

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 93981 / January 13, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-20163**

|                                       |   |                             |
|---------------------------------------|---|-----------------------------|
| <b>In the Matter of</b>               | : |                             |
|                                       | : |                             |
|                                       | : |                             |
| <b>Covia Holdings Corp. Fairmount</b> | : | <b>ORDER APPROVING</b>      |
| <b>Santrol Holdings Inc.,</b>         | : | <b>PLAN OF DISTRIBUTION</b> |
|                                       | : |                             |
|                                       | : |                             |
| <b>Respondents.</b>                   | : |                             |

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”)<sup>1</sup> against Covia Holdings Corp. (“Covia”) and Fairmount Santrol Holdings Inc. (“Fairmount”), now known as Bison Merger Sub I, LLC (collectively, the “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’ 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”).

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<sup>1</sup> Securities Act Rel. No. 10897 (Dec. 8, 2020).

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.

On November 16, 2021, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment ("Notice"),<sup>2</sup> pursuant to Rule 1103 of the Commission's Rules on Fair Fund and Disgorgement Plans ("Commission's Rules");<sup>3</sup> and simultaneously posted the Proposed Plan of Distribution (the "Proposed Plan"). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission's public website or by submitting a written request to Amy Sumner, United States Securities and Exchange Commission, 1961 Stout Street, Suite 1700, Denver CO 80294. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received no comments on the Proposed Plan during the comment period.

The Proposed Plan provides for the distribution of the Net Available Fair Fund<sup>4</sup> to investors who purchased Securities as of the Relevant Date and suffered a Recognized Loss as calculated by the methodology used in the Plan of Allocation.

The Division of Enforcement now requests that the Commission approve the Proposed Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules,<sup>5</sup> that the Proposed Plan is approved, and the approved Plan of Distribution shall be posted simultaneously with this order on the Commission's website at [www.sec.gov](http://www.sec.gov).

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>6</sup>

Vanessa A. Countryman  
Secretary

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<sup>2</sup> Exchange Act Rel. No. 93579 (Nov. 16, 2021).

<sup>3</sup> 17 C.F.R. § 201.1103.

<sup>4</sup> All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

<sup>5</sup> 17 C.F.R. § 201.1104.

<sup>6</sup> 17 C.F.R. § 200.30-4(a)(21)(iv).