

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96977 / February 24, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-20453

In the Matter of	:	
	:	
Blockchain Credit Partners d/b/a	:	ORDER APPOINTING
DeFi Money Market, Gregory	:	FUND ADMINISTRATOR AND
Keough, and Derek Acree,	:	SETTING ADMINISTRATOR'S
	:	BOND AMOUNT
Respondents.	:	

On August 6, 2021, the Commission issued an Order Instituting Cease-and-Desist Proceedings, Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)¹ against Blockchain Credit Partners d/b/a DeFi Money Market, Gregory Keough, and Derek Acree (collectively, the “Respondents”). In the Order, the Commission found that from February 2020 to February 2021 (the “Relevant Time Period”), Gregory Keough and Derek Acree and their company, Blockchain Credit Partners, operated DeFi Money Market (“DMM”). Through DMM, Respondents offered and sold more than \$30 million of securities in unregistered offerings by using smart contracts and “decentralized finance” (or “DeFi”) technology to sell digital tokens. In marketing on a website, social media, and other means,

¹ Securities Act Rel. No. 10961 (Aug. 6, 2021).

Respondents made materially false and misleading statements concerning the operations and profitability of DMM.

According to the Order, the Respondents stated DMM could pay investors 6.25% interest on digital assets because it would use investor assets to buy “real world” assets, like car loans, that would generate sufficient income to pay the promised interest and generate surplus profits. Respondents sold two types of digital tokens: mTokens, which accrued 6.25% interest, and DMG tokens, which were so-called “governance tokens” that purportedly gave DMG token holders certain voting rights, a share of excess profits, and the ability to profit from DMG resales in the secondary market. Respondents promised to pay a stable interest rate to digital asset owners who purchased mTokens and said they could generate excess profit for DMG token owners. During the Relevant Time Period, they sold approximately \$17.7 million in mTokens and more than \$13.9 million in DMG tokens to the public, including U.S. investors. In offering and selling mTokens and DMG tokens, Respondents also claimed that DMM had acquired profitable, income-generating assets in the form of car loans. While another company controlled by Respondents owned such assets, Respondents never transferred ownership of any of those assets to DMM.

As a result of the conduct described above, the Commission found that Respondents violated Sections 5(a) and 5(c) and 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

In total, the Commission ordered the Respondents to pay \$12,849,354.00 in disgorgement, \$258,052.00 in prejudgment interest, and \$250,000.00 in civil money penalties, for a collective total of \$13,357,406.00, 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 paid, along with the disgorgement and interest paid, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund consists of the \$7,579,012.00 paid to date by the Respondents, and any additional funds collected from the Respondent, 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 now seeks the appointment of KCC Class Action Services, LLC (“KCC”) as the fund administrator and requests that the administrator’s bond be set at \$7,579,012.00. KCC is included in the Commission’s approved pool of administrators.

Accordingly, IT IS HEREBY ORDERED that KCC 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 and shall obtain a bond in accordance with Rule 1105(c) of the Commission’s Rules,³ in the amount of \$7,579,012.00.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁴

Vanessa A. Countryman
Secretary

² 17 C.F.R. § 201.1105(a).

³ 17 C.F.R. § 201.1105(c).

⁴ 17 C.F.R. § 200.30-4(a)(17).