

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 75706 / August 14, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-15641

In the Matter of

GLG PARTNERS, INC. and
GLG PARTNERS, L.P.,

Respondents.

:
:
:
:
:
:
:
:
:
:
:

ORDER APPROVING
APPLICATION OF FUND
ADMINISTRATOR FOR
PAYMENT OF FEES
AND EXPENSES

On December 12, 2013, the Securities and Exchange Commission (“Commission” or “SEC”) issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”) against GLG Partners, Inc. and GLG Partners, L.P. Pursuant to the Order, GLG Partners, Inc. and GLG Partners, L.P. (“Respondents”) agreed to pay disgorgement of \$7,766,667, prejudgment interest of \$437,679 and civil money penalties totaling \$750,000 to the Commission.¹ The Commission found, among other things, that Respondents failed to maintain sufficient controls relating to the valuation of fund assets resulting in Respondents overvaluing a 25% private equity stake in an emerging market coal-mining company (“Coal Co.”). The overvaluation of the asset led to misstatements in Respondents’ filings with the SEC relating to the period from 2008 through the second quarter of 2010, as well as Respondents collecting inflated fee revenue in the amount

¹ Exchange Act Rel. No. 71050 (December 12, 2013).

of the disgorgement. The Order also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended.

On May 23, 2014, the Commission issued an order appointing Boston Financial Data Services, Inc. (“Boston Financial”) as the Fund Administrator and setting the administrator’s bond in the amount of \$8,954,346.² On September 19, 2014, the Commission issued a Notice of Proposed Plan of Distribution and Opportunity for Comment.³ No comments were received. The Plan of Distribution (“Plan”) was approved on October 24, 2014.⁴

Under the Plan, the present value of incorrectly collected fees will be distributed to Eligible Clients⁵ from the net fair fund. Eligible Clients were determined harmed only if that client paid inflated or excessive management and administrative fees as a result of the conduct described in the Order. The staff identified for the Fund Administrator 988 Eligible Clients to receive distribution payments from the Fair Fund.

The Plan also provides for the payment of the Fund Administrator’s fees and expenses. The Plan states that all reasonable administrative fees, costs and expenses, including the administrator bond premium, will be paid from the Fair Fund.

In accordance with Rule 1105(d) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1105, the Fund Administrator has submitted an invoice for March 2015 for the period from May 2014 to March 2015 totaling \$18,350.26 to Commission staff. The Commission staff has reviewed the Fund Administrator’s invoice, confirms that the services have been provided, and finds the fees and expenses of \$18,350.26 to be reasonable and in accordance with the Plan.

² Order Appointing Fund Plan Administrator and Setting Administrator Bond Amount, Exchange Act Rel. No. 72247 (May 23, 2014).

³ Notice of Proposed Plan of Distribution and Opportunity for Comment, Exchange Act Rel. No. 73155 (September 19, 2014).

⁴ Order Approving Plan of Distribution, Exchange Act Rel. No. 73423 (October 24, 2014).

⁵ Capitalized terms refer to terms defined in the Plan

The Commission staff has requested that the Commission authorize the payment of the Fund Administrator's invoiced fees and expenses of \$18,350.26 from the Fair Fund. Additionally, to streamline the process for future payments, the staff requests that the Commission authorize, at the direction of the Assistant Director of the Office of Distributions, the payment of the Fund Administrator's future fees and expenses up to, but not to exceed, \$25,000 per monthly invoice, so long as the total amount paid to the Fund Administrator, as of the date of the invoice to be paid, does not exceed the total amount of the cost proposal submitted by the Fund Administrator by more than \$5,000.

Accordingly, it is hereby ORDERED, pursuant to the Commission's Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101, et seq., that:

A. The Commission shall pay the Fund Administrator's invoice in the amount of \$18,350.26; and

B. At the direction of the Assistant Director of the Office of Distributions, the Commission shall pay future Fund Administrator fees and expenses up to, but not to exceed, \$25,000 per monthly invoice, so long as the total amount paid to the Fund Administrator, as of the date of the invoice to be paid, does not exceed the total amount of the cost proposal submitted by the Fund Administrator by more than \$5,000.

By the Commission.

Brent J. Fields
Secretary