

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 83998 / August 30, 2018**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18473**

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**In the Matter of**

**VISIUM ASSET MANAGEMENT, LP**

**Respondent.**

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**ORDER ESTABLISHING FAIR FUND**

On May 8, 2018, the Commission issued an 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 of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)<sup>1</sup> against Visium Asset Management, LP (“Visium”). The Commission determined that, from at least July 2011 to December 2012, Visium, through two of its portfolio managers, engaged in a mismarking scheme, using sham broker quotes to falsely inflate the value of securities held by a fund for which Visium acted as investment adviser (the “Credit Fund”). 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 falsely charged performance and management fees. The Commission ordered Visium to pay to the Commission disgorgement of \$4,755,223, prejudgment interest of \$720,711, and a civil money penalty of \$4,755,223. The Commission further ordered that the entirety of the monetary relief could be distributed to investors harmed by the conduct described in the Order (the “Harmed Investors”) if a Fair Fund is established pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended.

Visium has paid in full and the Commission currently holds more than \$10.2 million, comprised of \$5,475,934 in disgorgement and prejudgment interest, a \$4,755,223 civil money penalty, and accrued interest. The Commission staff has determined that funds in addition to the approximately \$5.5 million in disgorgement and prejudgment interest will be necessary to compensate the Harmed Investors and pay the taxes, fees, and expenses of distribution.

The Division of Enforcement recommends that a Fair Fund be established, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, so that the ordered civil money

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<sup>1</sup> Securities Act Rel. No. 10494 (May 8, 2018).

penalty can be added to the approximately \$5.5 million in disgorgement and prejudgment interest for the benefit of the Harmed Investors.

Accordingly, IT IS HEREBY ORDERED, that pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, a Fair Fund is established so that the civil money penalty can be added to the disgorgement and prejudgment interest paid by Visium for the benefit of harmed investors

By the Commission.

Brent J. Fields  
Secretary