

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 4895 / April 23, 2018**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18127**

**In the Matter of**  
  
**MARTIN SHKRELI,**  
  
**Respondent.**

**ORDER MAKING FINDINGS AND**  
**IMPOSING REMEDIAL SANCTIONS**  
**PURSUANT TO SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940**

**I.**

On August 22, 2017, the Securities and Exchange Commission (“Commission”) instituted public administrative proceedings pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Martin Shkreli (“Shkreli” or “Respondent”).

**II.**

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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.2 below, and consents to the entry of this Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Shkreli, age 35, is a resident of New York, NY. Shkreli was the Managing Partner and the portfolio manager for hedge funds called MSMB Capital Management LP (“MSMB”) and MSMB Healthcare LP (“MSMB Healthcare”). Shkreli obtained a Series 7 license in 2003. Shkreli is

not currently associated with a registered broker dealer or registered investment adviser. In March 2011, Shkreli incorporated Retrophin LLC, a pharmaceuticals company that went public, by way of a reverse merger, in December 2012 and became Retrophin, Inc. (collectively with Retrophin LLC, "Retrophin"). Shkreli was Retrophin's President and CEO until September 30, 2014.

2. On August 4, 2017, a jury in the case *United States v. Shkreli*, 15-cr- 637-KAM (E.D.N.Y.), returned a verdict finding Shkreli guilty of violations of Title 15, United States Code, Section 78j(b); and Title 18, United States Code, Section 371. On March 9, 2018, Shkreli was sentenced to a seven-year prison term.

3. The counts of the indictment on which Shkreli was convicted charged, *inter alia*, that Shkreli committed securities fraud by, among other things: defrauding investors and potential investors in MSMB and MSMB Healthcare through material misrepresentations and omissions relating to, among other things, MSMB's and MSMB Healthcare's prior performance, assets under management, and misappropriations by Shkreli of fund assets; and conspired to defraud investors and potential investors in Retrophin through material misrepresentations and omissions about the control of Retrophin's unrestricted or "free trading" shares.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Shkreli's Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Shkreli be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

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

Brent J. Fields  
Secretary