UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10494 / May 8, 2018

SECURITIES EXCHANGE ACT OF 1934
Release No. 83186 / May 8, 2018

INVESTMENT ADVISERS ACT OF 1940
Release No. 4909 / May 8, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18473

In the Matter of

VISIUM ASSET MANAGEMENT, LP
Respondent.


I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), and Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") against Visium Asset Management, LP ("Visium" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement ("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 it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933, Section 21C of the Securities Exchange Act of 1934, and Sections 203(e) and 203(k) of the Investment Advisers Act
III.

On the basis of this Order and Respondent’s Offer, the Commission finds\(^1\) that:

**SUMMARY**

1. This matter involves violations of the federal securities laws by registered investment adviser Visium.

2. From at least July 2011 to December 2012, Visium portfolio managers Christopher Plaford (“Plaford”) and Stefan Lumiere (“Lumiere”) engaged in a mismarking scheme. Plaford and Lumiere used sham broker quotes to inflate falsely the value of securities held by the Credit Fund (as defined in paragraph 6 below) for which Visium acted as investment adviser. As a result, the Credit Fund reported falsely inflated returns, overstated its net asset value (“NAV”), misclassified certain distressed assets, and paid approximately $3.15 million in fraudulently charged performance and management fees. During the same period, Visium issued statements that contained false and misleading disclosures concerning its valuation policies and procedures, and made material misstatements in its Form ADV.

3. Visium portfolio managers Sanjay Valvani (“Valvani”) and Plaford also engaged in insider trading. Valvani, a portfolio manager for Visium’s Balanced Fund (as defined in paragraph 7 below), caused the Balanced Fund to trade in the securities of pharmaceutical companies in advance of generic drug approvals by the Food and Drug Administration’s Office of Generic Drugs (“OGD”), based on material, nonpublic information he received from a former OGD official. Plaford caused the Credit and Balanced Funds to trade in the securities of home healthcare providers in advance of a proposed cut to certain Medicare reimbursement rates by the Centers for Medicare and Medicaid Services (“CMS”), based on material, nonpublic information he received from a former CMS employee. This insider trading generated more than $7 million in illicit profits for the Credit and Balanced Funds combined, and nearly $1.6 million in ill-gotten performance and management fees for Visium. In addition, Visium failed to enforce certain written policies and procedures reasonably designed to prevent the misuse of material, nonpublic information by Visium and persons associated with it.

4. Based on the foregoing, and as detailed below, Visium violated Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 204A, 206(1), 206(2), 206(4), and 207 of the Advisers Act, and Rules 206(4)-7 and 206(4)-8 thereunder.\(^2\)

---

\(^1\) The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

\(^2\) The Commission has filed civil actions against Plaford, *SEC v. Plaford*, 16-CV-4511 (S.D.N.Y.) (KPF); Lumiere, *SEC v. Lumiere*, 16-CV-4513 (S.D.N.Y.) (KPF); Valvani and
RESPONDENT

5. Visium is a Delaware limited partnership, with its principal place of business in New York, New York, and investment adviser to the Credit and Balanced Funds. Visium has been an investment adviser since 2005, when it was spun out of another Commission-registered investment adviser, and has been a Commission-registered investment adviser since April 2011. During the relevant period, Visium had offices in New York, London, and California, employed more than 170 employees, and managed more than $7.8 billion worth of assets in over a dozen different investment vehicles.

RELEVANT ENTITIES

6. Visium Credit Master Fund, Ltd., is an unregistered Cayman Islands-based fund, organized in a master-feeder structure with an offshore unregistered feeder fund, incorporated in the Cayman Islands, called Visium Credit Opportunities Offshore Fund, Ltd., and a domestic unregistered feeder fund, organized under Delaware law, called Visium Credit Opportunities Fund, LP. These unregistered funds are known collectively as the “Credit Fund.”

7. Visium Balanced Master Fund, Ltd., is an unregistered Cayman Islands-based fund, organized in a master-feeder structure with an offshore feeder fund, incorporated in the Cayman Islands, called Visium Balanced Offshore Fund, Ltd., and a domestic unregistered feeder fund, organized under Delaware law, called Visium Balanced Fund, LP. These unregistered funds are known collectively as the “Balanced Fund.”

FACTS

A. The Mismarking Scheme

8. In May 2009, Visium launched the Credit Fund for the purpose of investing primarily in higher risk and, at times, thinly traded corporate debt instruments issued by healthcare companies. These types of corporate bonds and loans were not listed on any exchange but were traded “over the counter” by market makers who provided price quotes at which they would buy or sell for their own account. Over its life, the Credit Fund raised roughly $600 million in investor capital. From May 2009 to June 2013, the fund reported positive returns in 44 of 50 months; at its peak, in March 2012, it had $471.5 million in net assets. In 2013, after experiencing a string of redemption requests Visium closed the fund and began liquidating its assets.


The Credit and Balanced Funds are both “pooled investment vehicles” as defined by Rule 206(4)-8(b) under the Advisers Act.
9. Visium charged Credit Fund “Series A” investors a 1.5% management fee and 15% performance fee, and Credit Fund “Series B” investors a 2% management fee and 20% performance fee, based on a high-water mark and calculated using the fund’s NAV.

10. From at least July 2011 to December 2012, Plaford and Lumiere repeatedly obtained sham broker quotes to inflate falsely the value of certain securities held by the Credit Fund, the fund’s reported NAV, and its performance. The sham quotes were used to override available prices from established pricing sources that the Credit Fund’s independent administrator otherwise should have used, when striking the fund’s month-end NAV, to price securities held by the fund. The sham quotes were used also to price securities at month-end, at times, when the independent administrator did not provide Visium with available prices from established pricing sources. The sham quotes did not always reflect prevailing market values. Plaford and Lumiere procured the sham quotes from one or more of three “friendly” outside brokers at three different registered brokerage firms. To make the sham quotes appear to be legitimate quotes from independent outside brokers, Plaford and Lumiere asked the friendly brokers for the specific prices they wanted with the direction to email or instant message the prices back to them as the brokers’ own quotes (“U-turn” the quotes), which the brokers did. Plaford and Lumiere never informed Visium’s accounting department that the U-turned quotes did not come from dealers willing to transact at the prices quoted.

11. During the relevant period, the Credit Fund held, on average, 72 bond or loan positions at month-end, and Visium relied on sham quotes, U-turned through the friendly brokers, to price anywhere from six to 28 of the positions. On at least 308 occasions, Visium relied on the sham quotes to price positions in the Credit Fund and provided those quotes to the fund’s independent administrator for the administrator to strike the fund’s month-end NAV. Of the 308 price overrides, 282, or 91.56%, resulted in higher valuations for long positions or lower valuations for short positions held by the Credit Fund.

12. Additionally, on at least two occasions, Plaford and Lumiere caused the Credit Fund to pay above-market prices in late-month trades to purchase more of a bond already held by the fund to inflate the position’s apparent value as well as the fund’s NAV.

13. The mismarking scheme caused the Credit Fund to overstate its month-end NAV routinely, during the relevant period, by approximately 2.4% to 7.2%, and the fund’s audited and reported NAV for year-end 2011 and 2012, by approximately 5.1% and 7.0%, respectively. As a result, some investors bought into the fund at an inflated NAV. Some investors redeemed out of the fund at an inflated NAV, thereby diluting remaining investors’ interests.

14. As a result of the scheme, for 2011 and 2012, Visium received from the Credit Fund a total of $2,622,709 in ill-gotten performance fees, from which incentive compensation was paid to the Credit Fund investment team, and $533,700 in ill-gotten management fees, for a total of $3,156,409.

15. The use of sham broker quotes also caused certain distressed securities held by the Credit Fund to be classified and reported to investors as having observable market inputs for valuation purposes when they did not.
16. Monthly reports to Credit Fund investors disclosed the percentage of fund assets in each of three “fair value” classifications. Financial Accounting Standards Board Accounting Standards Codification Topic 820 (“ASC Topic 820”) defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.”

17. ASC Topic 820’s framework for measuring fair value establishes a three-level fair value hierarchy based on the quality of inputs used to value an asset or liability: Level 1, the highest classification, is for assets or liabilities valued based on unadjusted quoted prices in active markets for identical assets or liabilities on the measurement date; Level 2 is for assets or liabilities that do not have quoted prices in active markets on the measurement date, but fair value can be calculated, directly or indirectly, based on observable market inputs; and Level 3 is for assets or liabilities that lack observable market inputs and, therefore, are valued based on management estimates or pricing models.

18. The use of sham broker quotes to mismark certain distressed assets held by the Credit Fund both falsely inflated their value and made it appear as if there were observable market inputs for them. Plaford used sham override quotes to keep distressed assets at Level 2, instead of Level 3, because investors often view Level 2 assets as more liquid than Level 3 assets, and liquidity is an important metric to investors. Based on the sham quotes, Visium classified these securities as assets using Level 2 inputs, and the Credit Fund’s independent administrator reported them as such to Credit Fund investors, instead of as assets using Level 3 inputs. Visium did not classify any Credit Fund assets as using Level 3 inputs until December 2012, when the reported amount jumped from 0% to 8.97% of the fund’s NAV.

19. The mismarking scheme rendered certain statements made to Credit Fund investors and prospective investors false and misleading, including statements concerning the Credit Fund’s performance and net assets; limited partners’ total capital, net investment income, and monthly and year-to-date returns; and Visium’s firm-wide assets under management. As a result of the scheme, Visium made misstatements in the 2012 and 2013 annual amendments to its Form ADV, filed with the Commission, concerning its reported regulatory assets under management and the gross asset values of the Credit Fund’s constituent funds.

B. The False and Misleading Statements Concerning Visium’s Valuation Policies and Procedures

20. Some of Visium’s communications with investors and prospective investors contained false and misleading statements concerning its valuation policies and procedures. These communications described a valuation process that was materially different from how, in practice, Visium valued the Credit Fund. And, during the relevant period, Visium failed to update or revise its valuation-related disclosures to reflect its actual practices.

21. Visium’s valuation methodology, as disclosed to investors in offering memoranda and limited partnership agreements for the Credit Fund, and elsewhere, sought to establish “fair value” for the Credit Fund’s investments. During the relevant period, Visium’s compliance manual stated: “[Visium] will apply valuation procedures for computing net asset value, or
‘NAV’, which are based upon GAAP [U.S. Generally Accepted Accounting Principles]” and “[a]ccording to GAAP, companies such as hedge funds are required to use ‘fair value’ in determining the value of an investment.” If faced with different indications of fair value, ASC Topic 820 requires the reporting entity to determine the price “most representative” of fair value.

22. Visium’s compliance manual, which was made available to investors and prospective investors conducting due diligence on Visium and the Credit Fund, stated that the “pricing function will be carried out by the accounting team which is independent of the portfolio managers and trading desk” and that “[Visium] will either calculate or verify the accuracy of prices independent of the trading function to the extent practicable.” It also stated that valuations would be calculated by the Credit Fund’s independent administrator and that “Visium will generally look to established pricing sources including but not limited to Bloomberg and Reuters” for the pricing of assets. The fund’s independent administrator provided to Visium’s back office month-end prices from established pricing sources (though in some instances it did not provide all such available prices) to value the Credit Fund’s various fixed income securities holdings.

23. Under Visium’s valuation procedures, which took into account thinly traded markets where pricing information was not as readily available as for exchange-traded securities, Visium could override the independent administrator’s price, and substitute its own, for a security only when, in Visium’s view, the “price used by the [a]dministrator was inconsistent with fair value” and Visium could “provide support for its pricing.” Visium’s valuation policies and procedures required it to select alternative pricing sources with “reliability, stability, and independence being among the main criteria.” The alternative pricing sources permitted by the valuation procedures included dealer marks, in which case the procedures provided that it was “preferential to get at least three dealer marks.” Finally, Visium’s valuation policies called for a valuation committee, which was required to “meet each valuation day to discuss which securities need to be priced…outside of the standardized pricing methodology” and to document its findings.

24. Contrary to these policies and procedures, Plaford and Lumiere played a substantial role in the valuation process for the Credit Fund and in the valuation of fund assets. Generally, on the last day of each month, Plaford and/or Lumiere sent prices for securities held by the Credit Fund to Visium’s back office. Visium’s back office personnel input those prices into a “Bond Price Comparison” spreadsheet, which it then sent to the fund’s independent administrator. On the next business day, the independent administrator returned the Bond Price Comparison spreadsheet to Visium’s back office populated with prices from established, third-party pricing sources (though in some instances it did not provide all such available prices), and the back office then forwarded it to Plaford and/or Lumiere. Finally, Plaford highlighted any securities for which he wanted the independent administrator to use a price override when striking the month-end NAV for the fund. For each such override, Plaford and/or Lumiere provided the back office with alternative pricing support, which they routinely did with a sham broker quote U-turned through a friendly outside broker. Plaford and Lumiere also provided the back office with sham quotes to price securities at month-end, at times, when the independent administrator did not provide Visium with prices from established pricing sources, though such prices were available and should have been used, pursuant to Visium’s valuation policies and procedures, to price those securities.
25. Visium failed to take adequate steps to ensure the outside brokers were dealers in the securities for which they provided quotes; that the quotes obtained from the outside brokers reflected fair value; or that proper fair value classifications were used. And, though its valuation policies stated that, when using dealer marks to price securities, it was preferential to get at least three dealer marks, Visium did not get at least three marks to support its price overrides. Of the 308 overrides in the valuation scheme, 216 were supported by one broker quote, 91 were supported by two quotes, and only one was supported by three quotes. In addition, the valuation committee generally did not document any findings concerning the price overrides.

C. The Insider Trading

26. Visium engaged in insider trading in both the Credit Fund and the Balanced Fund. First, Valvani caused the Balanced Fund to trade in the securities of Momenta Pharmaceuticals, Inc. (“Momenta”) and Sanofi, SA, including short selling, in advance of two separate approvals by OGD to permit the sale of enoxaparin, a generic version of the brand-name drug Lovenox, manufactured by Sanofi. Valvani obtained material, nonpublic information concerning these announcements from Gordon Johnston (“Johnston”), a former OGD official, whom Valvani caused Visium to retain as a paid consultant. Johnston obtained the information from a then-current OGD employee and friend. At the time, Johnston was also Vice President of Regulatory Sciences for the Generic Pharmaceuticals Association (“GPhA”).

27. Between 2005 and 2011, there was considerable speculation in the market as to whether OGD would approve any of the pending enoxaparin applications or Abbreviated New Drug Applications (“ANDA”). During this period, ANDAs were pending for Momenta, Watson Pharmaceuticals, Inc. (“Watson”), and Teva Pharmaceutical Industries, Ltd. In late 2009, Johnston learned from an OGD Division Director, who was a friend and former mentee of Johnston’s, that an enoxaparin ANDA was listed on OGD’s “approval matrix,” a confidential internal list used by OGD to coordinate approvals. Later, Johnston learned from the OGD Division Director that the enoxaparin ANDA was “moving,” meaning that OGD’s approval was coming closer. Johnston conveyed this information to Valvani, who understood the significance of what he had been told, pushed Johnston for more nonpublic information, and caused the Balanced Fund to trade ahead of OGD’s announcement on the Momenta application. Johnston continued to provide material, nonpublic information on pending ANDAs, which helped Valvani formulate the Balanced Fund’s trades ahead of OGD’s announcement on the Watson application. As a result of that trading, Valvani generated $6,982,396 in illicit trading profits for the Balanced Fund.

28. Valvani knew Johnston obtained the material, nonpublic information by using deception. After getting questions from Valvani, Johnston regularly called his former colleague seeking answers and then relayed the answers back to Valvani, generally repeating to Valvani the indirect and triangulating questions he posed to his former colleague as well as his former colleague’s responses. Valvani also knew Johnston used his role with the GPhA as a pretext to glean nonpublic information from his former colleague.

29. Second, Plaford caused the Balanced and Credit Funds to trade based on material, nonpublic information he received from a political consultant about an impending CMS announcement concerning certain Medicare reimbursement rates for home healthcare services. On
May 31, 2013, Plaford caused Visium to enter into a consulting agreement with David B. Blaszczak (‘Blaszczak’), who advised clients on healthcare policy, including Medicare reimbursement. On June 27, 2013, after market close, CMS announced a proposed 3.5% cut in Medicare reimbursements for certain services provided by home health agencies. Prior to this announcement, Blaszczak sent Plaford an email stating that he expected CMS to announce a proposed cut in home health reimbursements of “between 3% and 3.5% – but much closer to 3.5%,” and then, later, another email, revising his cut expectation to “3.25-3.5%.” Blaszczak told Plaford his information came from sources within CMS. Based on this information, Plaford caused the Balanced Fund to short the stock of Amedisys Inc. (“AMED”) and Gentiva Health Services Inc. (“GTIV”), both home healthcare providers. In addition, Plaford also caused the Credit Fund, while purchasing some AMED and GTIV stock, to purchase put options on both. Collectively, Plaford’s trading generated $284,939 in illicit profits for the funds.

30. As a result of the insider trading profits, the Balanced and Credit Funds paid nearly $1.6 million in management and performance fees to Visium, a substantial portion of which went to the funds’ investment teams as compensation.

D. Visium Failed to Enforce its Insider Trading Policy

31. Visium failed to enforce policies and procedures reasonably designed to prevent the misuse of material, nonpublic information by the firm and persons associated with it. Visium’s written policies and procedures concerning prevention of the misuse of material, nonpublic information were contained in its compliance manuals in effect at the relevant time. The policies prohibited employees from trading on any material, nonpublic information they obtained in the course of their employment, and listed types of information that could constitute material, nonpublic information. The policies also instructed employees to alert the Chief Compliance Officer (“CCO”) if there was a possibility information they obtained was material, nonpublic information, or if they had any questions about whether information they obtained was material, nonpublic information. Each employee was required to review Visium’s insider trading policies and procedures and to sign an acknowledgement that, among other things, he or she was prohibited from trading on the basis of material, nonpublic information. The procedures also addressed the use of outside consultants. Specifically, a “Checklist Resolving Issues Concerning Insider Trading” recommended, among other things, that employees should (a) ensure all agreements with third-party research consultants contain an insider trading prohibition disclosure, and (b) remind consultants that Visium should not be a recipient of actual or potential material, nonpublic information.

32. Nonetheless, Visium had inadequate measures in place to enforce its policies and to ensure the Checklist was followed, and took inadequate steps to monitor employees’ communications with consultants. And, Plaford and Valvani repeatedly failed to comply with Visium’s policies and procedures concerning prevention of the misuse of material, nonpublic information. For example, in addition to the enoxaparin ANDAs discussed above, Valvani failed to alert Visium’s CCO that Johnston had provided him, on multiple occasions, with material, nonpublic information concerning OGD’s consideration of pending ANDAs for generic versions of multiple other drugs. Further, Valvani failed to alert Visium’s CCO about material, nonpublic
information he obtained from executives of companies in which he traded on behalf of the Balanced Fund.

VIOLATIONS

33. As a result of the conduct described above, Respondent willfully violated:

(a) Section 17(a) of the Securities Act, which makes it unlawful, in the offer or sale of securities, to employ any device, scheme, or artifice to defraud; to obtain money or property by means of any untrue statement of material fact or material omission; or to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit on the purchaser;

(b) Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which make it unlawful, in connection with the purchase or sale of any security, to employ any device, scheme, or artifice to defraud; to make any untrue statement of material fact or material omission; or to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person;

(c) Sections 206(1), 206(2), and 206(4) of the Advisers Act, and Rules 206(4)-7 and 206(4)-8 thereunder, which make it unlawful for any investment adviser to employ any device, scheme, or artifice to defraud, or to engage in any transaction, practice, or course of business which operates as a fraud or deceit, upon any client or prospective client; for an investment adviser to provide investment advice to clients without, among other things, implementing written policies and procedures reasonably designed to prevent violations of the Advisers Act; or for any investment adviser to a pooled investment vehicle to make any untrue statement of material fact or material omission to, or to otherwise engage in any act, practice, or course of business that is fraudulent, deceptive, or manipulative with respect to, any investor or prospective investor in the pooled investment vehicle;

(d) Section 204A of the Advisers Act, which makes it unlawful for an investment adviser to fail, among other things, to enforce written policies and procedures reasonably designed to prevent the misuse of material, nonpublic information by the adviser or any person associated with the adviser; and

(e) Section 207 of the Advisers Act, which makes it “unlawful for any person willfully to make any untrue statement of a material fact in any registration application or report filed with the Commission . . . or willfully to omit to state in any such application or report any material fact which is required to be stated therein.”
IV. Undertaking

Respondent has undertaken to:

Upon returning all remaining investor funds to investors or no later than one year from the date of this Order, whichever is sooner, Visium shall file a Form ADV-W with the Commission to withdraw its registration as an investment adviser.

V.

In view of the foregoing, the Commission deems it appropriate, in the public interest, and for the protection of investors to impose the sanctions agreed to in Respondent Visium’s Offer.

Accordingly, pursuant to Section 8A of the Securities Act, Section 21C of the Exchange Act, and Sections 203(e) and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondent cease and desist from committing or causing any violations and any future violations of Section 17(a) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and Sections 204A, 206(1), 206(2), 206(4) and 207 of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder.

B. Respondent is censured.

C. Respondent shall, within 10 days of the entry of this Order, pay disgorgement of $4,755,223 and prejudgment interest thereon of $720,711 to the Securities and Exchange Commission. The Commission will hold funds payable pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds, or transfer them to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600.

D. Respondent shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of $4,755,223 to the Securities and Exchange Commission. The Commission may distribute civil money penalties collected in this proceeding if, in its discretion, the Commission orders the establishment of a Fair Fund pursuant to 15 U.S.C. § 7246, Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended. The Commission will hold funds paid pursuant to this paragraph in an account at the United States Treasury pending a decision whether the Commission, in its discretion, will seek to distribute funds or, subject to Exchange Act Section 21F(g)(3), transfer them to the general fund of the United States Treasury. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment 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 Visium Asset Management, LP 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 Sanjay Wadhwa, Senior Associate Director, Division of Enforcement, New York Regional Office, Securities and Exchange Commission, Brookfield Place, 200 Vesey Street, Ste. 400, New York, New York 10281-1022, or such other person or address as the Commission staff may provide.

E. 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, it shall not argue that it is entitled to, nor shall it 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 it 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 Securities and Exchange Commission. 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.

F. Respondent shall comply with the undertaking enumerated in Section IV above.

By the Commission.

Brent J. Fields
Secretary