

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10717 / September 30, 2019

In the Matter of

BLOCK.ONE

Respondent.

**ORDER UNDER RULE 506(d)(2)(ii) AND
RULE 262(b)(2) OF THE SECURITIES
ACT OF 1933 GRANTING A WAIVER
OF THE RULE 506(d)(1)(v)(B) and RULE
262(a)(5)(ii) DISQUALIFICATION
PROVISIONS**

I.

Block.one has submitted a letter, dated September 30, 2019, requesting that the Securities and Exchange Commission (the “Commission”) grant a waiver of disqualification under Rule 506(d)(2)(ii) of Regulation D and Rule 262(b)(2) of Regulation A under the Securities Act of 1933 (the “Securities Act”) due to the entry on [September 30, 2019], of an order instituting administrative and cease-and-desist proceedings against Block.one (the “Cease and Desist Order”). The Cease-and-Desist Order requires, among other things, Block.one to cease and desist from committing or causing any violations and any future violations of Sections 5(a) and 5(c) of the Securities Act.

II.

Rule 506(d)(2)(ii) of Regulation D and Rule 262(b)(2) of Regulation A provide that disqualification “shall not apply . . . upon a showing of good cause and without prejudice to any other action by the Commission, if the Commission determines that it is not necessary under the circumstances that an exemption be denied.”

III.

Based on the facts and representations in the request for a waiver of disqualification submitted by Block.one, and assuming that Block.one complies with the Cease and Desist Order, the Commission has determined that Block.one has made a showing of good cause under Rule 506(d)(2)(ii) of Regulation D and Rule 262(b)(2) of Regulation A that it is not necessary under the circumstances to deny reliance on the Regulation D and Regulation A exemptions by reason of the entry of the Cease and Desist Order. Any different facts from those represented or failure to comply with the terms of the Cease and Desist Order would require us to revisit our

determination that good cause has been shown and could constitute grounds to revoke or further condition the waiver. The Commission reserves the right, in its sole discretion, to revoke or further condition the waiver under those circumstances. In addition, this waiver of disqualification will not apply to offerings if Block.one fails to comply with the representation set forth in the request letter concerning consultation with Commission staff prior to the distribution of a digital asset other than on a registered basis or pursuant to an exemption from registration.

Accordingly, **IT IS ORDERED**, pursuant to Rule 506(d)(2)(ii) of Regulation D and Rule 262(b)(2) of Regulation A under the Securities Act, that a waiver from the application of the disqualification provisions of Rule 506(d)(1)(v)(B) of Regulation D and Rule 262(a)(5)(ii) of Regulation A under the Securities Act resulting from the entry of the Cease and Desist Order is hereby granted to Block.one.

By the Commission.

Vanessa A. Countryman
Secretary