

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 93579 / November 16, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20163

In the Matter of	:	
	:	
Covia Holdings Corp. and	:	
Fairmount Santrol Holdings Inc.	:	
now known as Bison Merger Sub I,	:	
LLC,	:	
	:	
Respondents.	:	

**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 (“Commission”) Rules on Fair Fund and Disgorgement Plans (“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 8, 2020, 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 Covia Holdings Corp. (“Covia”) and Fairmount Santrol Holdings Inc. now known as Bison Merger Sub I (“Fairmount”) (collectively, “Respondents”). In the Order, the Commission found that from 2014 to 2018, Fairmount, a provider of sand-based products used by oil and gas exploration and production companies for fracking, misled investors by overstating the performance and commercial potential of high-margin proppant products it was developing and selling, PowerProp, Propel SSP and Propel SSP 350. Specifically, the Commission found that Fairmount made materially false and misleading statements about these products appeared in offering documents in connection with its 2014 initial public offering and two subsequent offerings in 2016; in annual, quarterly, and current reports filed with the Commission; in presentations to investors and analysts; and on the company’s website. At the end of June 2020, Covia, and its U.S. subsidiaries, including Fairmount, filed voluntary petitions for Chapter 11 bankruptcy reorganization.

The Commission ordered Respondents to pay, jointly and severally, a penalty of \$17 million. Their liability to the Commission was deemed satisfied by a cash payment from Covia in the amount of \$1 million pursuant to Covia Holdings Corporation and its Debtor Affiliates’

¹ Securities Act Rel. No. 10897 (Dec. 8, 2020).

confirmed Chapter 11 plan or an order of the bankruptcy court allowing such claim and authorizing such payment. The Commission also established 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 Fair Fund includes the \$1,000,000.00 paid by the Respondents. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund and has been deposited in an interest-bearing account at the U.S. Department of the Treasury’s Bureau of the Fiscal Service, and any interest accrued will be added to the Fair Fund.

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 <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Proposed Plan by submitting a written request to Amy A. Sumner, United States Securities and Exchange Commission, 1961 Stout Street, Suite 1700, Denver CO 80294. 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 (<http://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. 3-20163” 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 \$1,000,000.00 in civil money penalties paid by the Respondents, plus 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 held Securities as of the Relevant Date and suffered a Recognized Loss as calculated by the methodology used in the Plan of Allocation, attached as Exhibit A to the Proposed Plan.

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).