UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

January 8, 2016

Mark A. Vandehaar, Esq.
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**Re: In the Matter of Steven A. Cohen**
**Waiver of Disqualification under Rule 506(d)(2)(ii) of Regulation D**
**Investment Advisers Act of 1940 Release No. IA-4307, January 8, 2016**
**Administrative Proceeding File No. 3-15382**

Dear Mr. Vandehaar:

This letter responds to your letter dated January 8, 2016 ("Waiver Letter"), constituting an application for a waiver of disqualification under Rule 506(d)(2)(ii) of Regulation D under the Securities Act of 1933. In the Waiver Letter, you requested relief from any disqualification that will arise as to certain third-party issuers beneficially owned by Steven A. Cohen as of the date of this letter (each defined as a "Beneficially-Owned Issuer") that are disqualified by virtue of the Commission's order entered January 8, 2016 in the Matter of Steven A. Cohen, Release No. IA-4307, entered pursuant to Section 203(f) of the Investment Advisers Act of 1940 (the "Order").

Based on the facts and representations in the Waiver Letter and assuming Steven A. Cohen and the Cohen Entities (as defined in the Order) comply with the Order, the Division of Corporation Finance, acting for the Commission pursuant to delegated authority, has determined that the Beneficially-Owned Issuers have made a showing of good cause under Rule 506(d)(2)(ii) of Regulation D that it is not necessary under the circumstances to deny reliance on Rule 506 of Regulation D by reason of the entry of the Order. Accordingly, the relief requested in the Waiver Letter regarding any disqualification that may arise as to the Beneficially-Owned Issuers under Rule 506 of Regulation D by reason of the entry of the Order is granted on the condition that Steven A. Cohen and the Cohen Entities fully comply with the terms of the Order. Any different facts from those represented or failure to comply with the terms of the Order would require us to revisit our determination that good cause has been shown and could constitute grounds to revoke or further condition the waiver. The Commission reserves the right, in its sole discretion, to revoke or further condition the waiver under those circumstances.

Very truly yours,

Sebastian Gomez Abero

Sebastian Gomez Abero
Chief, Office of Small Business Policy
Division of Corporation Finance

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January 8, 2016

**Via Email and Overnight Courier**

Sebastian Gomez Abero, Esq.
Chief, Office of Small Business Policy
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: *In the Matter of Steven A. Cohen*, Administrative Proceeding No. 3-15382 (July 19, 2013)

Dear Mr. Gomez Abero:

We are writing on behalf of Point72 Asset Management, L.P. ("Point72") in connection with the anticipated settlement with the Securities and Exchange Commission ("SEC" or "Commission") relating to In the Matter of Steven A. Cohen. The settlement would result in an Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (the "Order") against Mr. Cohen.

On behalf of Point72 and certain of its affiliates, we hereby respectfully request a waiver of any disqualification that will arise pursuant to Rule 506 of Regulation D under the Securities Act of 1933 (the "Securities Act") with respect to Beneficially-Owned Issuers (as defined below), as a result of the entry of the Order.

## BACKGROUND

Mr. Cohen has engaged in settlement discussions with the Division of Enforcement in connection with the above-captioned administrative proceeding. Without admitting or denying the findings in the Order, except as to the Commission's jurisdiction over him and the subject matter of the proceeding, Mr. Cohen has agreed to consent to the issuance of the Order and to comply with certain undertakings enumerated in the Order, including the undertaking to retain an independent consultant within 30 days of the date of entry of the Order. On the basis of the Order and an Offer of Settlement submitted by Mr. Cohen in connection therewith, the Commission found that:

1. Mr. Cohen — the founder and owner of hedge fund investment advisers that bear his initials (S.A.C.) and that until recently managed portfolios of over $15 billion — failed reasonably to supervise one of his senior employees, who engaged in insider trading.

2. In 2008, a portfolio manager who reported to Mr. Cohen obtained material nonpublic information about two publicly traded companies. The portfolio manager provided information to Mr. Cohen that should have caused a reasonable hedge fund manager to investigate whether the portfolio manager may have had access to inside information to support his trading. Based on that information, the portfolio manager engaged in unlawful insider trading.

3. Mr. Cohen received information that should have caused him to take prompt action to determine whether an employee under his supervision was engaged in unlawful conduct and to prevent violations of the federal securities laws. Mr. Cohen failed to take reasonable steps to investigate and prevent such a violation.

4. Based on these trades, and Mr. Cohen's failure reasonably to supervise his portfolio manager who executed the trades, Mr. Cohen's hedge funds earned profits and avoided losses of approximately $275 million.

5. The portfolio manager was later rewarded with a $9 million bonus for his work.

6. The portfolio manager has since been criminally convicted of insider trading and has appealed his conviction.

## DISCUSSION

Point72, an investment manager owned and controlled by Mr. Cohen, is a "family office" within the meaning of Rule 202(a)(11)(G)-1 as promulgated under the Investment Advisers Act of 1940 and as such is not registered as an investment adviser with the SEC. Point72 and certain of its affiliates provide ongoing discretionary investment management services to a number of private investment funds. Point72 is concerned that if Mr. Cohen is, directly or indirectly, the beneficial owner of 20% or more of an issuer's outstanding voting securities, calculated on the basis of voting power, then such issuer would be prohibited from relying on Rule 506. Mr. Cohen generally has beneficial ownership over any securities that he directly or indirectly owns. Also, Mr. Cohen, as the control person of Point72, is generally deemed to have beneficial ownership (for purposes of Rule 506) of any securities over which Point72 exercises voting or dispositive power, including those securities held by investment funds managed by Point72. The Commission has the authority to waive this disqualification upon a showing of good cause that such disqualification is not necessary under the circumstances.[1]

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1 See Rule 506(d)(2)(i).

We are requesting relief on behalf of any issuer (each, a "Beneficially-Owned Issuer") with respect to which Mr. Cohen is as of the date hereof, directly or indirectly, the beneficial owner of 20% or more of the outstanding voting securities, calculated on the basis of voting power, excluding (i) any Cohen Entity,[2] (ii) any pooled investment funds managed by a Cohen Entity, (iii) any issuer of which Mr. Cohen is the beneficial owner of 50% or more of the issuer's outstanding voting equity securities, calculated on the basis of voting power, and (iv) any issuer of which Mr. Cohen serves as a director or officer. For the avoidance of doubt, the requested waiver will apply to issuers that meet the definition of Beneficially-Owned Issuers as of the date hereof.

The Cohen Entities request that the Commission waive any disqualifying effects that the Order will have with respect to the Beneficially-Owned Issuers under Rule 506 as a result of its entry as to Mr. Cohen, on the following grounds:

1. *The Violations in the Order Do Not Arise out of the Offer or Sale of Securities*

The Order arises solely out of a duty of an individual associated with a registered investment adviser, not in connection with the offer or sale of securities. Accordingly, the violation in the Order is solely a violation of the Investment Advisers Act of 1940, not the Securities Act or the rules thereunder. Specifically, Mr. Cohen's conduct, as described in the Order, related to the failure to reasonably supervise a portfolio manager with a view to preventing such portfolio manager's violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

2. *Mr. Cohen and the Cohen Entities Have Taken and Will Take Remedial Steps*

Mr. Cohen and the Cohen Entities have taken substantial remedial steps to address the conduct at issue in the Order, and they will take additional remedial steps to comply with the undertakings in the Order.

Since the time of the conduct at issue in the Order, Mr. Cohen has restructured and significantly enhanced the compliance functions at the Cohen Entities, including enhancements to the Cohen Entities' overall compliance program. Among other changes, the Cohen Entities have increased their legal and compliance personnel and have hired a new Chief Compliance and Surveillance Officer. The Cohen Entities have also revised several of their compliance policies and procedures and several of their operational procedures to address specific issues identified in the Order, including the following:

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2 The term "Cohen Entities" means any broker, dealer, investment adviser, or any entity excluded from the definition of investment adviser pursuant to Rule 202(a)(11)(G)-1 as promulgated under the Investment Advisers Act of 1940, that in each case Steven A. Cohen directly or indirectly wholly owns or controls. Such definition is consistent with the definition for such term contained in the Order.

- Point72 has instituted a Compliance Coordinating Committee, which discusses regulatory developments and compliance efforts and needs, and reviews and approves new compliance initiatives.
- Point72 has reorganized portfolio manager ("PM") teams so that they report to Sector Executives, who are tasked with focused, in-depth, and proactive oversight of PM teams' investment processes and insight into portfolio positions.
- Point72 has instituted an electronic surveillance program to conduct daily reviews of electronic communications identified through keywords and phrases.
- Point72 has also instituted monitoring of all electronic and phone communications between investment professionals and research providers, including expert network consultants, third-party research providers that Point72 has not yet approved, and Point72's internal, fundamental research unit.
- Point72 uses proprietary software to review, approve, and chaperone certain meetings with brokers, experts, and other third parties.
- Point72's surveillance team uses a proprietary software to monitor trading activity. This software sends to the Compliance Department 250 to 300 trade alerts each week.
- Point72 has developed a "Case Management System," which integrates many of the compliance tools used by the Firm to create a comprehensive database that is easier to use.
- The Chief Compliance and Surveillance Officer can veto any hiring decision.
- Pursuant to the entity guilty pleas, Point72 retained an independent compliance monitor to evaluate Point72's compliance program and identify any deficiencies. Point72 has implemented all of the monitor's recommendations to its satisfaction.

Mr. Cohen has also agreed to settlement terms requiring the following:

a. Within 30 days of the Order, Cohen will arrange for each Cohen Entity to retain an independent consultant ("IC"), which shall be either: (a) Bart M. Schwartz of Guidepost Solutions LLC who was previously retained by a Cohen Entity as a consultant in connection with the matter *United States of America v. S.A.C. Capital, Advisors, L.P. et al.*; or (b) another IC not unacceptable to the Commission staff. This IC shall be retained through December 31, 2017, and during such other period as provided for in paragraph 77 of the Order and shall:

   i. conduct a review of the Cohen Entity's compliance with the federal securities laws and issue a report at least every six months to the Cohen Entity and the staff of the Commission describing the scope and results of the IC's review; and

   ii. in connection with each report described in the above paragraph, recommend any additional policies and procedures which, on the basis of the review, the IC believes are reasonably designed to ensure the Cohen Entity complies with the federal securities laws (the "Recommendations").

b. Mr. Cohen agreed that within 60 days following the receipt by a Cohen Entity of the Recommendations, the Cohen Entity shall adopt all Recommendations of the IC; provided, however, that within 30 days of the receipt of the Recommendations, Mr. Cohen shall in writing (i) notify the IC and the staff of the Commission of any Recommendations that he considers to be unnecessary, inappropriate, or unduly burdensome, and (ii) propose an alternative policy, procedure, or system designed to achieve the same objective or purpose. As to any Recommendation on which Mr. Cohen and the IC do not agree, such parties shall attempt in good faith to reach an agreement within 30 days after Mr. Cohen serves the written notice and proposal described above. In the event that Mr. Cohen and the IC are unable to agree to an alternative proposal, Mr. Cohen will ensure that the Cohen Entity abides by the determinations of the IC by no later than the 75th day following the receipt of the Recommendations.

c. Mr. Cohen will not have the authority to terminate the IC without prior written approval of the staff of the Commission. Mr. Cohen will compensate the IC, and persons engaged to assist the IC, for services rendered, at their reasonable and customary rates. Mr. Cohen will not be in, and will not have, an attorney-client relationship with the IC and will not seek to invoke the attorney-client privilege or any other doctrine or privilege to prevent the IC from transmitting any information, reports, or documents to the staff of the Commission. Mr. Cohen will require the IC to enter into an agreement that provides that for the period of engagement and for a period of two years from completion of the engagement, the IC will not enter into any employment, consultant, attorney-client, auditing or other professional relationship with Mr. Cohen, or any of his present or former affiliates, directors, officers, employees, or agents acting in their capacity. The agreement will also provide that the IC will require that any firm with which he/she is affiliated or of which he/she is a member, and any person engaged to assist the IC in performance of his/her duties under the Order shall not, without prior written consent of the staff of the Commission, enter into any employment, consultant, attorney-client, auditing or other professional relationship with Mr. Cohen, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

d. Mr. Cohen agreed that, through December 31, 2017, he will, or will cause the relevant Cohen Entity to, (a) perform an internal investigation of any profitable (including loss avoidance) trade identified by the Commission's staff; (b) consent to any onsite examination of any Cohen Entity that the Commission staff elects to conduct; and (c) arrange for any Cohen Entity to undertake reasonable efforts to make any employee available for a deposition or interview by the Commission within 21 days of any request.

Mr. Cohen and the Cohen Entities thus have taken and will continue to take concrete steps to remediate the conduct at issue in the Order. These steps are designed to further enhance the overall compliance program going forward. Accordingly, it is not necessary or in the public

interest to disqualify the Beneficially-Owned Issuers from relying on Rule 506 in connection with an offering.

3. *Responsibility for the Misconduct*

The Beneficially-Owned Issuers were not responsible for any of the misconduct at issue in the Order.

4. *Nature and Duration of the Misconduct*

The failure of Mr. Cohen to reasonably supervise involved a single employee in connection with the trades of Elan and Wyeth stock in investment portfolios managed by investment managers owned by Mr. Cohen. The trades at issue occurred in July 2008. Since that time the Cohen Entities have made substantial improvements to their compliance program and will adopt further enhancements thereto as described above.

5. *Disqualification Would Have a Material and Disproportionate Impact on the Beneficially-Owned Issuers*

The inability for a Beneficially-Owned Issuer to engage in private placements pursuant to Rule 506 would be damaging to the Beneficially-Owned Issuer. No Beneficially-Owned Issuer was responsible for the misconduct described in the Order and should therefore not be negatively affected by the Order. Currently, Point72 estimates that there are approximately fifteen Beneficially-Owned Issuers that would be impacted by the Order absent the grant of the waiver requested herein. Many of the existing Beneficially-Owned Issuers raise capital in the United States in reliance on Rule 506 and rely on an ongoing offering of interests to increase the amount of new assets that can be deployed. Investors in the Beneficially-Owned Issuers would be harmed if the Order is issued and there is no waiver in respect of future capital raises by such issuers.

6. *The Violations Are Not Criminal or Scienter-Based*

The violations set forth in the Order are not criminal in nature and are not scienter-based.

## REQUEST FOR WAIVER

In light of the nature of the grounds for relief discussed above, we do not believe that the disqualification of the Beneficially-Owned Issuers from relying on Rule 506 is reasonable, necessary, or in the public interest. Under the circumstances, Point72 has shown good cause that relief should be granted for each Beneficially-Owned Issuer.

Accordingly, we respectfully request the Commission, pursuant to Rule 506(d)(2)(ii), to waive the disqualification provisions in Rule 506 under the Securities Act to the extent they may be applicable to a Beneficially-Owned Issuer as a result of the entry of the Order.[3]

We appreciate your consideration of this request. Please feel free to contact me with any questions.

Very truly yours,

Mark A. Vandehaar

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3 The Commission has granted relief under Rule 506 of Regulation D for similar reasons or in similar circumstances. *See* Guggenheim Partners Investment Management, LLC (Aug. 10, 2015), Merrill Lynch, Pierce, Fenner & Smith and Merrill Lynch Professional Clearing Corp. (June 1, 2015); BlackRock Advisors, LLC (Apr. 20, 2015); HD. Vest Investment Securities, Inc. (Mar. 4. 2015); Barclays Capital Inc., Rel. No. 33-9651 (Sept. 23, 2014); Wells Fargo Advisers, LLC, Rei. No. 33-9649 (Sept. 22, 2014); Dominick & Dominick LLC, Rel. No. 33-9619 (July 28, 2014); Jefferies LLC (Mar. 12, 2014); Credit Suisse Group AG (Feb. 21, 2014); Instinet, LLC (Dec. 26, 2013).