

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100179 / May 20, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-20883

In the Matter of	:	
	:	
Synchronoss Technologies, Inc.	:	EXTENSION ORDER
	:	
Respondent.	:	
	:	

ADMINISTRATIVE PROCEEDING
File No. 3-20884

In the Matter of	:
	:
Clayton “Charlie” Thomas	:
	:
Respondent.	:
	:

ADMINISTRATIVE PROCEEDING
File No. 3-20885

In the Matter of	:
	:
Marc Bandini	:
	:
Respondent.	:
	:

ADMINISTRATIVE PROCEEDING
File No. 3-20886

In the Matter of
Daniel Ives
Respondent.

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ADMINISTRATIVE PROCEEDING
File No. 3-20887

In the Matter of
John Murdock
Respondent.

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ADMINISTRATIVE PROCEEDING
File No. 3-20889

In the Matter of
Ronald Prague, Esq.
Respondent.

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The Division of Enforcement (“Division”) has requested an extension of time until May 13, 2025, 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 June 7, 2022, the Commission issued six separate, but related settled Orders (collectively the “Orders”) against Synchronoss Technologies, Inc. (“Synchronoss”),¹ Clayton "Charlie" Thomas (“Thomas”),² Marc Bandini (“Bandini”),³ Daniel Ives (“Ives”),⁴ John Murdock (“Murdock”),⁵ and Ronald Prague, Esq. (“Prague”)⁶ (collectively, the “Respondents”).

In the Orders, the Commission found that Synchronoss, a New Jersey-based technology company, that primarily provides products, software, and services to telecommunications companies together with several senior executives and employees engaged in improper accounting practices from at least 2013 through 2017. In July 2018, Synchronoss announced a restatement of its audited financial statements for the fiscal years ended December 31, 2016, and 2015 and restated selected financial data for the fiscal years ended 2014 and 2013 totaling approximately \$190 million in cumulative revenues. As part of this announcement, Synchronoss restated revenues related to certain transactions for which Synchronoss had recognized revenue improperly and in a manner inconsistent with generally accepted accounting principles ("GAAP"). The restatement primarily related to three categories of transactions, for which Synchronoss improperly recognized revenue: (1) transaction for which there were not persuasive

¹ Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, Exchange Act Rel. No. 95049 (June 7, 2022), Admin. Proc. File No. 3-20883.

² Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, Exchange Act Rel. No. 95050 (June 7, 2022), Admin. Proc. File No. 3-20884.

³ Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, Exchange Act Rel. No. 95051 (June 7, 2022), Admin. Proc. File No. 3-20885.

⁴ Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, Exchange Act Rel. No. 95052 (June 7, 2022), Admin. Proc. File No. 3-20886

⁵ Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order, Exchange Act Rel. No. 95053 (June 7, 2022), Admin. Proc. File No. 3-20887.

⁶ Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order, Exchange Act Rel. No. 95055 (June 7, 2022), Admin. Proc. File No. 3-20889.

evidence of an arrangement; (2) acquisitions/divestitures in which Synchronoss recognized revenue on license agreement(s) instead of combining those purported amounts with the purchase or sales prices; and (3) license/hosting transactions, in which Synchronoss converted prior multi-term software-as-a-service ("SaaS") agreements into perpetual license agreements, and improperly recognized the revenue upfront, instead of recognizing it ratably over the term of the arrangements. In its restatement, Synchronoss also acknowledged "pervasive material weaknesses" in its internal control over financial reporting for the restatement period. These certain instances of Synchronoss 's improper accounting were the result of misconduct by Synchronoss 's senior executives and other employees. As a result of this misconduct, Synchronoss filed with the Commission materially misstated financial statements in its annual, quarterly and current reports during the restatement period.

In their respective Orders, the Commission ordered Synchronoss to pay \$12,500,000.00, Thomas to pay \$90,000.00, Bandini to pay \$75,000.00, Ives to pay \$15,000.00, Murdock to pay \$15,000.00 and Prague to pay \$25,000.00 for a collective total of \$12,720,000.00 in civil money penalties to the Commission.

In each of the Orders, the Commission created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties collected can be distributed to harmed investors (the "Fair Fund"), and further ordered that the Fair Fund may be added to or combined with any other Fair Fund created in a related district court action or administrative proceeding arising out of the same violations.

Respondents have paid in full. In accordance with the Orders, the \$12,720,000.00 collected from the Respondents has been combined (collectively, the "Fair Fund") and deposited

in a Commission-designated account at the U.S. Department of the Treasury. Any accrued interest will be added to the Fair Fund.

In its request for an extension of time, the Division states that additional time is needed to complete the fund administrator solicitation and appointment process, 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 May 13, 2025, to submit a Proposed Plan of Distribution is granted.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁷

Vanessa A. Countryman
Secretary

⁷ 17 C.F.R. § 200.30-4(a)(21)(i).