

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 99517 / February 12, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-20455

In the Matter of	:	ORDER APPROVING APPLICATION OF FUND ADMINISTRATOR FOR PAYMENT OF FEES AND EXPENSES AND APPROVAL OF FUTURE FEES AND EXPENSES
	:	
Poloniex, LLC,	:	
	:	
Respondent.	:	

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

On June 28, 2022, the Division of Enforcement, pursuant to delegated authority, issued an order appointing KCC Class Action Services, LLC as the fund administrator of the Fair Fund setting the bond amount, and related relief.²

In accordance with Rule 1105(d) of the Commission’s Rules,³ the Fund Administrator has submitted to the Commission staff one invoice for services rendered from June 28, 2022 through October 31, 2023, totaling \$215,459.05. The Commission staff has reviewed the Fund Administrator’s invoice, confirmed that the services have been provided, and finds the fees and expenses of \$215,459.05 to be reasonable. The Commission staff has requested that the Commission authorize the Office of Financial Management (“OFM”) to pay the Fund

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

² Order Removing and Appointing Fund Administrator, Setting Bond, and Related Relief, Exchange Act Rel. No. 95172 (June 28, 2022).

³ 17 C.F.R. § 201.1105(d).

Administrator's fees and expenses of \$215,459.05 from the Fair Fund in accordance with Rule 1105(e) of the Commission's Rules.⁴

Additionally, to expedite and streamline the process for future payments, the Commission staff has requested that the Commission authorize 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 the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

Accordingly, it is hereby ORDERED, pursuant to Rule 1105(d) of the Commission's Rules,⁵ that OFM pay the Fund Administrator's fees and expenses of \$215,459.05 from the Fair Fund in accordance with Rule 1105(e) of the Commission's Rules.⁶ Further, OFM is authorized to pay, at the direction of an Assistant Director of the Office of Distributions, any fees and expenses of the Fund Administrator from the Fair Fund in accordance with Rule 1105(e) of the Commission's Rules,⁷ so long as the total amount paid to the Fund Administrator, including the invoice 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.⁸

Vanessa A. Countryman
Secretary

⁴ 17 C.F.R. § 201.1105(e).

⁵ 17 C.F.R. § 201.1105(d).

⁶ 17 C.F.R. § 201.1105(e).

⁷ 17 C.F.R. § 201.1105(e).

⁸ 17 C.F.R. § 200.30-4(a)(21)(vi).