

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 83773 / August 3, 2018

ADMINISTRATIVE PROCEEDING
File No. 3-18622

In the Matter of

WILLIAM Z. MCFARLAND,

Respondent.

ORDER INSTITUTING
ADMINISTRATIVE PROCEEDINGS
PURSUANT TO SECTION 15(b) OF THE
SECURITIES EXCHANGE ACT OF 1934,
MAKING FINDINGS, AND IMPOSING
REMEDIAL SANCTIONS

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against William Z. McFarland (“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, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Part III below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

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

1. Respondent McFarland is the founder and CEO of the following entities: (i) Fyre Media, Inc. ("Fyre Media"), a Delaware company incorporated in 2016; (ii) Fyre Festival LLC ("Fyre Festival"), a Fyre Media subsidiary formed in Delaware in 2016; and (iii) Magnises, Inc. ("Magnises"), a Delaware corporation incorporated in 2013. Respondent, 26 years old, is a resident of New York, NY. Respondent is not registered with the Commission in any capacity, and has not been registered with the Commission in any capacity at any time.

2. On August 1, 2018, a final judgment was entered by consent against Respondent, permanently enjoining him from future violations of Sections 5 and 17(a) of the Securities Act of 1933 ("Securities Act"), and Sections 10(b) and 15(a) of the Exchange Act, and Exchange Act Rule 10b-5, in the civil action entitled Securities and Exchange Commission v. William Z. ("Billy") McFarland, et al., Civil Action Number 18-CV-6634, in the United States District Court for the Southern District of New York (hereinafter "SEC v. McFarland").

3. The Commission's complaint in SEC v. McFarland alleged that, among other things, from at least 2015 through 2017, Respondent made use of the mails or other means or instrumentalities of interstate commerce to effect transactions in, and induce or attempt to induce the purchase or sale of shares of stock and convertible promissory notes in Fyre Media, Fyre Festival, and Magnises. The shares of stock and convertible promissory notes that Respondent sold and attempted to sell were not exempted securities. By engaging in the conduct described herein, Respondent, while engaged in the business of effecting transactions in securities for the accounts of others, made use of the mails or the means or instrumentalities of interstate commerce to effect transactions in, or to induce or attempt to induce the purchase or sale of, a security without being registered with the Commission as a broker or dealer or as an associated person of a registered broker or dealer, in accordance with Section 15(a) of the Exchange Act.

IV.

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

Accordingly, it is hereby ORDERED:

1. Pursuant to Section 15(b)(6) of the Exchange Act that Respondent McFarland be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

2. Pursuant to Section 15(b)(6) of the Exchange Act Respondent McFarland be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer

or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary