

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100369 / June 18, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21535

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In the Matter of	:	ORDER APPOINTING FUND
	:	ADMINISTRATOR, SETTING THE
Quantstamp, Inc.,	:	ADMINISTRATOR’S BOND AMOUNT,
	:	AND AUTHORIZING APPROVAL AND
Respondent.	:	PAYMENT OF FEES AND EXPENSES
_____	:	OF ADMINISTRATION

On July 21, 2023, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)¹ against Quantstamp, Inc. (the “Respondent”). In the Order, the Commission found that, from October to November 2017, the Respondent offered and sold crypto asset securities to fund the development of an automated smart contract security auditing protocol. The Commission found that the Respondent broadly marketed the sale of its crypto asset security, named QSP, including in the United States, and that the Respondent raised approximately \$28.35 million in ether and USD through the sale of QSP to more than 5,000 investors. The Commission determined that, by doing so, the Respondent violated Sections 5(a) and 5(c) of the Securities Act of 1933. The Commission ordered the Respondent to pay \$1,979,201.00 in disgorgement, \$494,314.00 in prejudgment interest, and a \$1,000,000.00 civil money penalty, for a total payment of \$3,473,515.00, to the Commission.

¹ Securities Act Rel. No. 11215 (July 21, 2023).

The Commission also created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty collected, along with collected disgorgement and prejudgment interest, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$3,473,515.00 collected from the Respondent. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

The Division of Enforcement (the “Division”) now seeks the appointment of Simpluris, Inc. (“Simpluris”) as the fund administrator and requests that the administrator’s bond be set at \$3,473,515.00. Simpluris is included in the Commission’s approved pool of administrators.

The Division further requests that the Commission authorize the Office of Financial Management (“OFM”), at the direction of an Assistant Director of the Office of Distributions, to pay the Fund Administrator’s 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 that:

- A. Simpluris is appointed as the Fund Administrator pursuant to Rule 1105(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”);²
- B. In accordance with Rule 1105(c) of the Commission’s Rules,³ Simpluris shall obtain a bond in in the amount of \$3,473,515.00;

² 17 C.F.R. § 201.1105(a).

³ 17 C.F.R. § 201.1105(c).

- C. In accordance with Rule 1105(d) of the Commission's Rules,⁴ the Fund Administrator will submit invoices to the Commission staff for services rendered; and
- D. In accordance with Rule 1105(e) of the Commission's Rules,⁵ at the direction of an Assistant Director of the Office of Distributions, OFM is authorized to pay the Fund Administrator's 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.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁶

Vanessa A. Countryman
Secretary

⁴ 17 C.F.R. § 201.1105(d).

⁵ 17 C.F.R. § 201.1105(e).

⁶ 17 C.F.R. § 200.30-4(a)(17) and 17 C.F.R. § 200.30-4(a)(21)(vi).