

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 93117 / September 24, 2021

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4257 / September 24, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20595

In the Matter of

WPP PLC

Respondent.

ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against WPP plc (“WPP” or “Respondent”).

II.

In anticipation of the institution of these proceedings, WPP has submitted an Offer of Settlement (the “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, WPP consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and WPP's Offer, the Commission finds¹ that:

SUMMARY

1. This matter concerns violations of the anti-bribery, books and records, and internal accounting controls provisions of the Foreign Corrupt Practices Act ("FCPA") by WPP, the world's largest advertising group. The bribery scheme took place at a WPP majority-owned subsidiary in India, which, through intermediaries, paid as much as a million dollars in bribes to Indian officials to obtain and retain government business, resulting in over \$5 million in net profit from 2015 – 2017. Additionally, WPP benefited from other illicit schemes at its subsidiaries such as: (1) a subsidiary in China making unjustified payments to a vendor in connection with a Chinese tax audit, resulting in significant tax savings to WPP's subsidiary; (2) a subsidiary in Brazil making improper payments to purported vendors in connection with government contracts in 2016-2018; and (3) in 2013, a Peruvian subsidiary funneling funds through other WPP entities to disguise the source of funding for a political campaign in Peru .

2. WPP failed to devise and maintain a sufficient system of internal accounting controls necessary to detect and prevent the bribe payments at this Indian subsidiary or properly account for the true nature of payments and income at all four subsidiaries. Specifically, WPP failed to implement and maintain sufficient internal accounting controls over vendor management, and accounts payable at these subsidiaries, failed to provide reasonable assurances that these subsidiaries were adhering to WPP's anti-corruption policy, and lacked sufficient entity level controls over these subsidiaries. As a result, it also failed to make and keep accurate books and records. Finally, despite WPP's size and geographical reach, it failed to timely and properly manage the company's response to red flags indicating corruption risks or remediate identified control deficiencies.

RESPONDENT

3. **WPP plc** is a Jersey multinational marketing communications group with dual-headquarters in London and New York City. WPP's American depositary shares are registered with the Commission pursuant to Section 12(b) of the Exchange Act and trade on the New York Stock Exchange under the Ticker "WPP." WPP operates through agencies operating in various international locations, referred to as "Networks."

FACTS

Background

4. Until 2018, WPP implemented an aggressive acquisition strategy in order to grow its business. As part of its acquisition strategy, WPP acquired a controlling interest in small,

¹ Pursuant to Respondent's Offer of Settlement, the SEC makes these findings in this proceeding. The findings are not binding on any other person or entity or in any other proceeding.

localized agencies in high-risk markets, such as India, China, and South America that were previously majority-owned by the local agency's founder. WPP often structured these acquisitions to include an earn-out provision. Under these earn-out provisions, the parties agreed to defer a portion of the purchasing price until the agency's founder met future financial goals. In some cases, WPP agreed that the agency's founder would continue as the Chief Executive Officer of the WPP controlled entity (hereinafter Founder-in-Control or "FIC" entities). WPP placed the FIC entities within a WPP Network and consolidated the FIC entities' financial statements into WPP's financial statements.

5. WPP centrally coordinated the group's financial matters, reporting, control, treasury, tax, mergers, acquisitions, investor relations, legal affairs and internal audit from its headquarters. In larger markets, such as India and China, WPP appointed a regional Financial Director to work more closely with the Networks, which were primarily responsible for servicing WPP's clients and overseeing the FIC entities. While WPP mandated that all companies follow WPP global policies and internal accounting control requirements, in reality, the founders and/or CEOs of the FIC entities exercised wide autonomy and outsized influence.

6. Following this growth strategy, WPP operated in 112 countries and employed approximately 100,000 people over 3,000 locations during the relevant period. WPP sourced 86% of its revenue from 10 companies and 88% of its revenue was from operations in 20 countries.

7. Despite the known corruption and fraud risks inherent in WPP's FIC acquisitions, WPP lacked sufficient internal accounting controls with respect to its expansive international network. Additionally, WPP had no compliance department during the relevant period, and it lacked meaningful coordination between its legal and internal audit departments and Network management. While WPP charged Network management with remediating deficiencies identified by WPP's legal and internal audit departments, in practice, neither WPP nor the Networks provided adequate oversight of the FIC entities to ensure that the FIC entities implemented WPP's internal accounting controls and compliance policies. As a result of these structural deficiencies, WPP failed to promptly or adequately respond to repeated warning signs of corruption or identified control failures at certain FIC entities. Described below are examples of the schemes and circumvention of WPP's internal accounting controls and compliance policies that occurred at FIC entities.

Indian Subsidiary

8. In July 2011, WPP obtained a majority interest in an agency located in Hyderabad, India, which became a FIC entity within a WPP Network ("India Subsidiary"). WPP's acquisition agreement contained an earn-out provision, and WPP appointed Subsidiary's co-founder as the CEO of India Subsidiary ("CEO A"). From 2015 – 2017, approximately half of India Subsidiary's revenue was attributable to the Indian States of Telangana and Andhra Pradesh's Departments of Information and Public Relations ("DIPR"), which were responsible for retaining media agencies to conduct advertising and public relations campaigns for their respective state governments.

9. From July 7, 2015 through September 2, 2017, WPP received seven anonymous

complaints alleging – with increasing specificity – two bribery schemes related to India Subsidiary’s work for DIPR. The first scheme involved the use of a third-party agency (“Vendor A”) that India Subsidiary used to purchase media for DIPR to create an off-the-books fund. The second scheme involved India Subsidiary fabricating an entire advertising campaign in order to create an off-the-books fund at a third-party agency (“Vendor B”) that was used to compensate DIPR officials for awarding campaigns to India Subsidiary and for the personal benefit of CEO A.

The Vendor A Bribery Scheme

10. With the relevant Network’s knowledge, India Subsidiary and Vendor A entered an agreement under which Vendor A would pay for media purchases when due and India Subsidiary would pay Vendor A upon receipt of payment from the government client. Pursuant to the contract, Vendor A kept the profits from the media purchases (minus a 10% fee remaining with India Subsidiary). India Subsidiary reserved audit rights in the agreement and required Vendor A to submit its media invoices prior to receiving payment. In practice though, India Subsidiary paid Vendor A without ever receiving the media invoices to justify the payments.

11. The Vendor A bribery scheme worked as follows: (1) DIPR awarded India Subsidiary a contract under which India Subsidiary created an advertisement and then purchased space in newspapers to display the advertisement; (2) DIPR paid a set publicly-available fee to media agencies for purchasing advertisement space (the “card rate”); (3) CEO A was able to negotiate rates with the newspapers that were significantly less than DIPR’s card rate; (4) to utilize the delta between DIPR’s card rate and the actual price paid to the newspapers for bribes to DIPR officials, India Subsidiary entered into the agreement with Vendor A to purchase the advertising space on DIPR’s behalf; and (5) after paying the newspapers and taking its cut of the scheme, Vendor A facilitated payments to DIPR officials. This same mechanism was used to make payments to CEO A.

12. Following the receipt of the original complaint in July 2015, which identified CEO A by name as the architect of the scheme, WPP tasked its Financial Director for the India region (“WPP India FD”) to oversee a review of the allegations. The WPP India FD retained an Indian partner firm of an international accounting firm (“Accounting Firm”) ostensibly to investigate the allegations and review India Subsidiary’s processes regarding government contracts and transactions involving government clients. However, the Accounting Firm relied on information provided by CEO A and India Subsidiary CFO (“CFO A”), did not contact third parties, and ultimately provided a report to WPP, which contained no conclusions related to the bribery allegations. Instead, the Accounting Firm noted several red flags regarding Vendor A, such as the India Subsidiary failing to obtain comparative quotes from other vendors or properly vetting Vendor A. After receipt of the Accounting Firm’s report, WPP allowed India Subsidiary to continue routing DIPR’s media purchases through Vendor A.

13. In the spring of 2016, WPP received three additional anonymous complaints related to the Vendor A bribery scheme. These complaints again specifically identified CEO A as the architect of the scheme and described documents CFO A falsified to facilitate the scheme. In response, WPP forwarded some of the complaints to the Accounting Firm and

requested that the Accounting Firm conduct a transactional review of India Subsidiary's business with Vendor A as part of a compliance review.

14. As part of its review, the Accounting Firm asked Vendor A to produce the relevant media invoices. Despite being contractually obligated to provide supporting documentation, Vendor A refused. As a result, the Network India CFO terminated the relationship, while still authorizing India Subsidiary to pay Vendor A for past media purchases. WPP did nothing further with respect to the multiple allegations that CEO A was engaged in a bribe scheme with the FIC entity's significant client.

Indian Subsidiary's Bribery Scheme involving Vendor B

15. The second bribery scheme involved Indian Subsidiary paying DIPR officials through an intermediary. In this scheme, DIPR paid India Subsidiary \$1,588,480 to supposedly execute a campaign related to the celebration of the anniversary of the formation of the Indian state of Telangana in June 2015. In reality, no such campaign occurred. Instead, CFO A requested that Vendor B falsify documents indicating that Vendor B provided services for the supposed campaign as justification for India Subsidiary paying the bulk of the money it received from DIPR to Vendor B.

16. As reflected in spreadsheets maintained by CFO A, Vendor B then paid over \$1,000,000 to a third-party intermediary responsible for making payments to DIPR officials. With the remaining funds, Vendor B made cash payments to CEO A and routed money back to India Subsidiary. India Subsidiary used the money it received back from Vendor B to pay overdue account receivables from clients unrelated to DIPR. Therefore, the entire purpose of the fake campaign was to enrich DIPR officials, CEO A, and benefit India Subsidiary by cancelling out old receivable balances.

17. Despite having notice of these potential problems with Vendor B in early 2016 through the same anonymous complaints described above, WPP failed to uncover that the supposed June 2015 DIPR campaign was, in actuality, a mechanism for bribery.

WPP ultimately acts on the bribery allegations at Indian Subsidiary

18. In 2017, WPP continued to receive warning signs about India Subsidiary in the form of anonymous complaints citing CEO A, Vendor A, and Vendor B. One of these complaints named the specific DIPR official ("DIPR Official") that allegedly received bribes in return for awarding India Subsidiary contracts.

19. In August 2017, WPP directed a member of its legal team to conduct an investigation. Unlike the earlier reviews in response to the various allegations of bribery, WPP conducted third-party due diligence of CEO A, DIPR Official, and Vendor A and a review of CEO A's and CFO A's email accounts, which were stored on servers in the United States. The third-party due-diligence report revealed that CEO A and DIPR Official had a close relationship and DIPR Official had a reputation for demanding kickbacks for contracts awarded under his supervision. Additionally, WPP identified email communication dating back to 2015, in which CEO A and CFO A tracked the off-the-books funds India Subsidiary maintained at

Vendors A and B that were used for bribe payments. Ultimately, CEO A admitted that he was aware that third parties made payments to government officials on behalf of India Subsidiary, and WPP terminated both CEO A and CFO A.

20. As a result of the bribery schemes at India subsidiary, WPP was unjustly enriched by \$5,669,596.

Chinese Subsidiary

21. In 2014, WPP obtained a majority interest in an agency headquartered in Shanghai, China, which focused on celebrity branding and endorsement. China Subsidiary was a FIC entity because WPP's acquisition agreement contained an earn-out provision and WPP agreed that the China Subsidiary's co-founder would serve as the CEO of China Subsidiary ("CEO B"). WPP placed it within a WPP Network ("China Subsidiary"), and China Subsidiary's annual revenues during the years 2017 and 2018 were \$9.4 million and \$7.6 million, respectively.

22. In November 2018, China Subsidiary was able to avoid paying \$3,261,437 in taxes to a Chinese tax authority by making payments to a vendor identified by tax officials and providing \$2,000 worth of gifts and entertainment to tax officials during the same time period. Specifically, China Subsidiary paid approximately \$107,000 to the tax official's chosen vendor in the two months before a tax audit finalized. The vendor kept a small percentage of the money and transmitted the rest to an unknown recipient. Although China Subsidiary's books and records reflected that the vendor performed services for a client, a China Subsidiary employee falsified documentation to justify the transaction. Despite the presence of red flags that, if properly investigated, could have led to the prevention or detection of China Subsidiary's improper payments, WPP did not uncover the scheme until early 2019 while conducting an unrelated review.

23. In 2017 and 2018, WPP was aware of significant red flags related to China Subsidiary and CEO B. First, an internal audit in 2017 determined that China Subsidiary was employing tax avoidance schemes and other significant violations of WPP's internal accounting controls resulting from CEO B's actions. Second, in May 2018, a China Subsidiary employee informed the Network CFO in charge of APAC ("Network APAC CFO") and WPP's regional tax director in China ("WPP China Tax Director") that China Subsidiary was in the midst of a tax audit and China Subsidiary management could face criminal charges for its tax avoidance schemes. In the same communication, the China Subsidiary employee informed –without additional context – that the tax officials recommended that China Subsidiary engage a third-party vendor. After receiving the email, neither WPP nor the Network attempted to determine why the tax officials recommended that the China Subsidiary retain a specific vendor or to otherwise follow-up on the information.

24. In June 2018, WPP and the Network overlooked another warning sign, when, CEO B told WPP China Tax Director and Network APAC CFO that he was "comb[ing] through a lot of [his] personal social connections," in an attempt to control the direction of the tax audit. Again, neither WPP nor the Network inquired further to clarify CEO B's statement. During a mid-2018 phone call, CEO B reported to Network APAC CFO that he had resolved

Network Subsidiary's tax exposure for \$43,000 in back-owed stamp duty taxes and the tax bureau was unwilling to provide any documentation explaining its determination. WPP China Tax Director met with the tax official in charge of the audit who verbally confirmed that the investigation was concluded with no major issues. Despite the fact that the information CEO B and the tax official provided was inconsistent with the tax liabilities WPP's internal audit had uncovered and the presence of other red flags, WPP did not investigate the issue further.

25. While responding to allegations unrelated to the tax issue, WPP uncovered an off-the-books account maintained by China Subsidiary reflecting the payments to the vendor recommended by the tax officials. As a result, CEO B finally resigned in April 2019 – a year and a half after WPP and the Network first became aware of the significant issues at China Subsidiary.

Brazilian Subsidiary

26. In 2016, WPP obtained a majority interest in a public relations agency headquartered in São Paulo, Brazil that WPP placed within a WPP Network ("Brazil Subsidiary"). Brazil Subsidiary was a FIC entity because WPP's acquisition agreement contained an earn-out provision and WPP agreed that Brazil Subsidiary's minority owner would serve as the CEO of Brazil Subsidiary ("CEO C"). Brazil Subsidiary's annual revenue in 2017 was approximately 26 million dollars.

27. WPP had an adviser payment policy that prohibited its companies from paying third parties to assist in obtaining or retaining government contracts without WPP's approval. Despite the policy, Brazil Subsidiary made improper payments to vendors in connection with securing government contracts at CEO C's direction. These payments directly violated WPP's adviser payment policies and were made in circumstances in which there was a high probability that a portion of the payments may have been passed to the government officials with the authority to award the contracts. To disguise the fact that Brazil Subsidiary's payments to the vendors related to obtaining or retaining government contracts, Brazil Subsidiary falsified its books and records to reflect that the vendors performed bonafide services, such as marketing or IT related services. As a result of this misconduct, WPP was unjustly enriched by \$891,457.

Peruvian Subsidiary

28. In 1996, WPP obtained a majority interest in a creative services agency headquartered in Lima, Peru that WPP placed within a Network ("Peru Subsidiary"). Peru Subsidiary was a FIC entity because WPP agreed that Peru Subsidiary's founder and CEO would remain as CEO of the company post-acquisition ("CEO D") and retain a 30% stake in the company. Peru Subsidiary's total revenue during the years 2013 and 2014 was approximately \$5.6 million. CEO D continued to manage Peru Subsidiary until WPP terminated him in 2018 for participating in a scheme to manipulate Peru Subsidiary's earnings.

29. In 2013, WPP was unjustly enriched by \$291,935 as a result of Peru Subsidiary acting as a conduit for a bribery scheme. The bribery scheme involved a construction company funding the mayor of Lima's political campaigns in exchange for contract awards. At CEO D's direction, Peru Subsidiary agreed to be a conduit for the construction company's bribe to the

mayor of Lima. Also, CEO D disguised the corrupt source of the funds used for the mayor of Lima's political campaign by funneling the construction company's payments to Peru Subsidiary through WPP subsidiaries in Colombia and Chile. Consequently, the WPP subsidiaries in Colombia and Chile falsely recorded that they received money in return for services performed for the construction company, and Peru Subsidiary maintained no records indicating that the construction company paid for a portion of the mayor of Lima's political campaigns.

30. WPP did not uncover Peru Subsidiary's role in the bribery scheme until a Peruvian criminal proceeding highlighted the conduct in 2019.

LEGAL STANDARDS AND FCPA VIOLATIONS

31. Under Section 21C(a) of the Exchange Act, the Commission may impose a cease-and-desist order upon any person who is violating, has violated, or is about to violate any provision of the Exchange Act or any rule or regulation thereunder, and upon any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation.

WPP Violated Exchange Act Section 30A

32. The anti-bribery provisions of the FCPA, Section 30A of the Exchange Act, make it unlawful for any issuer with a class of securities registered pursuant to Section 12 of the Exchange Act, or any employee or agent of such issuer, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift or promise to give anything of value to any foreign official for purposes of influencing any act or decision of such foreign official in his official capacity in order to assist such issuer in obtaining or retaining business for or with any person. 15 U.S.C. § 78dd-1. As a result of the conduct described above regarding India Subsidiary's payments to government officials, WPP violated Exchange Act Section 30A.

WPP Violated Exchange Act Section 13(b)(2)(A)

33. The books and records provision of the FCPA, Section 13(b)(2)(A) of the Exchange Act, requires every issuer with a class of securities registered pursuant to Section 12 of the Exchange Act to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer. 15 U.S.C. § 78m(b)(2)(A). As described above, WPP's books and records did not accurately reflect the true purpose of outgoing and incoming transactions. Therefore, WPP violated Exchange Act Section 13(b)(2)(A).

WPP Violated Exchange Act Section 13(b)(2)(B)

34. Section 13(b)(2)(B) of the Exchange Act requires companies with a class of securities registered under Section 12 of the Exchange Act to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are

executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary (I) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (II) to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. 15 U.S.C. § 78m(b)(2)(B). As described above, WPP failed to implement a system of internal accounting controls sufficient to provide reasonable assurances that transactions were executed in accordance with management's general or specific authorization and that access to assets was permitted only in accordance with management's general or specific authorization. By this conduct, WPP violated Exchange Act Section 13(b)(2)(B).

WPP's Remedial Actions and Cooperation

35. In determining to accept the Offer, the Commission considered remedial acts undertaken by WPP and cooperation afforded the Commission Staff.

36. WPP's cooperation included sharing facts developed in the course of its own internal investigations and forensic accounting reviews, translating key documents, and making current and former employees located abroad available for interviews at the Commission's Regional Office in Fort Worth.

37. WPP's remediation includes (i) terminating senior executives and other employees involved in the misconduct and separating from employees with supervisory responsibilities over the misconduct; (ii) strengthening and expanding its global compliance, internal investigations, risk and controls functions, including the creation of 36 new positions globally; (iii) enhancing its internal audit function; (iv) creating Network risk committees to prevent, detect, and remediate corruption risk, among other risks; (v) conducting global, annual compliance risk assessments; (vi) conducting proactive reviews of remaining FIC entities in Brazil, China, and India; (vii) streamlining businesses and back-office functions, including that three of the Networks in which the subsidiaries in this Order were incorporated have since been merged with other networks; (viii) enhancing the procedures for engagement of third parties; and (ix) enhancing training provided to employees regarding anti-corruption, controls, and other compliance issues.

DISGORGEMENT AND CIVIL PENALTIES

38. The disgorgement and prejudgment interest ordered in section IV. is consistent with equitable principles, does not exceed Respondent's net profits from its violations, and allowing Respondent to retain such funds would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the U.S. Treasury is the most equitable alternative. The disgorgement and prejudgment interest ordered in section IV. shall be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

IV.

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

Accordingly, pursuant to Section 21C of the Exchange Act it is hereby ORDERED that:

- A. Respondent shall cease and desist from committing or causing any violations and any future violations of Sections 30A, 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§ 78m(b)(2)(A), 78m(b)(2)(B), and 78dd-1].
- B. Respondent shall, within 14 days of entry of this Order, pay disgorgement of \$10,114,424.86 and prejudgment interest of \$1,110,234.68 for a total of \$11,224,659.54 and a civil money penalty in the amount of \$8,000,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 and 31 U.S.C 3717.
- C. 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 Web site 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 W P P as the 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 Charles Cain, Unit Chief, FCPA Unit, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

- D. 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.

By the Commission.

Vanessa A. Countryman
Secretary