

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 98705 / October 10, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21535

In the Matter of

Quantstamp, Inc.,

Respondent.

EXTENSION ORDER

The Division of Enforcement (“Division”) has requested an extension of time until October 10, 2024 to submit a Proposed Plan of Distribution under Rule 1101(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101(a).

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. (“Quantstamp” or the “Respondent”). In the Order, the Commission found that from October to November 2017, Quantstamp offered and sold crypto asset securities to fund the development of an automated smart contract security auditing protocol. Quantstamp broadly marketed the sale of its crypto asset security, named QSP, including in the United States. Quantstamp raised approximately \$28.35 million in ether and USD through the sale of QSP to more than 5,000 investors. The Commission found that Quantstamp violated Sections 5(a) and 5(c) of the Securities Act of 1933

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

by offering and selling the QSP tokens as investment contracts without a registration statement or an exemption from registration.

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 of \$3,473,515.00, 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, along with the disgorgement and interest paid, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$3,473,515.00 paid by 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.

In its request for an extension of time, the Division states that additional time is needed to complete the fund administrator solicitation and appointment process, develop the distribution methodology, and prepare the proposed plan of distribution.

Accordingly, for good cause shown, IT IS HEREBY ORDERED that the Division’s request for an extension of time until October 10, 2024 to submit a Proposed Plan of Distribution is granted.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.²

Vanessa A. Countryman
Secretary

² 17 C.F.R. § 200.30-4(a)(21)(i).