

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 97801 / June 27, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-20393

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In the Matter of	:	
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Momentum, Inc., Stable Road	:	NOTICE OF PROPOSED PLAN OF
Acquisition Corp., SRC-NI	:	DISTRIBUTION AND
Holdings, LLC, and Brian Kabot,	:	OPPORTUNITY FOR COMMENT
	:	
Respondents.	:	
_____	:	

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission’s (the “Commission”) Rules on Fair Fund and Disgorgement Plans (the “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 July 13, 2021, 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 Momentum, Inc., Stable Road Acquisition Corp., SRC-NI Holdings, LLC, and Brian Kabot (collectively, the “Respondents”). In the Order, the Commission found that Momentum, a privately held space company that aspires to provide space infrastructure services, and its former Chief Executive Officer Mikhail Kokorich (“Kokorich”), made materially false statements, omitted to state material facts, and engaged in other deceptive conduct as Momentum sought to go public through a business combination with SRAC, a publicly traded special-purpose acquisition company (“SPAC”). Specifically, the Commission found that Momentum’s business plans and multi-billion dollar revenue projections, as provided to investors and described in SRAC’s Form S-4 registration statement/proxy statement filed in connection with the anticipated merger, were materially false and misleading. According to the Order, SRAC also engaged in negligent misconduct by repeating and disseminating Momentum’s misrepresentations in Commission filings without a reasonable basis in fact and its due diligence failures compounded Momentum’s and Kokorich’s misrepresentations and omissions, resulting in the dissemination of materially false and misleading information to investors.

¹ Securities Act Rel. No. 10955 (July 13, 2021).

Additionally, the Commission found that Kabot, SRAC's CEO, who signed Commission filings that included misrepresentations about Momentus' technology and national security risks, caused SRAC's disclosure violations. According to the Order, SRAC's public filings, including registration statements signed by Kabot that incorporated Momentus' and Kokorich's false and misleading claims, caused investors to be misled about material aspects of Momentus' business. The Commission further found that Kabot was a managing member of SRAC's sponsor, SRC-NI, and his conduct as described in the Order, was also attributable to SRC-NI.

In total, the Commission ordered the Respondents to pay \$8,040,000.00 in civil money penalties to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties paid can be distributed to harmed investors (the "Fair Fund").

The Fair Fund includes the \$8,040,000.00 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 Noel Gittens, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. 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. 3-20393" 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 \$8,040,000.00 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 purchased the Securities during the Relevant Period and suffered Recognized Losses as calculated by the methodology used in the Plan of Allocation in the 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).