

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101314 / October 11, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-20781

In the Matter of	:	
	:	
Baxter International Inc.,	:	
	:	
Respondent.	:	
	:	

	:	ORDER APPROVING APPLICATION OF
	:	FUND ADMINISTRATOR FOR
	:	PAYMENT OF FEES AND EXPENSES
	:	AND AUTHORIZING THE APPROVAL
	:	AND PAYMENT OF FEES AND
	:	EXPENSES OF ADMINISTRATION

ADMINISTRATIVE PROCEEDING
File No. 3-20782

In the Matter of	:
	:
Jeffrey Schaible,	:
	:
Respondent.	:
	:

ADMINISTRATIVE PROCEEDING
File No. 3-20783

In the Matter of	:
	:
Scott Bohaboy,	:
	:
Respondent.	:
	:

On February 22, 2022, 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

“Order”¹ against Baxter International Inc. (“Baxter”). In the Order, the Commission found that beginning in at least 2009 and continuing through July 2019, Baxter improperly leveraged its foreign exchange rate convention by engaging in intra-company transactions for the purpose of generating foreign exchange accounting gains or avoiding foreign exchange accounting losses (the “FX Transactions”). These FX Transactions had the effect of materially misstating Baxter’s net income as reported in public filings. On October 24, 2019, Baxter announced that it was conducting an internal investigation concerning the FX Transactions. According to the Order, in March 2020, Baxter restated its financial statements, which reduced its previously reported net income for 2017 through June 30, 2019, and retained earnings as of January 1, 2017, by \$582 million, collectively. The Commission ordered Baxter to pay a civil money penalty of \$18 million to the Commission and created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 (the “Baxter Fair Fund”).

Also on February 22, 2022, in two related matters, the Commission issued Corrected Orders 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 against Jeffrey Schaible (the “Schaible Order”)² and Scott Bohaboy (the “Bohaboy Order”).³ During all relevant times, Schaible was an employee in the Treasury department of Baxter, and Bohaboy was its Treasurer. In the Schaible and Bohaboy Orders, the Commission found that the Respondents, among other things, caused Baxter’s violations of the federal securities laws. The Commission ordered Schaible to pay disgorgement, prejudgment interest, and a civil penalty totaling \$189,359.00 and Bohaboy to pay a civil money penalty of \$125,000. The Commission created a Fair Fund in each of the Schaible and Bohaboy Orders pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002 and further ordered those Fair Funds combined with the Baxter Fair Fund.

The Baxter Fair Fund includes the \$18,314,359.00 paid by Baxter, Schaible, and Bohaboy. The assets of the Baxter Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Baxter Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to, and become a part of, the Baxter Fair Fund.

On July 1, 2022, the Division of Enforcement, pursuant to delegated authority, issued an order appointing Epiq Class Action and Claims Solutions, Inc. as the Fund Administrator of the Baxter Fair Fund and set the administrator’s bond amount.⁴

In accordance with Rule 1105(d) of the Commission’s Rules,⁵ the Fund Administrator has submitted to the Commission staff two invoices for services rendered from inception through November 30, 2023, totaling \$72,695.62. The Commission staff has reviewed the Fund Administrator’s invoices, confirmed that the services have been provided, and finds the fees and

¹ Securities Act Rel. No. 11032 (Feb. 22, 2022).

² Securities Act Rel. No. 11033 (Feb. 22, 2022).

³ Securities Act Rel. No. 11034 (Feb. 22, 2022).

⁴ Order Appointing Fund Administrator and Setting the Administrator’s Bond Amount, Exchange Act Rel. No. 95192 (July 1, 2022).

⁵ 17 C.F.R. § 201.1105(d).

expenses of \$72,695.62 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 \$72,695.62 from the Baxter Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.⁶

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 of the Office of Distributions, to pay the Fund Administrator’s fees and expenses from the Baxter 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 an approved cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission’s Rules,⁷ that OFM pay the Fund Administrator’s fees and expenses of \$72,695.62 from the Baxter Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules.⁸ Further, OFM is authorized to pay, at the direction of an Assistant Director of the Office of Distributions, any fees and expenses of the Fund Administrator from the Baxter Fair Fund in accordance with Rule 1105(e) of the Commission’s Rules,⁹ so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of an approved cost proposal submitted by the Fund Administrator.

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

Vanessa A. Countryman
Secretary

⁶ 17 C.F.R. § 201.1105(e).

⁷ 17 C.F.R. § 201.1105(d).

⁸ 17 C.F.R. § 201.1105(e).

⁹ 17 C.F.R. § 201.1105(e).

¹⁰ 17 C.F.R. § 200.30-4(a)(21)(vi).