ORDER APPROVING APPLICATION OF FUND ADMINISTRATOR FOR PAYMENT OF FEES AND EXPENSES AND APPROVAL OF FUTURE FEES AND EXPENSES

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 (the “Order”) against Computer Sciences Corporation (“CSC”), Michael Laphen (“Laphen”), Michael Mancuso (“Mancuso”), Wayne Banks (“Banks”), Claus Zilmer (“Zilmer”), and Paul Wakefield (“Wakefield”) (collectively, the “Respondents”). In the Order, the Commission found that from 2009 to 2011, 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; Laphen to pay a civil money penalty of $750,000; Mancuso to pay a civil money penalty of $175,000; and Banks to pay disgorgement of $10,990 and prejudgment interest in the amount of $2,400.00. The Order also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, for the monies paid by the Respondents for the distribution to harmed investors (the “Fair Fund”).

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. In total, $190,948,983.95 was paid into the Fair Fund.

3 There was a $20.00 shortfall in the amount paid by Sutcliffe, which was written off by the Office of Financial Management (“OFM”), pursuant to their applicable delegated authority, 17 C.F.R. § 200.30-4(a)(15).
On June 22, 2016, the Commission issued an order appointing Garden City Group, LLC n/k/a Epiq (“Epiq”) as the fund administrator of the Fair Fund and set the administrator’s bond amount.4

On March 13, 2017, the Secretary, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”), pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103.5 The Notice provided a 30-day comment period. No comments were received by the Commission in response to the Notice. On April 28, 2017, the Secretary, pursuant to delegated authority, issued an order approving the Plan of Distribution (the “Plan”),6 and simultaneously posted the approved Plan.

The Plan contemplates that the Fund Administrator’s fees and expenses will be paid from the Fair Fund.7 In accordance with Rule 1105(d) of the Commission’s Rules, 17 C.F.R. § 201.1105(d), the Fund Administrator has submitted to the Commission staff six invoices, covering services rendered from June 23, 2016 to June 30, 2018, totaling $837,941.69. The Commission staff has reviewed the Fund Administrator’s invoice, confirmed that the services have been provided, and finds the fees and expenses of $837,941.69 to be reasonable. The Commission staff has requested that the Commission authorize the OFM to pay the Fund Administrator’s fees and expenses of $837,941.69 from the Fair Fund.

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of the Assistant Director of the Office of Distributions, to pay the Fund Administrator’s future fees and expenses from the Fair Fund so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the revised cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission’s Rules, 17 C.F.R. § 201.1105(d), that OFM pay the Fund Administrator’s initial six invoices for fees and expenses of $837,941.69 from the Fair Fund. Further, OFM is authorized to pay, at the direction of the Assistant Director of the Office of Distributions, any future fees and expenses of the Fund Administrator from the Fair Fund so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the revised cost proposal submitted by the Fund Administrator.

By the Commission.

Vanessa A. Countryman
Secretary

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7 Plan at ¶8.