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Subject: Fwd: Alert - Steven Cohen SEC Settlement
Date: Fri, 08 Jan 2016 20:38:39 +0000

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From: **Securities Litigation Group** <[REDACTED]>
Date: Fri, Jan 8, 2016 at 3:33 PM
Subject: Alert - Steven Cohen SEC Settlement
To: [REDACTED]



Steven A. Cohen SEC Settlement Opens Door for Him to Manage Outside Money in Two Years

Steven A. Cohen today reached a settlement with the SEC that may result in him managing outside money in less than two years. The settlement imposes a bar on him associating with an investment adviser or broker dealer in a supervisory capacity until December 31, 2017. Until that time, Cohen will continue to be able to run his large Family Office, Point 72 Asset Management.

Notably, this is a "neither admit nor deny" settlement, which means Mr. Cohen did not have to admit to any of the SEC's substantive allegations to end the case. The SEC's settlement order alleges that Cohen failed to reasonably supervise Matthew Martoma, which resulted in Mr. Cohen's firm engaging in insider trading. Further, it alleges that Cohen ignored several red flags that Martoma had access to inside information.

Finally, the Order imposes some additional requirements on Mr. Cohen, including requiring his family office to retain an independent consultant to monitor insider trading issues. The Order also permits the SEC to conduct examinations of Point 72 Asset Management for any reason. Ordinarily, the SEC is not permitted to conduct examinations of Family Offices, which are not registered with the SEC.

At the end of the day, however, this settlement appears to be a small price to pay to make the government walk away from the largest insider trading investigation in history. Given the government's major attempt to put Cohen behind bars, this settlement gives Cohen a major victory by opening the door to his return to the hedge fund business.

If you have questions about this *Alert*, please contact Sam Lieberman at [REDACTED] or [REDACTED].

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