

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101761 / November 26, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21145

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

On September 23, 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 Compass Minerals International, Inc. (“Compass” or the “Respondent”). In the Order, the Commission found that, from 2017 to 2018, Compass made repeated misrepresentations about its plans to reduce costs and about the production levels at its Goderich salt mine in Canada. These misrepresentations were a consequence of a deficient disclosure process at the company in which statements to investors were not reviewed by personnel who were sufficiently knowledgeable about both Compass’s operations and its disclosure obligations. Compass’s Goderich mine in Canada, called the “crown jewel” of its asset portfolio, is the biggest underground salt mine in the world. Between 2015 and 2019, Compass upgraded its mining system at Goderich primarily to reduce costs. In 2017, Compass told investors the

¹ Securities Act Rel. No. 11107 (Sept. 23, 2022).

upgrade was “progressing on plan”, even though Goderich’s new mining system was unable to produce enough salt during this period to save the company money. The production shortfalls caused by this upgrade required the company to incur additional expenses that increased costs. Compass also misrepresented the amount of salt it was mining.

In October 2018, Compass disclosed that the continuing production shortfalls were significantly impacting its financial results, thereby causing its share price to decline significantly. The failures in Compass’s disclosure controls and procedures resulted not only in material misstatements about the mine, but in the company's senior management not having sufficient information about the environmental issues caused by a facility owned by its subsidiary in Brazil. Compass also failed to adequately assess the financial consequences of these environmental issues. In addition to these violations, Compass filed materially misstated financials which did not comply with General Accepted Accounting Principles (“GAAP”).

The Commission, among other things, ordered the Respondent to pay a \$12,000,000.00 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 collected can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$12,000,000.00 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 (the “Fund Administrator”) and requests that the administrator’s bond be set at \$12,000,000.00. 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 invoices 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. Simpluris shall obtain a bond in accordance with Rule 1105(c) of the Commission’s Rules,³ in the amount of \$12,000,000.00;
- C. the Fund Administrator will submit invoices to the Commission staff for services rendered, in accordance with Rule 1105(d) of the Commission’s Rules;⁴ and
- D. 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, in accordance with Rule 1105(e) of the Commission’s Rules,⁵ so long as the total

² 17 C.F.R. § 201.1105(a).

³ 17 C.F.R. § 201.1105(c).

⁴ 17 C.F.R. § 201.1105(d).

⁵ 17 C.F.R. § 201.1105(e).

amount paid to the Fund Administrator, including invoices 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

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