

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 99215 / December 20, 2023**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19927**

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<b>In the Matter of</b>	:	<b>APPLICATION OF FUND</b>
	:	<b>ADMINISTRATOR FOR PAYMENT</b>
<b>Super Micro Computer, Inc.,</b>	:	<b>OF FEES AND EXPENSES AND</b>
	:	<b>APPROVAL OF FUTURE FEES</b>
<b>Respondent.</b>	:	<b>AND EXPENSES</b>
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**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19928**

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<b>In the Matter of</b>	:
	:
<b>Howard Hideshima,</b>	:
	:
<b>Respondent.</b>	:
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On August 25, 2020, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “SMC Order”)<sup>1</sup> against Super Micro Computer, Inc. (the “SMC”). In the SMC Order, the Commission found that that SMC, a producer of computer servers headquartered in California, engaged in improper accounting—prematurely recognizing revenue and understating expenses from at least fiscal year (“FY”) 2015 through FY 2017. As a result, SMC filed with the Commission materially misstated financial statements in its annual, quarterly and current reports during the period.

Also on August 25, 2020, in a related matter, the Commission issued a Corrected Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Hideshima

<sup>1</sup> Securities Act Rel. No. 10822 (Aug. 25, 2020).

Order”) against Howard Hideshima (“Hideshima”),<sup>2</sup> the former Chief Financial Officer of SMC. The Commission determined that Hideshima engaged in improper accounting and caused internal accounting controls failures, which resulted in SMC systematically prematurely recognizing and reporting revenue and understating expenses from at least FY 2015 through FY 2017. The Commission further determined that, from at least FY 2015 through FY 2017, Hideshima signed and/or approved annual, quarterly and current reports with the Commission that contained materially misstated financial statements.

As a result of the conduct described in the SMC Order and Hideshima Order (collectively, the “Orders”), the Commission ordered SMC to pay a civil money penalty of \$17,500,000.00, and Hideshima to pay disgorgement of \$260,844.00, prejudgment interest of \$40,212.00, and a civil money penalty of \$50,000.00, to the Commission. In the SMC Order, the Commission created a Fair Fund (the “Fair Fund”), pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the collected civil penalty could be distributed to investors harmed by the conduct described in the Orders. In the Hideshima Order, the Commission also established a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, and ordered it to be added to the Fair Fund established in the SMC Order, so the collected civil penalty, along with collected disgorgement and prejudgment interest, could be combined into one fund for distribution to investors harmed by the conduct described in the Orders.

The Fair Fund is comprised of the \$17,851,056.00 paid by SMC and Hideshima, pursuant to the Orders. Any additional funds ordered to be combined with the Fair Fund, as well as accrued interest, will be added to the Fair Fund.

On December 22, 2020, the Division of Enforcement, pursuant to delegated authority, issued an order appointing Kurtzman Carson Consultants, LLC as the fund administrator (the “Fund Administrator”) of the Fair Fund and set the administrator’s bond amount.<sup>3</sup>

In accordance with Rule 1105(d) of the Commission’s Rules,<sup>4</sup> the Fund Administrator has submitted to the Commission staff an invoice for services rendered from December 22, 2020, through July 31, 2023, totaling \$455,627.22. The Commission staff has reviewed the Fund Administrator’s invoices, confirmed that the services have been provided, and finds the fees and expenses of \$455,627.22 to be reasonable. The Commission staff has requested that the Commission authorize the Office of Financial Management (“OFM”) to pay the Fund Administrator’s fees and expenses of \$455,627.22 from the Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.<sup>5</sup>

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize OFM, at the direction of an Assistant Director

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<sup>2</sup> Exchange Act Rel. No. 89657 (Aug. 25, 2020). The Hideshima Order was corrected from its original form to combine the Fair Fund created therein to the Fair Fund established in the SMC Order for distribution. *See* Paragraph IV.C. of the Hideshima Order.

<sup>3</sup> Order Appointing Fund Administrator and Setting Bond Amount, Exchange Act Rel. No. 90784 (Dec. 22, 2020).

<sup>4</sup> 17 C.F.R. § 201.1105(d).

<sup>5</sup> 17 C.F.R. § 201.1105(e).

of the Office of Distributions, to pay the Fund Administrator's future fees and expenses from the Fair Fund so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission's Rules,<sup>6</sup> that OFM pay the Fund Administrator's fees and expenses of \$455,627.22 from the Fair Fund in accordance with Rule 1105(e) of the Commission's Rules.<sup>7</sup> Further, OFM is authorized to pay, at the direction of an Assistant Director of the Office of Distributions, any future fees and expenses of the Fund Administrator from the Fair Fund in accordance with Rule 1105(e) of the Commission's Rules,<sup>8</sup> so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>9</sup>

Vanessa A. Countryman  
Secretary

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<sup>6</sup> 17 C.F.R. § 201.1105(d).

<sup>7</sup> 17 C.F.R. § 201.1105(e).

<sup>8</sup> 17 C.F.R. § 201.1105(e).

<sup>9</sup> 17 C.F.R. § 200.30-4(a)(21)(vi).