

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 101760 / November 26, 2024**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21535**

<b>In the Matter of</b>	:	
	:	
<b>Quantstamp, Inc.,</b>	:	<b>ORDER APPROVING</b>
	:	<b>PLAN OF DISTRIBUTION</b>
<b>Respondent.</b>	:	
	:	

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”)<sup>1</sup> against Quantstamp, Inc. (the “Respondent”). In the Order, the Commission found that, from October to November 2017, the Respondent offered and sold QSP tokens (the “Security”) to fund the development of an automated smart contract security auditing protocol. The Commission found that the Respondent broadly marketed the Security, including in the United States, and that the Respondent raised approximately \$28.35 million in ether and USD through the sale of the Security to more than 5,000 investors. The Commission determined that, by doing so, the Respondent violated Sections 5(a) and 5(c) of the Securities Act of 1933 by offering and selling securities without having a registration statement filed or in effect with the Commission or qualifying for an exemption from registration. The Commission ordered the Respondent to pay \$1,979,201 in disgorgement, \$494,314 in prejudgment interest, and a \$1,000,000 civil money penalty, for a total of \$3,473,515, 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 collected, along with the disgorgement and prejudgment interest collected, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund includes the \$3,473,515 collected from 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 a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to, and become part of, the Fair Fund.

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<sup>1</sup> Securities Act Rel. No. 11215 (July 21, 2023).

On October 7, 2024, 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 Catherine E. Pappas, United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103. 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 compensate investors for their losses, caused by the Respondent’s misconduct, on the purchase of QSP tokens from October 1, 2017, through July 20, 2023.

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. 101270 (Oct. 7, 2024).

<sup>3</sup> 17 C.F.R. § 201.1103.

<sup>4</sup> All capitalized terms used in this Order but not defined are used as defined 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).