

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 92211 / June 21, 2021

ADMINISTRATIVE PROCEEDING
File No. 3-20163

<u>In the Matter of</u>	:	
	:	
Covia Holdings Corp. and	:	ORDER APPOINTING
Fairmount Santrol Holdings Inc.	:	FUND ADMINISTRATOR AND
now known as Bison Merger Sub I,	:	SETTING ADMINISTRATOR’S
LLC,	:	BOND AMOUNT
	:	
<u>Respondents.</u>	:	

On December 8, 2020, 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 Covia Holdings Corp. (“Covia”) and Fairmount Santrol Holdings Inc. (“Fairmount”) (collectively, the “Respondents”). In the Order, the Commission found that from 2014 to 2018, Fairmount, a provider of sand-based products used by oil and gas exploration and production companies for fracking, misled investors by overstating the performance and commercial potential of high-margin proppant products it was developing and selling, PowerProp, Propel SSP and Propel SSP 350. According to the Order, Fairmount’s materially false and misleading statements about these products appeared in offering documents in connection with its 2014 initial public offering and two subsequent offerings in 2016; in annual, quarterly, and current reports filed with the Commission; in presentations to investors and

¹ Securities Act Rel. No. 10897 (Dec. 8, 2020).

analysts; and on the company's website. At the end of June 2020, Covia, and its U.S. subsidiaries, including Fairmount, filed voluntary petitions for Chapter 11 bankruptcy reorganization.

The Commission ordered the Respondents to pay, jointly and severally, a penalty of \$17 million, which was deemed satisfied by a cash payment from Covia in the amount of \$1 million pursuant to Covia Holdings Corporation and its Debtor Affiliates' confirmed Chapter 11 plan or an order of the bankruptcy court allowing such claim and authorizing such payment. 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 consists of the \$1,000,000.00 paid by the Respondents.

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 accrued interest will be for the benefit of the Fair Fund. The Division of Enforcement now seeks the appointment of Analytics Consulting LLC ("Analytics") as the fund administrator and requests that the administrator's bond be set at \$1,000,000.00. Analytics is included in the Commission's approved pool of administrators.

Accordingly, IT IS HEREBY ORDERED that Analytics is appointed as the fund administrator, pursuant to Rule 1105(a) of the Commission's Rules on Fair Fund and Disgorgement Plans ("Commission's Rules"),² and shall obtain a bond in accordance with Rule 1105(c) of the Commission's Rules,³ in the amount of \$1,000,000.00.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁴

Vanessa A. Countryman
Secretary

² 17 C.F.R. § 201.1105(a).

³ 17 C.F.R. § 201.1105(c).

⁴ 17 C.F.R. § 200.30-4(a)(17).