

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 85403 / March 25, 2019**

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

---

<b>In the Matter of</b>	:	
	:	
<b>VISIUM ASSET MANAGEMENT, LP</b>	:	<b>NOTICE OF PROPOSED PLAN OF</b>
	:	<b>DISTRIBUTION AND</b>
<b>Respondent.</b>	:	<b>OPPORTUNITY TO COMMENT</b>
	:	

---

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission’s (“Commission”) Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the “Plan”) for the distribution of monies paid by Visium Asset Management, LP (the “Respondent”) in settlement of the above-captioned administrative proceeding.

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. 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.

By Order dated August 30, 2018, the Commission created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 (the “Fair Fund”), so that the civil money

---

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

penalty can be added to the disgorgement and prejudgment interest paid by Visium for the benefit of harmed investors.<sup>2</sup>

By Order dated November 16, 2018, the Commission appointed KCC, LLC as the Fund Administrator of the Fair Fund.<sup>3</sup>

## **OPPORTUNITY FOR COMMENT**

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Plan by submitting a written request to Catherine E. Pappas, Esq., United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103. All persons who desire to comment on the Plan may submit their comments, in writing, no later than thirty (30) days from the date of this 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](mailto:rule-comments@sec.gov).

Comments submitted should include "Administrative Proceeding File No. 3-18473" in the subject line. Comments received will be publicly available. Persons should submit only information that they wish to make publicly available.

## **THE PLAN**

The Fair Fund holds more than \$10.2 million, comprised of the disgorgement, prejudgment interest, civil money penalty paid by the Respondent and accrued interest. The Plan proposes to distribute the funds currently in the Fair Fund, less taxes, fees, and expenses, to compensate investors in the Credit Fund for the Credit Fund's overpayment of management fees and performance fees.

For the Commission, by its Secretary, pursuant to delegated authority

Vanessa A. Countryman  
Acting Secretary

---

<sup>2</sup> Order Establishing Fair Fund, Exchange Act Rel. No. 83998 (Aug. 30, 2018).

<sup>3</sup> Order Appointing Fund Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 84608 (Nov. 16, 2018).