

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 102914 / April 22, 2025

ADMINISTRATIVE PROCEEDING
File No. 3-20883

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In the Matter of	:	ORDER APPOINTING FUND
	:	ADMINISTRATOR, SETTING
Synchronoss Technologies, Inc.,	:	ADMINISTRATOR’S BOND AMOUNT,
	:	AND AUTHORIZING THE APPROVAL
Respondent.	:	AND PAYMENT OF THE FEES AND
<hr/>	:	EXPENSES OF ADMINISTRATION

ADMINISTRATIVE PROCEEDING
File No. 3-20884

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In the Matter of	:
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Clayton “Charlie” Thomas	:
	:
Respondent.	:
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ADMINISTRATIVE PROCEEDING
File No. 3-20885

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In the Matter of	:
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Marc Bandini	:
	:
Respondent.	:
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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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On June 7, 2022, the Commission issued six separate, but related settled Orders
(collectively the “Orders”) against Synchronoss Technologies, Inc. (“Synchronoss”),¹ Clayton

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.

"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) transactions for which there were not persuasive 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

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.

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.

The Division of Enforcement (the "Division") now seeks the appointment of Epiq Class Action & Claims Solutions, Inc. ("Epiq") as the fund administrator and requests that the

administrator's bond be set at \$12,720,000.00. Epiq is included in the Commission's approved pool of administrators.

The Division further requests that the Commission authorize the Office of Financial Management ("OFM"), at the direction of an Assistant Director of the Office of Distributions, to pay the Fund Administrator's fees and expenses from the Fair Fund, so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

Accordingly, IT IS HEREBY ORDERED that:

- A. Epiq 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");⁷
- B. Epiq shall obtain a bond in accordance with Rule 1105(c) of the Commission's Rules,⁸ in the amount of \$12,720,000.00;
- C. the Fund Administrator will submit invoices to the Commission staff for services rendered, in accordance with Rule 1105(d) of the Commission's Rules;⁹ and
- D. at the direction of an Assistant Director of the Office of Distributions, OFM is authorized to pay the Fund Administrator's fees and expenses from the Fair Fund, in accordance with Rule 1105(e) of the Commission's Rules,¹⁰ so long as the total

⁷ 17 C.F.R. § 201.1105(a).

⁸ 17 C.F.R. § 201.1105(c).

⁹ 17 C.F.R. § 201.1105(d).

¹⁰ 17 C.F.R. § 201.1105(e).

amount paid to the Fund Administrator, including the invoice to be paid, does not exceed the total amount of the approved cost proposal submitted by the Fund Administrator.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.¹¹

Vanessa A. Countryman
Secretary

¹¹ 17 C.F.R. § 200.30-4(a)(17) and 17 C.F.R. § 200.30-4(a)(21)(vi).