

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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3:50 pm, Sep 16, 2014

In the Matter of:)

S.A.C. CAPITAL ADVISORS, L.P.,)
S.A.C. CAPITAL ADVISORS, LLC,)

Registrants.)

CFTC Docket No. SD 14-03

**OPINION AND ORDER ACCEPTING OFFER OF SETTLEMENT OF S.A.C. CAPITAL
ADVISORS, L.P. AND S.A.C. CAPITAL ADVISORS LLC, MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS**

I.

On this date, the Commodity Futures Trading Commission (“Commission”) issued a Notice of Intent to Revoke the Registrations (“Notice”) of S.A.C. Capital Advisors, L.P. (“SAC LP”) and S.A.C. Capital Advisors, LLC (“SAC LLC” and together with SAC LP, the “Registrants”). The Notice alleges that the Registrants’ registrations as Commodity Trading Advisors (“CTAs”) and Commodity Pool Operators (“CPOs”) are subject to revocation pursuant to Section 8a(2)(D) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 12a(2)(D). To resolve this matter, the Registrants have submitted an Offer of Settlement (“Offer”) that the Commission has determined to accept.

II.

The Registrants acknowledge service of this Opinion and Order Accepting Offer of Settlement (“Order”). To effect settlement of the matters alleged in the Notice and this Order, without taking testimony and prior to any adjudication on any issue of fact or law by the Commission, Registrants consent to the entry of this Order and to the use of the findings in this Order only in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party.¹

¹ The Registrants do not consent to the use of this Order, or the findings in this Order consented to in the Offer, as the sole basis for any other proceeding brought by the Commission, other than in a proceeding in bankruptcy or to enforce the terms of this Order. Nor do the Registrants consent to the use of the Offer or this Order, or the findings in this Order consented to in the Offer, by any other party in any other proceeding.

III.
FINDINGS

The Commission finds the following:

A. REGISTRANTS

S.A.C. Capital Advisors, L.P. is a Delaware Limited Partnership with its principal place of business at 72 Cummings Point Road, Stamford, CT 06902. Since December 19, 2008, SAC LP has been registered with the Commission pursuant to Section 4m of the Act, 7 U.S.C. § 6m, as a CTA and a CPO.

S.A.C. Capital Advisors, LLC is a Delaware Limited Liability Company with its principal place of business at 72 Cummings Point Road, Stamford, CT 06902. Since January 12, 1996, SAC LLC has been registered with the Commission pursuant to Section 4m of the Act, 7 U.S.C. § 6m, as a CTA and a CPO.

B. FACTS

On July 23, 2013, the United States Attorney for the Southern District of New York filed an indictment in the case captioned, *United States of America v. S.A.C. Capital Advisors, L.P., et al.*, 13 CRIM 541 (S.D.N.Y.) (Swain, J.), charging the Registrants with wire fraud, 18 U.S.C. § 1343, and securities fraud, 15 U.S.C. §§ 78j(b) and 78ff.

On November 8, 2013, the Registrants each pleaded guilty to the felonies of wire fraud, in violation of 18 U.S.C. § 1343, and securities fraud, in violation of 15 U.S.C. §§ 78j(b) and 78ff. On April 14, 2014, the United States District Court for the Southern District of New York (“District Court”) entered a judgment of conviction against the Registrants, accepting the Registrants’ guilty pleas.

C. LEGAL DISCUSSION

The Registrants’ registrations are subject to statutory disqualification under the Act. Pursuant to Section 8a(2)(D) of the Act, 7 U.S.C. § 12a(2)(D), the Commission may revoke or place restrictions on the registration of any person if that person has been convicted of a felony that, *inter alia*, involves any transactions or advice concerning a security, fraud, or constitutes wire fraud under Title 18, Section 1343 of the United States Code.

The Registrants have been convicted of felonies involving any transaction or advice concerning a security and 18 U.S.C. § 1343 wire fraud. Thus, Registrants’ convictions form a basis under Section 8a(2)(D) of the Act for the placement of restrictions on or the revocation of their registrations as CTAs and CPOs.

IV.

OFFER OF SETTLEMENT

The Registrants have submitted an Offer in which they (1) acknowledge service of the Notice and Order; (2) acknowledge that the Registrants are registered with the Commission as CTAs and CPOs; (3) admit to the jurisdiction of the Commission with respect to the matters set forth in the Notice and Order; and (4) admit that, on November 8, 2013, the Registrants pleaded guilty before the District Court to wire fraud, 18 U.S.C. § 1343, and securities fraud, 15 U.S.C. §§ 78j(b) and 78ff, which plea was accepted by the District Court and judgment entered thereon.

Further, in their Offer, the Registrants waive (1) a hearing; (2) all post-hearing procedures; (3) judicial review by any Court; (4) any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of their Offer; (5) any and all claims they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412, and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Commission's Regulations, 17 C.F.R. §§ 148.1-30, relating to, or arising from, this proceeding; (6) any and all claims they may possess under the Small Business Regulatory Enforcement Fairness Act, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-868 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2007), relating to or arising from this proceeding; and (7) any and all claims of Double Jeopardy based upon the institution of this proceeding or the entry in this proceeding of any order for relief.

Finally, the Registrants stipulate that the record basis on which this Order is entered consists solely of the Notice and the findings in this Order, the entry of which the Registrants have consented to in their Offer. Pursuant to the Offer, the Registrants consent to a finding that they are subject to statutory disqualification pursuant to Section 8a(2)(D) of the Act, 7 U.S.C. § 12a(2)(D), and the Commission's issuance of this Order revoking their registrations with the Commission.

V.

ORDER

Accordingly, the Commission HEREBY ORDERS that:

1. SAC LLC's registrations as a CTA and CPO are hereby revoked;
2. Pursuant to Section 8a(2) of the Act, SAC LP's registrations as a CTA and CPO are hereby restricted and SAC LP may not engage in activities requiring registration as a CTA or CPO except with respect to the side pocket investments and related investments listed in Appendix A to the Offer;
3. Notwithstanding Paragraph V.2 of this Order, SAC LP's registrations as a CTA and CPO are fully revoked effective as of (i) December 31, 2015, (ii) such earlier date as SAC LP may request, or (iii) such later date as SAC LP may request, which later date shall not occur subsequent to the date upon which SAC LP must cease to be an "investment adviser" in accordance with any order of the Securities

and Exchange Commission (the "SEC"), provided, that any such extension of the revocation date past December 31, 2015 shall be contingent upon SAC LP's timely compliance with the undertakings set forth in Paragraph V.4.b below;

4. The Registrants shall comply with the following undertakings set forth in the Offer:

- a. Neither Registrants nor any of their agents or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any allegation in the Notice or findings or conclusions in this Order, or creating, or tending to create, the impression that the Notice or this Order is without a factual basis; provided, however, that nothing in this provision shall affect Registrants': (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Registrants shall undertake all steps necessary to ensure that all of their agents and/or employees under their authority or control understand and comply with this agreement.
- b. If SAC LP desires to extend beyond December 31, 2015 the date upon which it must cease engaging in any activity requiring registration or exemption from registration as a CPO or CTA (except as provided for in Regulation 4.14(a)(9)), SAC LP agrees to serve notice upon the Commission at the time of any request by SAC LP to extend the date upon which it must cease to be an "investment adviser" in accordance with any order referenced in Paragraph 3 of this Order or upon any grant by the SEC of any such request, which notice shall include a copy of the relevant request or order and shall be sent via certified mail, return receipt requested, as follows:

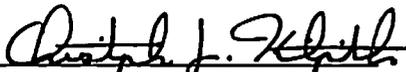
Manal M. Sultan
Deputy Director
Division of Enforcement
U.S. Commodity Futures Trading Commission
140 Broadway, 19th Floor
New York, NY 10005

- c. Registrants shall through their common owner and affiliates take all steps necessary to cause S.A.C. Capital Management, LLC to cease engaging in any activity requiring registration as a CPO or CTA, it being acknowledged that S.A.C. Capital Management, LLC has requested to withdraw its registration as a CPO and a CTA and that nothing in this Order shall prohibit S.A.C. Capital Management, LLC from relying on one or more exemptions from registration as a CPO or CTA.

- d. Each Registrant shall, until such time as such Registrant is no longer registered as a CTA or a CPO, provide, in the manner described in Paragraph V.4.b, copies to the Commission of all certifications required by any order of the SEC or undertaken by such Registrant and its principals in connection with any order of the SEC.
- e. Registrants each agree that, except as otherwise provided in Paragraph V.2, they shall never, directly or indirectly:
 - i. apply for registration or claim exemption from registration with the Commission in any capacity, and engage in any activity requiring such registration or exemption from registration with the Commission, except as provided for in Regulation 4.14(a)(9); and/or
 - ii. act as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent or any other officer or employee of any person (as that term is defined in Section 1a(38) of the Act, 7 U.S.C. § 1a(38)) registered or required to be registered with the Commission.

The provisions of this Order shall be effective immediately. A copy of this Order shall be served upon Registrants at the address set forth in the Notice, on all contract markets, and on the National Futures Association.

By the Commission.


Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: September 16, 2014