

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 81702 / September 25, 2017

ADMINISTRATIVE PROCEEDING
File No. 3-15098

In the Matter of

**Credit Suisse Securities USA (LLC);
DLJ Mortgage Capital, Inc.;
Credit Suisse First Boston Mortgage
Acceptance Corp.;
Credit Suisse First Boston Mortgage
Securities Corp.; and
Asset Backed Securities Corporation**

Respondents.

**ORDER DIRECTING
DISBURSEMENT OF THE FIRST
PAYMENT DEFAULT
PRACTICE
FAIR FUND**

On November 16, 2012, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”) against Credit Suisse Securities (USA) LLC; DLJ Mortgage Capital, Inc.; Credit Suisse First Boston Mortgage Acceptance Corp.; Credit Suisse First Boston Mortgage Securities Corp.; and Asset Backed Securities Corporation (collectively, the “Respondents”).¹ The Commission found that the Respondents engaged in fraudulent misconduct, including misrepresentations and omissions in the offer or sale of residential mortgage backed securities involving bulk settlement practices (“Bulk Settlement Practice”) and first payment defaults practices (“FPD Practice”).

The Order provided that, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, two separate Fair Funds may be created: One for the funds collected with regards to

¹ See Securities Act Rel. No. 9368 (Nov.16, 2012).

the Bulk Settlement Practice (\$101,747,769) and one for the funds collected with regards to the FPD Practice (\$18,256,561). In addition, the Order stated that the disgorgement, interest and civil penalties paid to each Fair Fund shall be distributed pursuant to a distribution plan to be administered in accordance with the Commission's Rules of Practice governing Fair Fund and Disgorgement Plans (the "Commission's Rules").²

On August 14, 2014, pursuant to Rule 1103 of the Commission's Rules, 17 C.F.R. § 201.1103, the Commission issued a Notice of Proposed Plan of Distribution (First Payment Default Practice) and Opportunity for Comment ("Notice").³ The Notice advised interested parties that they could obtain a copy of the proposed Plan of Distribution ("FPD Plan") from the Commission's public website or by submitting a written request to Nancy Chase Burton, Esq., United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5631. All persons who desired to comment on the FPD Plan could submit their comments in writing, no later than thirty (30) days from the date of the Notice. One comment was received and given substantial consideration. Subsequently, on September 10, 2015, the Commission issued an order establishing the FPD Fair Fund, which is comprised of \$18,256,561 in disgorgement, prejudgment interest, and civil money penalties paid by Respondents, plus any interest accrued, less taxes and approved the FPD Plan.⁴

The FPD Plan provides for the distribution of the FPD Fair Fund to compensate investors in residential mortgage backed securities trusts harmed by Credit Suisse's misrepresentations and omissions in its offering materials regarding the FPD Practice and who file approved claims ("Eligible Claimants").

² 17 C.F.R. § 201.1100, *et seq.*

³ Exchange Act Rel. No. 72851 (Aug. 14, 2014).

⁴ Order Establishing Fair Fund and Approving the Plan of Distribution First Payment Default Practice (Exchange Act Rel. No. 75877 (Sept. 10, 2015)).

Pursuant to the FPD Plan, the Fund Administrator has submitted a payment file to the Commission staff with a reasonable assurance letter as to the completeness and accuracy of the information contained therein. Commission staff has reviewed the payment file and requests, pursuant to Rule 1101(b)(6) of the Commission's Rules, 17 C.F.R. § 201.1101(b)(6), that the Commission authorize the disbursement of \$18,316,278.90 from the FPD Fair Fund to Huntington National Bank for distribution by the Fund Administrator to Eligible Claimants in accordance with the FPD Plan.

Accordingly, it is hereby ORDERED, that Commission staff shall transfer \$18,316,278.90 from the FPD Fair Fund to Huntington National Bank, and the Fund Administrator shall distribute such monies to Eligible Claimants as provided for in the FPD Plan.

By the Commission.

Brent J. Fields
Secretary