

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 99942 / April 11, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21103

In the Matter of	:	ORDER APPOINTING FUND
Sparkster, Ltd. and Sajjad Daya,	:	ADMINISTRATOR, SETTING
Respondents.	:	ADMINISTRATOR'S BOND AMOUNT,
	:	AND AUTHORIZING APPROVAL AND
	:	PAYMENT OF FEES AND EXPENSES OF
	:	ADMINISTRATION

On September 19, 2022, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the “Order”)¹ against Sparkster, Ltd. (“Sparkster”) and Sajjad Daya (“Daya”) (collectively, the “Respondents”). In the Order, the Commission found that from April 2018 into July 2018, Sparkster, a developer of software to enable “no code” software development, and its founder, Daya, conducted an unregistered securities offering (the “Offering”) of crypto asset securities called “SPRK tokens,” raising approximately \$30,000,000 from nearly 4,000 investors located in the United States and abroad. According to the Order, the tokens were sold in a so-called “presale” phase in May 2018 and a “crowdsale” phase in July 2018. The Commission found Sparkster and Daya represented to investors that SPRK tokens would increase in value, that Sparkster management would continue to improve Sparkster, and that one of the goals was to make the tokens available for trading on a crypto asset trading platform. According to the Order, Sparkster and Daya also utilized

¹ Securities Act Rel. No. 11102 (Sept. 19, 2022).

promoters to help spread their message to potential investors. According to the Order, Sparkster did not register the offer and sale of the tokens pursuant to federal securities laws, and no exemption from registration was available. The Commission further found that Sparkster and Daya made use of interstate commerce by promoting the Offering on Sparkster's publicly available website and on social media, and through the use of electronic messaging, and made use of interstate commerce in effectuating the sale of SPRK tokens.

The Commission found that Respondents, by their conduct, violated Sections 5(a) and 5(c) of the Securities Act by failing to file a registration statement as to the Offerings of SPRK tokens and sold SPRK tokens to thousands of purchases, including persons throughout the United States and foreign persons, and that such sales occurred through the use of interstate facilities, namely by using the internet via social media, messaging apps, & websites.

The Commission ordered Sparkster to pay \$30,000,000.00 in disgorgement, \$4,624,754.23 in prejudgment interest, and a \$500,000.00 civil money penalty, and ordered Daya to pay a \$250,000.00 civil money penalty, for a collective total of \$35,374,754.23, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties collected, along with the disgorgement and interest collected, can be distributed to harmed investors (the "Fair Fund").

The Fair Fund consists of the \$10,750,000.00 collected from the Respondents, and any additional funds collected from the Respondents, pursuant to the Order, will be added to the Fair Fund. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and 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 \$10,750,000.00. 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");²
- B. Epiq shall obtain a bond in accordance with Rule 1105(c) of the Commission's Rules,³ in the amount of \$10,750,000.00;
- 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;⁴ 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,⁵ so long as the total amount paid to the Fund Administrator, including the invoice to be paid, does not

² 17 C.F.R. § 201.1105(a).

³ 17 C.F.R. § 201.1105(c).

⁴ 17 C.F.R. § 201.1105(d).

⁵ 17 C.F.R. § 201.1105(e).

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.⁶

Vanessa A. Countryman
Secretary

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