

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101659 / November 20, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21655

In the Matter of	:	
	:	
Stoner Cats 2, LLC,	:	
	:	
Respondent.	:	
	:	

**NOTICE OF PROPOSED PLAN OF
DISTRIBUTION AND OPPORTUNITY
FOR COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the United States Securities and Exchange Commission’s (the “Commission”) Rules on Fair Fund and Disgorgement Plans (the “Commission’s Rules”), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the “Proposed Plan”) for the distribution of monies paid in the above-captioned matter.

On September 13, 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”)¹ against Stoner Cats 2, LLC (“Stoner Cats” or the “Respondent”). In the Order, the Commission found that on July 27, 2021, Stoner Cats conducted an unregistered offering of crypto assets offered and sold as securities in the form of non-fungible tokens called Stoner Cats (“Stoner Cats NFTs” or “NFTs”). According to the Order, Stoner Cats offered and sold to the public, including U.S. investors, 10,320 NFTs for 0.35 EFT (approximately \$800) each. According to the Order, the offering sold out in 35 minutes and generated gross proceeds in ETH equal at the time to approximately \$8.2 million. The Commission found that Stoner Cats was required to, but did not, register the offer and sale of Stoner Cats NFTs with the Commission and no exemption from registration was available. As described in the Order, Stoner Cats thus violated Sections 5(a) and 5(c) of the Securities Act of 1933.

The Commission ordered the Respondent to pay a \$1,000,000.00 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 collected can be distributed to harmed investors (the “Fair Fund”).

¹ Securities Act Rel. No. 11233 (Sept.13, 2023).

The Fair Fund includes the \$1,000,000.00 collected from the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund and 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.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <https://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Proposed Plan by submitting a written request to Joshua Braunstein, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. All persons who desire to comment on the Proposed Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<https://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File No. 3-21655" in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

THE PROPOSED PLAN

The Net Available Fair Fund² is comprised of the \$1,000,000.00 in civil money penalties collected from the Respondent, plus any interest and income earned thereon, less taxes, fees, and expenses. The Proposed Plan provides for the distribution of the Net Available Fair Fund to compensate investors who were harmed by the Respondent's violations described in the Order in connection with the unregistered sale of crypto assets offered and sold as securities called Stoner Cats NFTs, purchased or acquired from Stoner Cats in the Offering on July 27, 2017, and either held through or sold on or before September 12, 2023, as calculated using the methodology detailed in the Plan of Allocation attached as Exhibit A to the Proposed Plan.

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

Vanessa A. Countryman
Secretary

² All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

³ 17 C.F.R. § 200.30-4(a)(21)(iii).