

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101459 / October 29, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21585

In the Matter of	:	
	:	NOTICE OF PROPOSED PLAN OF
	:	DISTRIBUTION AND OPPORTUNITY
Impact Theory, LLC,	:	FOR COMMENT
	:	
Respondent.	:	
	:	

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 August 28, 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 Impact Theory, LLC (the “Respondent”). According to the Order, from October 13, 2021, to December 6, 2021, Impact Theory, a media and entertainment company, offered and sold crypto asset securities known as Founder’s Keys (“KeyNFTs”) in the form of purported non-fungible tokens (“NFTs”), raising approximately \$29.9 million worth of ether (“ETH”) from at least hundreds of investors, including investors across the United States. The Commission found that Impact Theory violated Sections 5(a) and 5(c) of the Securities Act by offering and selling these securities without having a registration statement filed or in effect with the Commission or qualifying for an exemption from registration. The Commission ordered the Respondent to pay \$5,120,718.27 in disgorgement, \$483,195.90 in prejudgment interest, and a \$500,000.00 civil money penalty, for a total of \$6,103,914.17, 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, along with the disgorgement and prejudgment interest collected, can be distributed to harmed investors (the “Fair Fund”).

¹ Securities Act Rel. No. 11226 (Aug. 28, 2023).

The Fair Fund consists of the \$6,103,914.17 collected from the Respondent. 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.

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 Allison J.P. Moon, 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. 3-21585" 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 \$6,103,914.17 in disgorgement, prejudgment interest, and 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 investors who purchased or acquired the eligible securities between October 13, 2021, and August 27, 2023, both dates inclusive, and suffered a Recognized Loss as calculated in accordance with the Plan of Allocation.

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

The Proposed Plan includes processes by which the identities and wallet addresses of potential payees will be screened against various sanctions lists before those potential payees are determined to be eligible for payment.

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

Vanessa A. Countryman
Secretary

³ 17 C.F.R. § 200.30-4(a)(21)(iii).