

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 100668 / August 7, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-20003

In the Matter of	:	
	:	
	:	
Unikrn, Inc.,	:	ORDER APPROVING AMENDED
	:	PLAN OF DISTRIBUTION
Respondent.	:	
	:	

On September 15, 2020, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing Penalties and a Cease-and-Desist Order (the “Order”)¹ against Unikrn, Inc. (“Unikrn” or the “Respondent”). In the Order, the Commission found that between June and October 2017, Unikrn, an operator of an online e-Sports gaming and gambling platform, conducted a securities offering (the “Offering”) in two phases - a so-called pre-sale and an initial coin offering (“ICO”) - in which it raised \$31 million through the sale of Unikoin Gold (“UKG”), a digital token. Unikrn represented to investors that they would be able to access a variety of products and services with their UKG tokens, including placing bets on professional eSports and video game matches, and that over time Unikrn would make more features available. Unikrn further represented that it would facilitate a secondary trading market for the tokens and that its efforts to increase the usages for the UKG token would increase the demand for and in turn, the value of the tokens. Unikrn did not register the offer and sale of the tokens pursuant to federal securities laws, nor did the offering qualify for an exemption from the registration requirements. The Commission ordered the Respondent to pay a \$6,100,000.00 civil money penalty 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 paid can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund includes the \$6,100,000.00 paid by the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission and have 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. 10841 (Sept. 15, 2020).

On January 13, 2023, the Division, 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 at <https://www.sec.gov/litigation/fairfundlist.htm> or by submitting a written request to Michael Lim, 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, no later than thirty (30) days from the publication of the 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. The Commission received three comments on the Proposed Plan during the comment period.⁴

On March 19, 2024, after thorough review and substantial consideration of the comments received, the Commission published a Notice of Amended Proposed Plan of Distribution and Opportunity for Comment (“Notice of Amended Plan”),⁵ pursuant to Rule 1103 of the Commission’s Rules,⁶ and simultaneously posted the Amended Proposed Plan of Distribution (the “Amended Proposed Plan”). The Notice of Amended Plan advised interested persons that they could obtain a copy of the Amended Proposed Plan from the Commission’s public website or by submitting a written request to Michael Lim, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549. The Notice of Amended Plan also advised that all persons desiring to comment on the Amended Proposed Plan could submit their comments, in writing, no later than thirty (30) days from the publication of the Notice of Amended Plan (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. The Commission received one comment on the Amended Proposed Plan during the comment period, which was from a person who had previously commented on the initial Proposed Plan. The comment to the Amended Proposed Plan was very similar to the first comment submitted. The Amended Proposed Plan clarifies who is eligible to participate in the distribution. The Commission staff considered, deliberated upon, and determined not to accept in the Amended Plan the commenter’s suggestion that the plan include non-ICO purchasers, and the Commission agrees with that determination, because the funds available are insufficient to provide meaningful compensation to both the investors who purchased the tokens in the ICO, and those who purchased it later. As a result, the Commission did not make any changes to the Amended Plan based on this comment.

The Amended Proposed Plan provides for the distribution of the Fair Fund, plus accrued interest, less taxes and administrative costs, to those investors who purchased or acquired UKG

² Exchange Act Rel. No. 96665 (Jan. 13, 2023).

³ 17 C.F.R. § 201.1103.

⁴ An investor inquiry and three comments were received after the comment period and considered. .

⁵ Exchange Act Rel. No. 99779 (Mar. 19, 2024).

⁶ 17 C.F.R. § 201.1103.

tokens between June 11, 2017, and November 7, 2017, directly from Unikrn in either the pre-sale or ICO phase of its Offering and suffered a Recognized Loss.⁷

Consistent with the approach used by district courts when considering whether to approve a distribution plan, the Commission's objective is to distribute Fair Funds in a fair and reasonable manner, taking into account relevant facts and circumstances. See *Official Committee of Unsecured Creditors of Worldcom, Inc. v. SEC*, 467 F.3d 73, 82 (2d Cir. 2006) ("so long as the district court is satisfied that 'in the aggregate, the plan is equitable and reasonable,' the SEC may engage in the 'kind of line-drawing [that] inevitably leaves out some potential claimants'" (quoting *SEC v. Wang*, 944 F.2d 80, 88 (2d Cir. 1991))). The Amended Plan provides for a fair and reasonable distribution of the funds and the Division of Enforcement now requests that the Commission approve the Amended Proposed Plan.

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules,⁸ that the Amended Proposed Plan is approved, and the approved Amended Plan of Distribution shall be posted simultaneously with this Order on the Commission's website at www.sec.gov.

By the Commission.

Vanessa A. Countryman
Secretary

⁷ All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Amended Proposed Plan.

⁸ 17 C.F.R. § 201.1104.