

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101959 / December 18, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-21585

In the Matter of	:	
	:	
Impact Theory, LLC,	:	ORDER APPROVING
	:	PLAN OF DISTRIBUTION
Respondent.	:	
	:	

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 (“Impact Theory” or 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”).

The Fair Fund includes the \$6,103,914.17 collected from the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

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

On October 29, 2024, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),² pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”),³ and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Allison J.P. Moon, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5876. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received no comments on the Proposed Plan during the comment period.

The Proposed Plan provides for the distribution of the Net Available Fair Fund⁴ to investors who purchased or acquired the 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 attached as Exhibit A to the Proposed Plan.

The Division of Enforcement now requests that the Commission approve the Proposed Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission’s Rules,⁵ that the Proposed Plan is approved, and the approved Plan of Distribution shall be posted simultaneously with this order on the Commission’s website at www.sec.gov.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁶

Vanessa A. Countryman
Secretary

² Exchange Act Rel. No. 101459 (Oct. 29, 2024).

³ 17 C.F.R. § 201.1103.

⁴ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Proposed Plan.

⁵ 17 C.F.R. § 201.1104.

⁶ 17 C.F.R. § 200.30-4(a)(21)(iv).