

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101513 / November 5, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-20185

In the Matter of
ShipChain, Inc.,
Respondent.

**NOTICE OF PROPOSED PLAN OF
DISTRIBUTION AND
OPPORTUNITY FOR COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission’s (the “Commission”) Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the “Proposed Plan”) for the distribution of monies paid in the above-captioned matter.

On December 21, 2020, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing Penalties and a Cease-and-Desist Order (the “Order”)¹ against ShipChain, Inc. (the “Respondent”). In the Order, the Commission found that from late 2017 to early 2018, ShipChain raised approximately \$27.6 million by selling more than 145 million digital assets (“SHIP tokens”) in an initial coin offering (“ICO”). ShipChain told investors that it would use the funds raised in the ICO to develop a blockchain platform. The Commission found that SHIP tokens were offered and sold as investment contracts and were, therefore, securities. ShipChain violated Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”) by offering and selling these securities without having a registration statement filed or in effect with the Commission or qualifying for exemption from registration with the Commission. The Commission ordered the Respondent to pay a \$2,050,000.00 civil money penalty to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty paid can be distributed to harmed investors (the “Fair Fund”).

The Respondent has paid in full. The Fair Fund is subject to the continuing jurisdiction and control of the Commission and has been deposited in a Commission-designed account at the

¹ Securities Act Rel No. 10909 (Dec. 21, 2020).

U.S. Department of the Treasury. Any interest accrued will be added to the Fair Fund for the benefit of harmed investors.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <https://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a copy of the Proposed Plan by submitting a written request to Jennifer Cardello via email at cardelloj@sec.gov. All persons who desire to comment on the Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<https://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File No. 3-20185" in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

THE PROPOSED PLAN

The Net Available Fair Fund² is comprised of the \$2,050,000.00 in civil money penalties paid by the Respondent, plus any interest and income earned thereon, less taxes, fees, and expenses. The Proposed Plan provides for the distribution of the Net Available Fair Fund to investors who purchased SHIP tokens in an initial coin offering from October 1, 2017 through January 3, 2018, inclusive, and suffered a Recognized Loss as calculated by the methodology used in the Plan of Allocation.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.³

Vanessa A. Countryman
Secretary

² All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

³ 17 C.F.R. § 200.30-4(a)(21)(iii).