UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Rel. No. 11456 / November 23, 2026

SECURITIES EXCHANGE ACT OF 1934
Release No. 106959 / November 23, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22793

In the Matter of **DAVID WILLIAMS,** **Respondent.**	**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**

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against David Williams ("Williams" or "Respondent").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this 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 ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

Summary

This matter concerns materially false and misleading statements and omissions made by David Williams, the former CEO of Arqit Quantum Inc. ("Arqit Quantum") and its predecessor company, Arqit Ltd. ("Arqit"), a cyber security firm that claimed to have developed quantum-safe encryption software. Williams made those statements both before and after Arqit's merger with a formerly publicly traded special purpose acquisition company ("SPAC").

In May 2021, the SPAC and Arqit announced their proposed business combination transaction via a merger agreement and a related private investment in public equity ("PIPE") offering. Between May and September 2021, the date of the shareholder vote on the proposed business combination, Williams made misleading public statements soliciting proxies for the merger. Williams's statements referenced Arqit's purported $1.1 billion sales pipeline and "backlog" of orders with "blue-chip customers" and "channel partners." Williams stated that Arqit already had "over $130 million of binding revenue commitments", that additional contracts were in advanced negotiation, and that the company had a "live product in the market today." Those statements did not convey, among other things, that the contracts were not binding revenue commitments, were contingent upon Arqit's successful delivery of operational technology that was still under development, that many of the potential orders were in early stages and that the referenced revenue was not guaranteed. Upon completion of the merger, Williams received approximately 26.9 million ordinary shares of Arqit Quantum stock. In addition, Williams continued to reiterate some of these materially misleading statements in Arqit Quantum's first post-merger earnings call in December 2021.

Respondent

1. David Williams ("Williams" or "Respondent"), age 57, resides in the United Kingdom. Williams was the founder and CEO of Arqit until its merger with the SPAC in September 2021. After the merger, Williams was the CEO of Arqit Quantum until the company announced his departure on September 27, 2024.

Related Entities

2. Arqit Quantum is incorporated in the Cayman Islands and has its principal place of business in London, United Kingdom. Arqit Quantum is a cyber-security company developing quantum-safe encryption. Arqit Quantum's ordinary shares and warrants are registered with the Commission pursuant to Section 12(b) of the Exchange Act and its ordinary shares and warrants trade on the NASDAQ under the ticker symbols "ARQQ" and "ARQQW" respectively. Arqit

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Quantum files periodic reports, including Forms 20-F, with the Commission pursuant to Section 13(a) of the Exchange Act and related rules thereunder.

3. The SPAC was incorporated in the Cayman Islands for the purpose of entering into a business combination with one or more businesses or entities. The SPAC consummated an initial public offering of ordinary shares and warrants in February 2021, which raised approximately $345 million in proceeds. Its common stock was registered pursuant to Section 12(b) of the Exchange Act and traded on the NASDAQ. The SPAC was required to file periodic reports with the Commission pursuant to Section 13(a) of the Exchange Act and the related rules thereunder.

Facts

Background and SPAC Transaction

4. On May 12, 2021, the SPAC entered into a proposed business combination with Arqit, a then-privately held UK corporation. Arqit claimed to have developed encryption technology that would survive the widespread use of quantum computers that would be able to break currently used encryption methods. During the initial stages of the proposed business combination, Arqit's technology was reliant on anticipated satellite launches; however, prior to the consummation of the merger between Arqit and the SPAC, Arqit also announced its development of a software-only version of its technology that did not require the use of satellites.

5. On September 3, 2021, Arqit closed its merger with the SPAC and changed its name to Arqit Quantum, which became the surviving company whose common stock was quoted under the ticker symbol "ARQQ" on the Nasdaq. The vast majority of the SPAC shareholders redeemed their shares prior to the merger. Nevertheless, the merger resulted in Arqit Quantum receiving approximately $96 million in proceeds—$25 million in cash held in the SPAC's trust account (primarily funds invested from the SPAC sponsors), and $71 million from the PIPE offering. On October 8, 2021, Arqit Quantum filed a registration statement on Form S-1 for the offer and sale of certain ordinary shares and warrants, as well as to register the resale of certain shares, including the shares sold in the PIPE offering. Arqit Quantum's registration statement on Form S-1 was declared effective on October 12, 2021. As a result of the merger, Respondent personally received approximately 26.9 million ordinary shares in Arqit Quantum.

Respondent Made Materially Misleading Statements About Arqit's Sales Pipeline, Revenue Backlog and the Market-Readiness of Arqit's Technology

6. The SPAC announced the proposed business combination transaction via a merger agreement with Arqit and a related PIPE offering, on May 12, 2021. Respondent, as CEO, developed and/or approved statements regarding Arqit's sales pipeline, which were included in multiple filings associated with that announcement ("Investor Deck(s)"). Those Investor Decks were all filed with the Commission pursuant to Rule 425 under the Securities Act as written communications in connection with a business combination transaction and are subject to Section 14(a) of Exchange Act and Rule 14a-9 thereunder. In the May 2021 Investor Deck, Respondent stated that Arqit's "[e]arly distribution strategy [is] backed by blue-chip partners"

and that Arqit's "technology applies to every vertical in the World, but early Customers [are] secured in key vertical markets." That same filing stated that Arqit had: $1.1 billion of "backlog" and "pipeline"; $110 million in "contracts for annual recurring revenues under negotiation" including with a "major payment network"; and $140 million in "framework contracts for technology pilots signed or in advanced negotiation.".

7. Those statements in the Investor Deck were misleading. The "major payment network" identified in the filing, to which Respondent attributed approximately $30 million in revenue, had signed a non-disclosure agreement ("NDA") with Arqit and had some discussions regarding Arqit's technology discussions, but had not signed a revenue contract or pilot agreement.

8. Similarly, three of the "customers" identified in the category of $140 million of framework contracts for technology pilots signed or in advanced negotiation, also indicated that the description of their relationship with Arqit was misleading. One entity identified as a customer sent a letter to Arqit on May 15, 2021—only 3 days after the filing of the May Investor Deck—expressing concern that the filing mischaracterized its relationship with Arqit, and asking for the removal of its logo from the filing. That entity stated that "[g]iven that none of the current agreements between our companies contains any such purchase commitments and no potential agreement between our companies with such commitments is 'in advance[d] negotiations', this slide misrepresents the relationship between our companies." While Respondent and Arqit removed the entity's logo from subsequent versions of the Investor Deck in response to this letter, they continued to include projected revenue associated with the entity in subsequent filings of the Investor Deck, including versions filed with the Commission pursuant to Rule 425 on August 3, August 11, and August 19, 2021.

9. On August 9, 2021, Respondent made an oral presentation to potential investors, a transcript of which was attached to another version of the Investor Deck which was filed with the Commission on August 11, 2021, pursuant to Rule 425, as written communications in connection with a business combination transaction. During this presentation Respondent made several statements indicating that Arqit's technology was market ready and Arqit would have near-term revenue, including that:

- "[C]ustomers are using the Arqit product today and they are universally finding it to be an important part of their technology future";
- "[W]e've already secured a backlog of over $130 million of binding revenue commitments";
- "Testing with customers was very successful and the product is now live and available for testing and integrating with a large number of customers, in fact we already had 20 live engagements where customers are receiving, testing and integrating the software."

10. Respondent's statements were misleading. Arqit did not have $130 million in binding revenue commitments. Virtually none of the $130 million in revenue referenced by

Respondent was actually contractually obligated and indeed the vast majority of the $130 million was never delivered. One "customer," whose contract accounted for nearly one-third of the total $130 million in purportedly binding revenue, specifically informed Respondent that the revenue was not binding. That "customer," a Japanese business conglomerate, told Respondent as early as March 2021, prior to his public statements, that the commitment was not firm. Respondent disagreed and continued to tout the purported $130 million in binding revenue commitments.

11. Furthermore, Respondent overstated the extent to which customers were "using" Arqit's technology. Certain of the 20 "customers" referenced in Respondent's presentation had not received or tested Arqit's technology, and none had integrated Arqit's technology with its own products.

12. On August 18, 2021, Respondent provided another investor presentation—a transcript of which was attached to yet another version of the Investor Deck which was filed with the Commission on August 19, 2021, pursuant to Rule 425. During this investor presentation, Respondent stated:

- "It helps in credentialing the technology, I think for our investors to be able to see what the leaders of customers and governments and blue chip organizations are actually saying about us in public…[T]hese great companies have embraced our technology, signed contracts, bought the system and declared in public that this technology is extremely important."

- "The backlog, or rather the pipeline also includes a backlog of $130 million of binding revenue contracts. So these are contracts where the revenues will definitely be delivered."

- "We've actually issued our first live service invoice to customers. And so we are confident they're generating the anticipated levels of revenue in Q4."

- "I think we've demonstrated with $130 million of committed and signed contracts from blue chip companies that this is not one of those hidden hope companies that is dangling the hope of great profits in [the] future. We have a live product in the market today being embraced and welcomed publicly by some of the most important tech companies and governments in the world."

- "But ultimately it's the customers that tell you that. When… you see great institutions making really significant, long dated financial commitments to this technology, it's because they've looked at the technology. They've seen it. They know it works, and they know it answers huge problems for them. So ultimately it's the customers that I think do our communicating for us."

- "We will never report in our documents contracts as binding if they're not binding. These contracts are binding commitments on the parts of the customers to buy service."

13. Respondent's statements were misleading. Again, Arqit did not have $130 million of binding revenue commitments that would "definitely be delivered." The vast majority of "customers" had not received operational software and were in varying stages of evaluating Arqit's technology. Further, Arqit had only issued invoices for nominal amounts.

Inadequate Risk Disclosures

14. All four of the Investor Decks contained various risk disclosures, including a general warning that Arqit's technology was still in development and that Arqit was a pre-revenue company. For example, under the sales pipeline a footnote stated:

> These projections are for illustrative purposes only and should not be relied upon as necessarily indicative of future results. Terms for contracts under negotiation are subject to modification or may not be finalised. Backlog and pipeline reflects both existing contractual commitments, as well as initial revenue indications from potential customers that have not been contractually committed. Actual sales may differ materially from projected volume.

This risk disclosure, however, was insufficient to correct Respondent's misleading statements that, among other things, Arqit had contracts for $130 million in revenue that would definitely be delivered.

15. The July 2021 proxy statement in connection with the merger (the "Proxy Statement") also disclosed additional risks concerning Arqit's contracts, technology, and backlog, including:

- As of April 30, 2021, Arqit's backlog consisted of approximately $130 million in customer contracts against an estimated $975 million pipeline "consisting of customer contracts in various stages of negotiation and initial revenue indications from potential customers that have not been contractually committed" and Arqit's ability to convert that backlog into revenue was "dependent upon the successful delivery of operational technology to its customers, and assumes that its customers will not cancel or amend the terms of their contracts"—a risk compounded by the fact that "some contracts comprising the backlog are for services scheduled many years in the future, and the economic viability of customers with whom Arqit has contracted is not guaranteed over time."

- Arqit was identified as an "early stage company with a history of losses" and a "pre-revenue company facing substantial business and operational risks" that "has not yet begun to generate material revenues through the commercialization of its products", and the Proxy Statement warned that the construction and launch of Arqit's satellites—targeted for 2023 to upgrade delivery of its technology from terrestrial to satellite distribution—"may experience delays or face unforeseen technical problems, some of which may be beyond its control."

16. However, those disclosures were not adequate to correct Respondent's misleading statements, as those related to current facts and conditions, rather than projections or future possibilities.

17. The proxy solicitation was ultimately successful, with a majority of shareholders voting to approve the merger in September 2021. Respondent received approximately 26.9 million ordinary shares of the merged entity, Arqit Quantum, which was then valued at $10 per share.

Respondent Made Materially Misleading Statements in a December 2021 Quarterly Investor Report

18. Respondent's misleading statements continued into December 2021, when Arqit Quantum issued its year-end results for the period ending September 30, 2021. However, even before that announcement—as early as October 2021—Respondent, in the ordinary course of his duties as CEO, was discussing the possibility of another capital raise, potentially in the spring of 2022. Any such capital raise would be impacted by the year-end results reported by Arqit Quantum.

19. On December 16, 2021, Arqit Quantum issued a press release announcing its "financial and operational results for the fiscal year ended 30 September 2021." In that press release, Arqit Quantum claimed that "[c]ustomer billings commenced as expected in the fourth quarter", referred to contracts valued at $130 million, and again made several references to "customers."

20. Also on December 16, 2021, Arqit Quantum filed its "2021 FY Earnings Call Presentation," that again specifically identified certain "customers" and stated that "Arqit [Quantum was] to become channel partners and incorporate [its technology] into their own product offering." As CEO, Respondent participated in drafting these statements and signed the Form 6-K filing that included this presentation.

21. These statements were misleading. The contracts identified by Respondent called for the future delivery of technology. In addition, Respondent's descriptions of customer relationships and channel partnerships overstated the nature of those relationships.

22. In the four months following these statements, Arqit Quantum sold additional shares of ordinary shares pursuant to the exercise of approximately 1.85 million publicly available Arqit Quantum warrants.

Violations

23. As a result of the conduct described above, Respondent violated Section 17(a)(2) of the Securities Act, which makes it unlawful, in the offer or sale of securities, to obtain money or property by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which

they were made, not misleading, and Section 17(a)(3) of the Securities Act, which, in the offer or sale of securities, makes it unlawful to engage in any transaction, practice or course of business which operates or would operate as a fraud or deceit upon the purchaser.

24. In addition, as a result of the conduct described above, Respondent violated Section 14(a) of the Exchange Act and Rule 14a-9 thereunder, which prohibit solicitation of any proxy in respect of any security through materially false or misleading statements in a proxy statement or other communication.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Williams's Offer.

Accordingly, it is hereby ORDERED that**:**

A. Pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, Respondent Williams cease and desist from committing or causing any violations and any future violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act and Section 14(a) of the Exchange Act and Rule 14a-9 thereunder.

B. Respondent shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of $100,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying David Williams as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Thomas P. Smith, Jr., Division of Enforcement, Securities and Exchange Commission, 100 Pearl Street, Ste. 20-100, New York, NY 10004-2616.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary