

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102118 / January 6, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-20185

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In the Matter of	:	
	:	
ShipChain, Inc.,	:	ORDER APPROVING
	:	PLAN OF DISTRIBUTION
	:	
Respondent.	:	
_____	:	

On December 21, 2020, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing Penalties and a Cease-and-Desist Order (the “Order”)¹ against ShipChain, Inc. (“ShipChain” or the “Respondent”). In the Order, the Commission found that ShipChain, from late 2017 to early 2018, raised approximately \$27.6 million by selling more than 145 million digital assets (“SHIP tokens”) in an initial coin offering (“ICO”). ShipChain told investors that it would use the funds raised in the ICO to develop a blockchain platform. The Commission found that SHIP tokens were offered and sold as investment contracts and therefore, securities. ShipChain violated Sections 5(a) and 5(c) of the Securities Act of 1933 (“Securities Act”) by offering and selling these securities without having a registration statement filed or in effect with the Commission or qualifying for exemption from registration with the Commission. The Commission ordered the Respondent to pay a \$2,050,000.00 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 can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund includes the \$2,050,000.00 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 a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

On November 5, 2024, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),²

¹ Securities Act Rel. No. 10909 (Dec. 21, 2020).

² Exchange Act Rel. No. 101513 (Nov. 5, 2024).

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 Jennifer Cardello, United States Securities and Exchange Commission, via email at cardelloj@sec.gov. 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 SHIP tokens in the initial coin offering from October 1, 2017 through January 3, 2018, inclusive, and suffered a Recognized Loss as calculated by the methodology 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,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

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.

⁵ 17 C.F.R. § 201.1104.

⁶ 17 C.F.R. § 200.30-4(a)(21)(iv).