

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 94326 / February 28, 2022

ADMINISTRATIVE PROCEEDING
File No. 3-20089

In the Matter of

Scott Eugene Bachman,

Respondent.

ORDER APPROVING
PLAN OF DISTRIBUTION

On September 28, 2020, the Commission issued an Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, and Sections 15(b) and 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against Scott Eugene Bachman (the “Respondent”). In the Order, the Commission found that since July 17, 2017, Bachman had been a principal and served as the co-manager of Crudefundors, LLC, which previously operated an online equity crowdfunding portal. The Order further found that, between August 2017 and December 2017, Bachman directed Crudefundors’ Director of Client Relations to distribute promotional materials to potential investors concerning an oil and gas drilling project known as “Woodland-OPI Oddfellows A-1” (the “Oddfellows Project”), and to offer and sell securities in the form of “membership units” of an LLC. The Order also found that Bachman directed the use of investor funds in connection with the Oddfellows Project, and, at Bachman’s direction, Crudefundors received transaction-based compensation for its sales of securities. However, Bachman was not registered with the Commission as a broker-dealer or associated with a registered broker-dealer. In addition, these securities were not registered and did not qualify for any exemption from registration. As a result, the Order found that Bachman violated Section 15(a)(1) of the Securities Exchange Act of 1934 and Sections 5(a) and 5(c) of the Securities Act of 1934. The Commission ordered the Respondent to pay a civil money penalty of \$8,824 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 can be distributed to harmed investors (the “Fair Fund”).

¹ Securities Act Rel. No. 10857 (Sept. 28, 2020).

The Fair Fund includes the \$8,824.00 paid by the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. 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 interest accrued will be added to the Fair Fund.

On December 29, 2021, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment ("Notice"),² pursuant to Rule 1103 of the Commission's Rules on Fair Fund and Disgorgement Plans ("Commission's Rules");³ 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 David London, United States Securities and Exchange Commission, 33 Arch Street, 24th Floor, Boston, MA 02110. 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 Fund⁴ to investors who purchased Securities during the Relevant Period and suffered a Recognized Loss as calculated by the methodology used in the plan of allocation in the Proposed Plan.

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

² Exchange Act Rel. No. 93874 (Dec. 29, 2021).

³ 17 C.F.R. § 201.1103.

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

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules,⁵ 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.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁶

Vanessa A. Countryman
Secretary

⁵ 17 C.F.R. § 201.1104.

⁶ 17 C.F.R. § 200.30-4(a)(21)(iv).