

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 97187 / March 23, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-20393

In the Matter of	:	
	:	
	:	
Momentum, Inc., Stable Road	:	SECOND EXTENSION ORDER
Acquisition Corp., SRC-NI	:	
Holdings, LLC, and Brian Kabot,	:	
	:	
Respondents.	:	

The Division of Enforcement (“Division”) has requested an extension of time until June 30, 2023 to submit a Proposed Plan of Distribution under Rule 1101(a) of the Commission’s Rules on Fair Fund and Disgorgement Plans, 17 C.F.R. § 201.1101(a).

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. (“Momentum”), Stable Road Acquisition Corp. (“SRAC”), SRC-NI Holdings, LLC (“SRC-NI”), and Brian Kabot (“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

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

a business combination with SRAC, a publicly traded special-purpose acquisition company (“SPAC”). Specifically, the Commission found that Momentus’ 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 Momentus’ misrepresentations in Commission filings without a reasonable basis in fact and its due diligence failures compounded Momentus’ and Kokorich’s misrepresentations and omissions, resulting in the dissemination of materially false and misleading information to investors. Additionally, the Commission found that Kabot, SRAC’s CEO who signed public 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, 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 is 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 consists of the \$8,040,000.00 paid by the Respondents. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any accrued interest will be added to the Fair Fund.

On September 1, 2022, the Division, pursuant to delegated authority, issued an Extension Order, extending the Division's time until March 31, 2023 to submit a proposed plan of distribution to complete the fund administrator solicitation process, develop the distribution methodology, and prepare the proposed plan of distribution.²

A fund administrator has been appointed, and the Division now believes an additional three months of time is needed. In its request for an extension of time, the Division states that additional time is needed to develop the distribution methodology and prepare the proposed plan of distribution.

Accordingly, for good cause shown, IT IS HEREBY ORDERED that the Division's request for an extension of time until June 30, 2023 to submit a Proposed Plan of Distribution is granted.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.³

Vanessa A. Countryman
Secretary

² Exchange Act Rel. No. 95653 (Sept. 1, 2022).

¹ 17 C.F.R. § 200.30-4(a)(21)(i).