

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 103132 / May 28, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-16575

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In the Matter of	:	
	:	
Computer Sciences Corporation,	:	ORDER SETTING ADMINISTRATOR'S
Michael Laphen, Michael Mancuso,	:	BOND AMOUNT
Wayne Banks, Claus Zilmer, and	:	
Paul Wakefield,	:	
	:	
Respondents.	:	
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On June 5, 2015, the Commission issued an Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 4C and 21C of the Securities Exchange Act of 1934, and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”)¹ against Computer Sciences Corporation (“Computer Sciences”), Michael Laphen, Michael Mancuso, Wayne Banks, Claus Zilmer, and Paul Wakefield (collectively, the “Respondents”). The Order found that Computer Sciences engaged in a wide-ranging accounting and disclosure fraud that materially overstated its earnings and concealed from investors significant problems with its largest contract. The Order required Computer Sciences to pay a civil money penalty of \$190,000,000.00, Laphen to pay a civil money penalty of \$750,000.00, Mancuso to pay a civil money penalty of \$175,000.00, and Banks to pay disgorgement of \$10,990.00 plus prejudgment interest of \$2,400.00. The Order also created a

¹ Securities Act Rel. No. 9804 (June 5, 2015).

Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended, for the monies paid by the Respondents for the distribution to harmed investors (the “Fair Fund”).

In two separate, but related district court actions, Wilfred Robert Sutcliffe and Edward Parker were ordered to pay a total of \$10,613.95 to the Commission for transfer into the Fair Fund.² In total, \$190,948,983.95³ was paid into the Fair Fund. The Fair Fund is subject to the continuing jurisdiction and control of the Commission and has been deposited into a Commission-designated account at the U.S. Department of the Treasury.

On June 22, 2016, the Commission issued an Order Appointing Fund Plan Administrator and Setting Bond Amount (the “Appointment Order”).⁴ In the Appointment Order, the Commission appointed Garden City Group, LLC (“GCG”)⁵ as the Fund Administrator (the “Fund Administrator”) of the Fair Fund pursuant to Rule 1105(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans (the “Commission Rules”)⁶ and set the bond amount at \$190,948,983.95 pursuant to Rule 1105(c) of the Commission’s Rules.⁷

On April 28, 2017, the Commission approved a Plan of Distribution (the “Plan”) that provides for the distribution of the Fair Fund, plus any accrued interest, less taxes and administrative costs, to investors harmed by the Respondents’ conduct. Paragraph 84 of the Plan provides that, subject to Commission approval, if any funds remain after the payment of claims that were filed late or cured after the Claims Bar Date, or if no such claims exist, the Fund

² See *Securities and Exchange Commission v. Wilfred Sutcliffe*, No. 15-cv-4340 (S.D.N.Y. 2015); *Securities and Exchange Commission v. Edward Parker*, No. 15-cv-4341 (S.D.N.Y. 2015).

³ There was a \$20.00 shortfall in the amount paid by Sutcliffe, which was written off by the Office of Financial Management, pursuant to their applicable delegated authority, 17 C.F.R. § 200.30-4(a)(15).

⁴ Order Appointing Fund Plan Administrator and Setting Bond Amount, Exchange Act Rel. No. 78133 (June 22, 2016).

⁵ On June 15, 2018, Epiq Class Action and Claims Solutions, Inc. acquired GCG, and GCG is now continuing operations as part of Epiq. The firm’s engagement with the SEC and its ability to carry out its duties as appointed Distribution Agent for this case has not changed.

⁶ 17 C.F.R. §201.1105(a).

⁷ 17 C.F.R. §201.1105(c).

Administrator may distribute the remaining residual funds on a *pro rata* basis to all Eligible Claimants who cashed a check or received a wire and whose distribution payment would equal or exceed the *de minimis* amount under the Plan. As ordered by the Commission,⁸ the Fund Administrator has distributed a total of \$201,830,295.00 to Eligible Claimants in two distributions. The Fair Fund now consists of \$276,248.78 in remaining residual funds that are available for distribution.

Rule 1105(c) of the Commission’s Rules requires that “the administrator shall . . . obtain a bond in the manner prescribed in 11 U.S.C. § 322, in an amount to be approved by the Commission,” but “the Commission may waive posting of a bond for good cause shown.” Effective August 1, 2013, with respect to distribution plans for disgorgement funds and Fair Funds established in administrative proceedings instituted by the Commission, the Commission granted delegated authority to the Director of the Division of Enforcement to appoint a plan administrator and “to set the amount of or waive for good cause shown, the administrator’s bond” required by Rule 1105(c) of the Commission’s Rules.⁹

For the current bond coverage period of September 6, 2024, through September 6, 2025, the Fund Administrator owes a bond premium of \$238,686.00 calculated based on the original balance of the Fair Fund of \$190,948,983.95. Reducing the Fund Administrator’s bond to an amount equal to the July 31, 2024, Fair Fund balance of \$541,149.58, approximately six months after the beginning of the current bond coverage period, would reduce the annual bond premium by more than 95% and would increase the estimated funds available for distribution to harmed investors by approximately 40%. For good cause shown and pursuant to the delegated authority granted the Director of the Division of Enforcement under Section 30-4(a)(17) Commission’s

⁸ See Exchange Act Rel. No. 86046 (June 6, 2019) and Exchange Act Rel. No. 96718 (Jan. 19, 2023).

⁹ 17 C.F.R. 200.30-4(a)(17).

Rules of Practice, the Division of Enforcement requests that the Fund Administrator’s bond be reduced from the original Fair Fund balance of \$190,948,983.95 and set at \$541,149.58—an amount equal to the July 31, 2024, Fair Fund balance. By reducing the amount of the Fund Administrator’s bond, the Commission will be able to distribute a greater portion of the remaining residual funds of the Fair Fund for the benefit of harmed investors.

Accordingly, for good cause shown, IT IS HEREBY ORDERED that the Fund Administrator obtain a bond in accordance with Rule 1105(c) of the Commission’s Rules at the reduced amount of \$541,149.58, effective as of the date of this Order.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.¹⁰

Vanessa A. Countryman
Secretary

¹⁰ 17 C.F.R. § 200.30-4(a)(17).