

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 95172 / June 28, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20455

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In the Matter of	:	
	:	
Poloniex, LLC,	:	ORDER REMOVING AND
	:	APPOINTING FUND
Respondent.	:	ADMINISTRATOR, SETTING
_____	:	BOND, AND RELATED RELIEF
	:	

On August 9, 2021, the Commission issued an 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 (the “Order”)¹ against Poloniex, LLC (the “Respondent”). In the Order, the Commission found that from July 2017 through November 2019, Poloniex operated a digital asset trading platform that meets the definition of an “exchange” under the federal securities laws. The Commission found that Poloniex did not register as a national securities exchange nor operate pursuant to an exemption from registration at any time, in violation of Section 5 of the Securities Exchange Act of 1934. The Commission ordered the Respondent to pay \$8,484,313.99 in disgorgement, \$403,995.12 in prejudgment interest, and a \$1,500,000.00 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

¹ Exchange Act Rel. No. 92607 (Aug. 9, 2021).

penalty paid, along with the disgorgement and interest paid, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$10,388,309.10 paid by the Respondent. The Fair Fund has been deposited in an interest-bearing account at the U.S. Department of the Treasury’s Bureau of the Fiscal Service, and any accrued interest will be for the benefit of the Fair Fund.

On November 22, 2021, the Division of Enforcement (the “Division”), pursuant to delegated authority, issued an order appointing DST Asset Manager Solutions, Inc. (“DST”) as the fund administrator for the Fair Fund to administer a distribution without a claims process, and set the administrator’s bond at \$10,388,309.10 (the “Appointment Order”).² Since the issuance of the Appointment Order, the scope of the engagement has changed to require that the fund administrator administer a claims process in connection with the distribution of the Fair Fund. DST’s appointment was based on the original scope of the engagement and DST has informed the Commission staff that it is unable to participate in an engagement requiring a claims process.

Pursuant to Rule 1105(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”), the Commission may order the removal of an administrator at any time. The Division requests the removal of DST, the cancellation of its bond, and the appointment of KCC Class Action Services, LLC (“KCC”) to replace DST as the fund administrator. In accordance with Commission Rule 1105(c), KCC will obtain a bond in the amount of \$10,388,309.10. KCC is included in the Commission’s approved pool of administrators.

² Exchange Act Rel. No. 93634 (Nov. 22, 2021).

Accordingly, IT IS HEREBY ORDERED that pursuant to Rules 1105(a) and (c) of the Commission's Rules:³

- A. The Fund Administrator, DST, is removed as the administrator of the Fair Fund and its bond canceled;
- B. DST shall return to the Fair Fund any bond premium refunded on the canceled bond pursuant to directions provided by the Commission staff; and
- C. KCC is appointed as the fund administrator and shall obtain a bond in accordance with Commission Rule 1105(c)⁴ in the amount of \$10,388,309.10.

By the Commission.

Vanessa A. Countryman
Secretary

³ 17 C.F.R. § 201.1105(a), (c).

⁴ 17 C.F.R. § 201.1105(c).