



UNITED STATES OF AMERICA  
Before the  
COMMODITY FUTURES TRADING COMMISSION

In the Matter of:

Steven A. Cohen,

Registrant.

CFTC Docket No. SD 16-01

OPINION AND ORDER ACCEPTING OFFER OF SETTLEMENT OF STEVEN A. COHEN

I.

On this date, the Commodity Futures Trading Commission (“Commission” or “CFTC”) issued a Notice of Intent to Revoke Registration of (“Notice”) Steven A. Cohen (“Cohen” or the “Registrant”). The Notice alleges that Cohen is subject to suspension, revocation, or restriction of registration pursuant to Sections 8a(3)(C) and 8a(4) of the Commodity Exchange Act (“Act”), 7 U.S.C. §§ 12a (3)(C) and 12a(4). To resolve this matter, Cohen has submitted an Offer of Settlement (“Offer”) that the Commission has determined to accept.

II.

Cohen acknowledges 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, and without admitting or denying any of the findings or conclusions in the Notice or herein, Cohen consents 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.<sup>1</sup>

<sup>1</sup> Cohen does 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 does Cohen 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.

The Commission finds the following:

#### A. REGISTRANT

**Steven A. Cohen** 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”).<sup>2</sup> 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 advisers. Cohen is registered with the Commission as an 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.

#### B. FACTS

On January 8, 2016, the SEC entered an Order Making Findings and Imposing Remedial Sanctions Pursuant to Section 203(f) of the Investment Advisers Act of 1940 (the “SEC Order”), in which the SEC found that Cohen had “failed reasonably to supervise [an 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.

### IV.

#### LEGAL DISCUSSION

Cohen is subject to statutory disqualification under the Act. Pursuant to Section 8a(4), 7 U.S.C. § 12a(4), the Commission may suspend, revoke, or place restrictions upon the registration of any person registered under the Act if cause exists under Section 8a(3) of the Act, 7 U.S.C. § 12a(3), which would warrant refusal of registration of such person.

---

<sup>2</sup> 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.

Section 8a(3)(C) of the Act provides that registration may be refused to any person if that person has failed reasonably to supervise another person, who is subject to such person's supervision, with a view to preventing violations of, *inter alia*, the Securities Exchange Act of 1934 or any rule, regulation or order under that statute.

Cohen consented to the SEC Order, without admitting or denying the findings therein, and the SEC Order included a finding by the SEC that Cohen failed reasonably to supervise another person who was subject to Cohen's supervision, with a view to preventing that person's violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. Cohen's failure to reasonably supervise forms a basis under Sections 8a(3)(C) and 8a(4) of the Act for a statutory disqualification and for the Commission to suspend, revoke, or place restrictions upon Cohen's registration.

## V.

### OFFER OF SETTLEMENT

Cohen has submitted an Offer in which he

- A. Acknowledges service of the Notice and Order;
- B. Admits to the jurisdiction of the Commission with respect to the matters set forth in the Notice and Order;
- C. Stipulates 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 Cohen has consented to in his Offer; and
- D. Waives
  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 he 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 he 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.

## VI.

### ORDER

**Accordingly, the Commission HEREBY ORDERS that:**

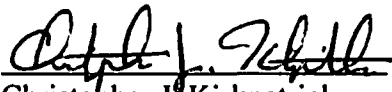
- A. Cohen's registration as an AP of SAC LP is restricted such that Cohen shall take no action directly or indirectly to cause SAC LP to take any action that is otherwise prohibited under the September 16, 2014 Commission order issued in *In re SAC Capital Advisors, L.P.* SD 14-03;
- B. Cohen shall comply with the following undertakings:
  1. Cohen agrees that from the entry of this Order through December 31, 2017, or through such later date as Cohen's restriction under the SEC Order is extended pursuant to paragraph 77 thereof (the "Restriction End Date"), he shall not:
    - i. engage in any activity requiring registration with the Commission; and/or
    - ii. act as an 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;
  2. Neither Cohen nor any of his agents or employees under his 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 the Order, or creating, or tending to create, the impression that the Notice or the Order is without a factual basis; provided, however, that nothing in this provision shall affect Cohen's: (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Cohen and his successors and assigns shall undertake all steps necessary to ensure that all of his agents and/or employees under his authority or control understand and comply with this agreement;

3. Cohen shall serve notice upon the Commission if the Restriction End Date is extended to a date later than December 31, 2017. Such notice will be transmitted 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

The provisions of this Order shall be effective immediately. A copy of this Order shall be served 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: August 16, 2016