation in the Class Action. The Plan involves a claims process for some investors, as described in detail in the Plan.

The Division of Enforcement now requests that the Commission approve the Plan.

Accordingly, it is hereby ORDERED that, pursuant to Rule 1104 of the Commission’s Rules on Fair Fund and Disgorgement Plans,⁸ the Plan is approved.

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

Brent J. Fields
Secretary

⁶ *In Re Computer Sciences Corporation Securities Litigation*, No. 11-cv-00610 (E.D. Va. 2011).

⁷ All terms used herein but not defined shall have the same meanings ascribed to them in the Plan.

⁸ 17 C.F.R. § 201.1104.