

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 91507 / April 8, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-19927

In the Matter of

**SUPER MICRO
COMPUTER, INC.,**

Respondent.

**ORDER APPROVING PLAN OF
DISTRIBUTION**

ADMINISTRATIVE PROCEEDING
File No. 3-19928

In the Matter of

HOWARD HIDESHIMA,

Respondent.

On August 25, 2020, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “SMC Order”)¹ against Super Micro Computer, Inc. (the “SMC”). In the SMC Order, the Commission found that that SMC, a producer of computer servers headquartered in California, engaged in improper accounting—prematurely recognizing revenue and understating expenses from at least fiscal year (“FY”) 2015 through FY 2017. As a result, SMC filed with the Commission materially misstated financial statements in its annual, quarterly and current reports during the period.

¹ Securities Act Rel. No. 10822 (Aug. 25, 2020).

Also on August 25, 2020, in a related matter, the Commission issued a Corrected 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 (“Hideshima Order”) against Howard Hideshima (“Hideshima”),² the former Chief Financial Officer of SMC. The Commission determined that Hideshima engaged in improper accounting and caused internal accounting controls failures, which resulted in SMC systematically prematurely recognizing and reporting revenue and understating expenses from at least FY 2015 through FY 2017. The Commission further determined that, from at least FY 2015 through FY 2017, Hideshima signed and/or approved annual, quarterly and current reports with the Commission that contained materially misstated financial statements.

As a result of the conduct described in the SMC Order and Hideshima Order (collectively, the “Orders”), the Commission ordered SMC to pay a civil money penalty of \$17,500,000.00, and Hideshima to pay disgorgement of \$260,844.00, prejudgment interest of \$40,212.00, and a civil money penalty of \$50,000.00, to the Commission. In the SMC Order, the Commission created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the collected civil penalty could be distributed to investors harmed by the conduct described in the Orders. In the Hideshima Order, the Commission also established a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, and ordered it to be added to the Fair Fund established in the SMC Order, so the collected civil penalty, along with collected disgorgement and prejudgment interest, could be combined into one fund for distribution to investors harmed by the conduct described in the Orders.

The Fair Fund is comprised of the \$17,851,056.00 paid by SMC and Hideshima, pursuant to the Orders, and has been deposited in an interest-bearing account at United States Department of Treasury's Bureau of the Fiscal Service (“BFS”).

The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. Interest and any additional funds received pursuant to Commission or Court order, agreement, or otherwise will be added to the Fair Fund for disbursement to investors in accordance with the Proposed Plan.

On February 3, 2021, the Secretary, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (the “Notice”)³ pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”).⁴ The Notice advised interested persons that they could obtain a copy of the Proposed Plan of Distribution (the “Proposed Plan”) from the Commission’s public website at <http://www.sec.gov/litigation/fairfundlist.htm> or by submitting a written request to Catherine Pappas, United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103.

The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, no later than thirty (30) days from the publication of the

² Exchange Act Rel. No. 89657 (Aug. 25, 2020).

³ Exchange Act Rel. No. 91046 (Feb. 3, 2021).

⁴ 17 C.F.R. § 201.1103.

Notice (1) to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090; (2) by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or (3) by sending an e-mail to rule-comments@sec.gov. The Commission received no comments on the Proposed Plan during the comment period.

The Proposed Plan provides for the distribution of the Net Available Fair Fund⁵ to investors who purchased the Security during the Relevant Period and suffered an Eligible Loss Amount as calculated under the Methodology used in the Plan of Allocation.

The Division of Enforcement now requests that the Commission approve the Proposed Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules,⁶ that the Proposed Plan is approved, and the approved Plan of Distribution shall be posted simultaneously with this order on the Commission's website at www.sec.gov.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁷

Vanessa A. Countryman
Secretary

⁵ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

⁶ 17 C.F.R. § 201.1104.

⁷ 17 C.F.R. § 200.30-4(a)(21)(iv).