

UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

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Office of Proceedings
Proceedings Clerk

8:39 am, Aug 16, 2016

In the Matter of:)

Steven A. Cohen,)

Registrant.)

) CFTC Docket No. SD 16-01
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NOTICE OF INTENT

I.

The U.S. Commodity Futures Trading Commission (the “Commission” or “CFTC”) has received information from its staff that tends to show, and the Commission’s Division of Enforcement (“Division”) alleges and is prepared to prove, that:

1. Steven A. Cohen (“Cohen” or the “Registrant”) is a resident of Greenwich, Connecticut. Cohen is the principal of, and indirectly owns and controls, S.A.C. Capital Advisors, LLC (“SAC LLC”) and S.A.C. Capital Advisors, L.P. (“SAC LP”).¹ Cohen also indirectly owns and controls Point72 Asset Management, L.P. and Stamford Harbor Capital, L.P., an investment adviser registered with the Securities and Exchange Commission (the “SEC”). Point72 Asset Management, L.P. and certain of its affiliates that are engaged in asset management are not registered with the U.S. Securities and Exchange Commission as investment advisers under the Investment Advisers Act of 1940 or with the CFTC as commodity pool operators or commodity trading advisors. Cohen is registered with the Commission as an

¹ On September 16, 2014, the CFTC accepted SAC LLC’s and SAC LP’s offer of settlement and issued an order revoking the registration of SAC LLC and restricting the registration of SAC LP pursuant to Section 8a(2)(D) of the Act, 7 U.S.C. § 12a(2)(D), and SAC LLC’s and SAC LP’s guilty pleas to felony wire fraud in the United States District Court for the Southern District of New York. In connection with SAC LLC’s and SAC LP’s guilty pleas, each entity admitted that at least one of its employees had engaged in insider trading within the scope of their employment and for the benefit of the respective entity.

Associated Person (“AP”) and listed as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)) of SAC LP.

2. On January 8, 2016, the Securities and Exchange Commission (“SEC”) entered an Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(f) of the Investment Advisors Act of 1940 (the “SEC Order”), in which the SEC found that Cohen had “failed reasonably to supervise [his employee] with a view to preventing [that employee’s] violation of Section 10(b) of the [Securities] Exchange Act [of 1934] and Rule 10b-5 thereunder.” Cohen consented to the SEC Order, without admitting or denying the findings therein. The SEC Order included a finding that Cohen ignored red flags, failed to take prompt action to determine whether Matthew Martoma, a portfolio manager who reported to Cohen, was engaged in unlawful insider trading conduct, and failed to take reasonable steps to prevent violations of the federal securities laws.

3. Accordingly, Cohen’s failure to reasonably supervise forms a basis under Sections 8a(3)(C) and 8a(4) of the Act, 7 U.S.C § 12a(3)(C) and (4) for a statutory disqualification and for the Commission to suspend, revoke, or place restrictions upon Cohen’s registration.

II.

Pursuant to its responsibilities under the Act and by reason of the foregoing allegations by the Division, the Commission deems it necessary and appropriate that public proceedings be conducted in accordance with the provisions of Commission Regulation 3.60, 17 C.F.R. § 3.60, to determine whether Cohen is subject to statutory disqualification as alleged and, if so, whether the Commission should suspend, revoke, or place restrictions upon Cohen’s registration.

III.

WHEREFORE, IT IS HEREBY ORDERED that this Notice of Intent (“Notice”) be filed and that a public proceeding be conducted before a Presiding Officer in accordance with the provisions of Regulation 3.60 and all post-hearing procedures shall be conducted pursuant to Commission Regulations 3.60(i)-(j), 17 C.F.R. § 3.60(i)-(j).

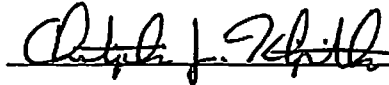
In accordance with the provisions of Commission Regulation 3.60(a)(3), 17 C.F.R. § 3.60(a)(3), the Registrant is entitled to file responses challenging the evidentiary bases of the statutory disqualification or to show cause why, notwithstanding the accuracy of the allegations, his registration should not be subject to statutory disqualification. Such response must be filed with the Proceedings Clerk, Office of Proceedings, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581, and served upon K. Brent Tomer, Chief Trial Attorney, Division of Enforcement, Eastern Regional Office, 140 Broadway, 19th Fl., New York, NY, 10005, within thirty (30) days after the date of service of this Notice on the Registrant, in accordance with the provisions of Commission Regulation 3.60(g), 17 C.F.R. § 3.60(g).

IT IS FURTHER ORDERED that this Notice shall be served on Registrant personally or by registered or certified mail forthwith.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of the investigative or prosecutorial functions in this or any factually

related proceeding will be permitted to participate or advise in the decision upon this matter except as witness or counsel in proceedings held pursuant to notice.

By the Commission.



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

Dated: August 16, 2016