

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77145 / February 16, 2016

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 3743 / February 16, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17118

<p>In the Matter of</p> <p style="text-align:center">PTC INC.,</p> <p>Respondent.</p>
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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

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against PTC Inc. (“PTC” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over Respondent and the subject matter of these proceedings, and consents to the entry of this 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 (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds¹ that:

¹ The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Summary

1. This matter concerns violations of the anti-bribery, books and records and internal accounting controls provisions of the Foreign Corrupt Practices Act (“FCPA”) by PTC. From at least 2006 into 2011, two wholly-owned PTC subsidiaries (collectively, “PTC-China”) provided improper payments totaling nearly \$1.5 million to government officials (“Chinese government officials” or “officials”) who were employed by Chinese state owned entities (“SOEs”) that were PTC customers. These payments were made to obtain or retain business from the SOEs. Specifically, PTC-China provided non-business travel, primarily sightseeing and tourist activities, as well as improper gifts and entertainment, to the Chinese government officials. PTC earned approximately \$11.85 million in profits from sales contracts with SOEs whose officials received the improper payments.

2. PTC-China made these improper payments in two primary ways: 1) by providing at least \$1,179,912 to third party agents, disguised as commission payments or sub-contracting fees, which were then used to pay for non-business related foreign travel for Chinese government officials; and 2) by allowing its sales staff to provide Chinese government officials with gifts and excessive entertainment of over \$274,313. The payments were recorded as legitimate commissions and business expenses in PTC-China’s books and records, when in fact they were improper payments designed to benefit the Chinese government officials. PTC-China’s books and records were consolidated into PTC’s books and records, thereby causing PTC’s books and records to be inaccurate. PTC failed to devise and maintain an adequate system of internal accounting controls sufficient to prevent and detect these improper payments that occurred over several years.

Respondent

3. PTC Inc. (formerly Parametric Technology Corporation) is a Massachusetts corporation with its headquarters in Needham, Massachusetts. PTC designs, manufactures, and sells Product Lifecycle Management Systems software (i.e., software that manages a company’s products from design through manufacturing and distribution) and maintains operations in the Americas, Europe, and Asia Pacific, including China. PTC manages its China operations through two wholly-owned subsidiaries, Parametric Technology (Shanghai) Software Company Limited and Parametric Technology (Hong Kong) Limited. PTC’s common stock is registered with the Commission pursuant to Section 12(b) of the Exchange Act and is listed on the NASDAQ Global Select Market (ticker: PTC).

Facts

A. PTC Exercised Substantial Control Over PTC-China

4. During the relevant period, although PTC-China was structured as two entities, it conducted business as a single unit. Until July 2008, all China local employees were assigned to the Hong Kong subsidiary; in August 2008, they all became direct employees of the Shanghai

subsidiary. And throughout this period, both the Hong Kong and Shanghai subsidiaries shared common directors, all of whom were senior members or officers of PTC's legal and finance departments.

5. PTC exercised substantial control over PTC-China. The employees of PTC's subsidiaries, including PTC-China, had global functional reporting lines to PTC, rather than an independent management structure. The functional reporting lines provided PTC with control over PTC-China's activities, including its sales process. PTC-China's senior sales staff reported to a Division Vice President of Sales, who was a PTC employee based in China. For most of the relevant period, this Division Vice President either reported to the General Manager of the Asia Pacific Region, or directly to PTC's Executive Vice President of Sales, who was based in Needham, Massachusetts. For other functions, including sales operations and global services, various PTC-China employees reported up to PTC employees, both based in China and the United States. Consistent with the functional reporting structure, PTC often moved its key employees to various subsidiaries throughout the world.

6. For the sales, sales operations, and global services functions, the review of proposed transactions followed a hierarchical approach through PTC-China and, if needed, to employees at other PTC entities, including the parent company. PTC employees approved pricing discounts above certain thresholds for PTC-China and reviewed certain PTC-China contract documents. PTC, not PTC-China, was the counter party on most of the contracts with PTC-China's SOE customers.

7. Further, PTC set the business and financial goals for its subsidiaries, including PTC-China. Each PTC function (including sales, marketing and finance) received a worldwide budget from PTC to allocate among its various subsidiaries. PTC also set regional sales targets (i.e., for the Pacific Rim, in which China was included) and had regional managers who allocated the sales targets among the countries and subsidiaries.

B. PTC-China Used Business Partners to Pay Bribes to Chinese Government Officials

8. For sales to Chinese SOEs, PTC-China routinely hired third parties – called “business partners” – both to find deals, for which PTC-China paid a commission or “success fee,” as well as to provide information technology and other services, which PTC-China subcontracted to the business partner. Business partners were generally Chinese companies, purportedly with specific knowledge of, and relationships with, PTC-China's customers.

9. PTC employees knew that many of PTC-China's customers were SOEs whose employees were Chinese government officials. Certain business partners had long standing relationships with these Chinese government officials. Generally, the business partners provided PTC-China with lobbying or “influence services” (i.e., arranging seminars and meetings with officials of the SOEs) and information technology services. Often the Chinese government officials chose the business partner with whom they wished to collaborate.

10. Despite the routine use of business partners in many deals, and the risk of corruption inherent in paying for influence services, PTC failed to conduct a sufficient review of the business capabilities or ethics programs of these business partners.

11. Senior PTC-China sales staff had wide discretion in setting the fee arrangements with business partners. PTC-China did not have a fixed success fee arrangement with its business partners, instead negotiating the fee for each particular deal. When PTC-China initially engaged the business partner, its sales team generally agreed to a price range for the business partners' commission – from as low as 15% to as high as 30% of the contract price – if the deal was successful. PTC-China's senior sales staff finalized the commission with the business partner at or about the time a deal closed. PTC-China's senior sales staff reported to a PTC employee who had authority over the commission approval process.

12. For information technology and other subcontracted services, PTC-China relied on sign offs provided by the SOE's officials as evidence that the agreed upon services had been performed. Once the business partner and/or the Chinese government officials confirmed that the business partner had completed the services, PTC-China made the agreed-upon payments to the business partner. PTC-China did not independently verify the extent to which, if at all, the business partners in fact performed the subcontracted services.

13. Beginning in 2005, PTC-China recorded the commission and information technology subcontracting payments to business partners as "Complete Outsourced Deals" or "COD" expenses. After 2008, PTC-China began paying commissions to business partners as it received customer payment on the deals. PTC-China sales staff tracked the payments to business partners on spreadsheets that they kept on their computers, and which were separate from PTC-China's electronic accounting records.

14. During contract negotiations with SOEs, Chinese government officials, in conjunction with a business partner, often requested that PTC-China provide them with overseas "training," which involved primarily tourist and sightseeing visits. The three parties would settle on a travel budget and the Chinese government officials would typically agree to "gross up" the SOE's contract price by the amount of the anticipated travel costs. PTC-China sales staff itemized the overseas travel costs in the initial contract documents for approval by senior PTC-China sales staff. Once approved, however, PTC-China employees removed the line item for overseas travel from the final contract documents that were signed by PTC and the SOEs. Instead, the funds budgeted for the overseas travel were disguised by PTC-China personnel as COD expenses related to success fees or subcontracting payments for business partners.

15. Because PTC-China employees negotiated success fees with a business partner on a deal by deal basis, they were able to include the costs of the overseas travel as part of a business partner's fees without raising suspicion. In turn, the business partner used part of its success fee to pay for the overseas sightseeing trips. Alternatively, PTC-China employees sometimes disguised the overseas travel payments as a payment purportedly for providing information technology or

other subcontracted services. The business partner (or customer) then provided PTC-China with documents indicating that it had performed the subcontracted services, and used a part of the subcontract fee to pay for the Chinese government officials' sightseeing trips. For certain more expensive trips, PTC-China employees spread the overseas travel payments over several contracts, each with its own COD budget. Because many deals with SOEs involved long term contracts that took several years to complete, the actual sightseeing trip sometimes occurred up to two to three years after the deal was negotiated.

16. PTC-China sales staff tracked on spreadsheets kept separate from PTC-China's regularly maintained books and records the overseas travel payments made by business partners to or for the benefit of PTC's SOE customers. Senior PTC-China sales staff used the spreadsheets to understand the composition of, and negotiate, the success and other fees with the business partners.

C. PTC-China Improperly Funded Leisure Travel for Chinese Government Officials

17. PTC-China employees and the business partners typically arranged the overseas sightseeing trips in conjunction with a visit to a PTC facility. Most often, PTC-China sales staff arranged for Chinese government officials to visit PTC's corporate headquarters in Massachusetts, for PTC to market and demonstrate the company's products and services. The trips typically consisted of one day of business activities at PTC's facility, followed or preceded by additional days of sightseeing visits that lacked any business purpose, all of which were paid for by the business partners using funds from their grossed up success fees and subcontracting payments. Some PTC employees in the United States generally understood that SOE officials were spending additional days in the country, including for tourist activities. And certain PTC employees based in China were aware that PTC-China employees were accompanying Chinese government officials to tourist destinations.

18. Typical travel destinations in the United States included New York, Las Vegas, San Diego, Los Angeles, and Honolulu, and involved guided tours, golfing, and other leisure activities. PTC-China sales staff usually accompanied the Chinese government officials on these trips. The Chinese government officials who went on the trips in turn were often signatories on the purchase agreements with PTC.

19. Examples of these overseas trips are described below:

- In April 2008, six officials of an SOE ("SOE Customer A") and a senior PTC-China salesperson visited PTC's Massachusetts office for a one-day meeting. The PTC-China salesperson further arranged for a business partner to pay \$51,495 for sightseeing visits to New York, Boston, Los Angeles and Honolulu for the Chinese government officials (and himself). The ten day trip included lodging at five star hotels; tours of Rockefeller Center, the Statue of Liberty, the United Nations, and the Empire State Building, along with tickets to a professional basketball game while in New York; tours of MIT, Harvard, and Faneuil Hall while in Boston; a

tour of the Grand Canyon while in Las Vegas; a city tour while in Los Angeles; and a city tour, a tour of Pearl Harbor, a visit to the Polynesian Cultural Center, golfing, and a sunset dinner cruise while in Honolulu. As a result, during 2008, PTC and PTC-China received an improper benefit of at least three contracts, signed by PTC, worth \$1.2 million, from SOE Customer A.

- In December 2007, during contract negotiations with an SOE (“SOE Customer B”), a PTC-China employee agreed to provide its officials with over \$84,000 for future overseas travel expenses. The PTC-China employee emailed his supervisor at PTC-China the terms of a deal with SOE Customer B that included \$84,429 for the overseas travel, which he initially recorded as “overseas training.” Later, the PTC-China employee disguised “overseas training” as COD costs, stating: “I replace the ‘overseas training’ in the sheet to the ‘COD1’ As you know, the customers just want sightseeing instead of overseas training.” Subsequently, the PTC-China employee disguised the overseas travel costs as COD expenses in three deals, signed by PTC, worth nearly \$1.7 million, with SOE Customer B.
- PTC-China provided SOE Customer B with the agreed-upon overseas travel in 2010, when it arranged for nine of its officials to visit PTC’s Massachusetts office for a one-day meeting. PTC-China employees concurrently had a business partner provide these Chinese government officials with sightseeing visits to New York, Washington, D.C., Los Angeles, and Honolulu, including among the activities, tours of West Point Academy, Rockefeller Center, and the Statue of Liberty while in New York; Universal Studios while in Los Angeles; and Pearl Harbor while in Honolulu.
- In December 2007, while negotiating a \$3.4 million deal with an SOE (“SOE Customer C”), a PTC-China salesperson emailed his supervisors at PTC-China contract documents that included overseas travel expenses of \$173,400. In July 2008, while negotiating a \$1.2 million deal with SOE Customer C, another PTC-China salesperson emailed the same supervisors contract documents that included overseas travel expenses of \$104,000. When completing both deals, PTC-China employees excluded the overseas travel expenses from the final contract documents that were signed by PTC and SOE Customer C.
- PTC-China provided SOE Customer C with the agreed-upon overseas travel in May 2010, when it arranged for five of its officials to visit PTC’s Massachusetts office for a one-day meeting. PTC-China employees concurrently had a business partner provide these Chinese government officials with a sightseeing visit to New York, Las Vegas, and Los Angeles, including among other activities, tours of the United Nations, the Statue of Liberty, and West Point while in New York; the Grand Canyon while in Las Vegas; and Universal Studios while in Los Angeles.

- In May 2010, a PTC-China salesperson accompanied two officials of an SOE (“SOE Customer D”) on a visit to PTC’s Massachusetts office for a one-day meeting. PTC-China sales staff concurrently had a PTC-China business partner provide these Chinese government officials with sightseeing visits to New York, Boston, Atlanta, Las Vegas, and Los Angeles, including among other activities, tours of the Grand Canyon while in Las Vegas; Universal Studios while in Los Angeles; and shopping excursions. In July 2010, another PTC-China salesperson accompanied seven officials of SOE Customer D on a second visit to PTC’s U.S. offices. Once again, PTC-China sales staff had one of its business partners provide these Chinese government officials with sightseeing visits to New York, Boston, New London, Connecticut, Washington, D.C., Las Vegas, San Diego and Los Angeles, including among other activities, tours of Niagara Falls, the Statue of Liberty, the Empire State Building, and the Intrepid Sea, Air & Space Museum Complex while in New York; the Submarine Force Library & Museum while in New London; the Grand Canyon while in Las Vegas; Universal Studios while in Los Angeles; and shopping excursions. These trips influenced SOE Customer D to purchase over \$9 million of products from PTC and PTC-China.

20. Overall, from 2006 into 2011, PTC-China, through its business partners, paid at least \$1,179,912 to fund at least 10 trips for Chinese government officials that included significant non-business travel. The costs of these trips were improperly recorded in PTC’s books and records as COD or business partner related commissions or subcontracting payments, without any indication that they were primarily for sightseeing and other non-business related activities. PTC improperly profited by at least \$11,858,000 from contracts obtained from the SOEs whose government officials participated on these trips.

D. PTC-China Improperly Provided Officials of SOEs with Gifts and Excessive Entertainment

21. From 2009 through 2011, PTC-China sales staff corruptly provided at least \$274,313 in improper gifts and entertainment directly to Chinese government officials. The value of the gifts and entertainment generally ranged from \$50 to \$600, and often included small electronics (e.g., cell phones, iPods, and GPS systems), gift cards, wine, and clothing. PTC-China sales staff’s long standing practice of providing the gifts to Chinese government officials was done at least in part to obtain or retain SOE business.

22. By providing these gifts, PTC-China violated PTC’s corporate governance and internal controls policies. These policies included: \$50 monetary limits on the provision of gifts and business entertainment to government officials; requiring PTC-China sales staff to obtain pre-approvals for business expenses over \$500; and requiring that PTC-China sales staff document the date, place, attendees, and purpose of business entertainment and the recipient. These gifts were improperly recorded as legitimate business expenses.

E. PTC-China Failed to Devise and Maintain a System of Internal Accounting Controls

23. From at least 2006 through 2011, PTC failed to devise and maintain an adequate internal accounting controls system to address the potential FCPA problems posed by its ownership of, and control over, PTC-China. Notably, during 2006, 2008, and 2010, PTC investigated compliance issues at PTC-China, including possible corruption involving its business partners. However, PTC failed to identify and stop the ongoing and systemic illicit payments to Chinese government officials by PTC-China personnel as described above and did not undertake effective remedial actions.

24. Despite these compliance issues, PTC failed to undertake periodic comprehensive risk assessments for PTC-China and to ensure that its internal accounting controls procedures were suited to PTC-China's particular circumstances (in particular, its ongoing dealings with Chinese government officials). PTC's Code of Ethics and Anti-Bribery policies for the provision of business entertainment were vague (i.e., stating that employees should use "good taste" and consider the "customary business standards in the community" when providing business entertainment) and not risk-based to China. And PTC did not have independent compliance staff or an internal audit function that had authority to review and test its internal accounting controls processes or intervene into management decisions and, if appropriate, take remedial actions.

25. As a result, PTC failed to identify and correct corporate governance and compliance breakdowns at PTC-China. Notably, PTC failed to: properly vet PTC-China's business partners, which played a significant role for PTC-China as described above; police for corrupt payments by its business partners; monitor and supervise PTC-China's senior sales staff to ensure that they enforced anti-corruption policies and kept accurate records concerning gifts to Chinese government officials; properly scrutinize travel related expenses to prevent reimbursement for employees' airfare, lodging, and other expenses that were either personal in nature or gifts for customers; limit the number or total value of gifts PTC-China's sales staff could provide to any single individual or entity; and provide sufficient FCPA training for its employees.

Legal Standards and Violations

26. Under Section 21C(a) of the Exchange Act, the Commission may impose a cease-and-desist order upon any person who is violating, has violated, or is about to violate any provision of the Exchange Act or any regulation thereunder, and upon any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation.

Violations of the Anti-Bribery Provisions of the FCPA

27. Under Section 30A of the Exchange Act it is unlawful for any issuer, officer, director, employee, or agent of such issuer or any stockholder thereof acting on behalf of the issuer to make use of the mails or any means or instrumentality of interstate commerce corruptly in

furtherance of an offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to any foreign official or any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official for the purposes of (i) influencing any act or decision of such foreign official in his official capacity, (ii) inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, or (iii) securing any improper advantage in order to assist such issuer in obtaining or retaining business for or with, or directing business to, any person. [15 U.S.C. § 78dd-1].

28. PTC-China used third party business partners to pay bribes in the form of travel, gifts and entertainment to Chinese government officials to obtain and retain business. PTC exercised substantial control over PTC-China by, among other things, creating functional reporting lines, approving PTC-China's key decisions, and setting PTC-China's business and financial goals. PTC entered into contracts directly with the SOEs as a result of the bribes paid through PTC-China's business partners, and earned significant income from these contracts. Under applicable agency principles, PTC-China and its employees acted as agents of PTC during the relevant time and were acting within the scope of their authority and for the benefit of PTC when participating in the bribery scheme.

Violations of the Recordkeeping and Internal Accounting Controls Provisions of the FCPA

29. Section 13(b)(2)(A) of the Exchange Act requires reporting companies to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the issuer. 15 U.S.C. § 78m(b)(2)(A).

30. Section 13(b)(2)(B) of the Exchange Act requires reporting companies to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that the transactions: (i) are executed in accordance with management's general or specific authorization; and (ii) are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles ("GAAP") or any other criteria applicable to such statements, and to maintain accountability for assets. 15 U.S.C. § 78m(b)(2)(B).

31. PTC-China made payments, directly and indirectly, to Chinese government officials that were improperly recorded on its books and records as legitimate commissions and business expenses. The books and records of PTC-China were consolidated into PTC's books and records. As a result of the misconduct of its China subsidiaries, PTC failed to make and keep books and records which, in reasonable detail, accurately and fairly reflected its transactions and the disposition of its assets as required by Section 13(b)(2)(A) of the Exchange Act.

32. The improper payments by PTC-China described above took place over several years. During the relevant period, PTC failed to implement an adequate system of internal controls, including an appropriate FCPA compliance and training program at PTC-China, which was commensurate with the risks of doing business in China, and particularly the risks of

businesses that regularly sold products to SOEs. Accordingly, in violation of Section 13(b)(2)(B) of the Exchange Act, PTC failed to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that it maintained accountability for its assets, and that its transactions were executed in accordance with management's authorization.

PTC's Self-Disclosure and Remedial Efforts

33. PTC only discovered the improper payments to or for the benefit of Chinese government officials in 2011, while investigating complaints concerning a senior PTC-China salesperson. Upon learning this information, PTC, with the oversight of the Audit Committee of the Board of Directors, engaged independent counsel and an independent forensic consulting firm to undertake an investigation. PTC voluntarily self-reported the results of its internal investigation to the Commission and responded to information requests from the Commission staff. PTC did not, however, uncover or disclose the full scope and extent of PTC-China's FCPA issues until 2014.

34. As part of its internal review and investigation, PTC undertook significant remedial measures including terminating the senior staff at PTC-China implicated in the FCPA violations. PTC also revised its pre-existing compliance program, updated and enhanced its financial accounting controls and its compliance protocols and policies worldwide, and implemented additional specific enhancements in China. These steps included: (1) reviewing and enhancing its anti-bribery policy, code of ethics, and gifts and entertainment policies to correct previous deficiencies; (2) establishing a dedicated compliance team, including a chief compliance officer and a new compliance director in China; (3) expanding its other compliance resources in China, including hiring a new vice president of finance for Asia and adding additional legal staff in China; (4) hiring a new management team in China, including a new China President; (5) enhancing its FCPA training for employees; (6) severing its relationships with the business partners that were implicated in the FCPA violations and discontinuing the use of COD partners or business referral partners generally; (7) implementing a comprehensive due diligence program for all other business partners that includes a risk-scoring system operated by a third party vendor and that includes FCPA training as part of the onboarding process; (8) obtaining quarterly anti-corruption certifications from sales staff; and (9) undertaking periodic compliance audits.

Non-Prosecution Agreement

35. Respondent's subsidiaries have entered into non-prosecution agreements that acknowledge responsibility for criminal conduct relating to the findings in the Order. Specifically, Respondent's subsidiaries acknowledge responsibility for violating Section 104A of the Foreign Corrupt Practices Act of 1977. 15 U.S.C. § 78dd-3.

Non-Imposition of a Civil Penalty

36. Respondent acknowledges that the Commission is not imposing a civil penalty based upon its payment of a \$14,540,000 criminal fine as part of Respondent's subsidiaries' settlement with the United States Department of Justice.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent PTC's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent PTC cease and desist from committing or causing any violations and any future violations of Sections 30A, 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act.

B. Respondent shall, within ten (10) days of the entry of this Order, pay disgorgement of \$11,858,000, which represents profits gained as a result of the conduct described herein, and prejudgment interest of \$1,764,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600 and 31 U.S.C. § 3717. Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;
- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying PTC as a Respondent in these proceedings, and the file number of these proceedings; a copy of the

cover letter and check or money order must be sent to Paul G. Block, Assistant Director, Foreign Corrupt Practices Act Unit, Boston Regional Office, Securities and Exchange Commission, 33 Arch Street, Suite 2300, Boston, Massachusetts 02110.

By the Commission.

Brent J. Fields
Secretary