

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 6181 / November 3, 2022**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21229**

**In the Matter of**

**DAVID B. MATA,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**MAKING FINDINGS, AND IMPOSING**  
**REMEDIAL SANCTIONS**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against David B. Mata (“Mata” or “Respondent”).

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in paragraph III.2 below, and consents to the entry of this Order Instituting Proceedings against David B. Mata (“Order”), as set forth below.

**III.**

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Respondent David B. Mata, age 42, is a resident of Spokane, Washington. Respondent is a co-founder and Managing Member of Block Bits Capital, LLC and Block Bits Capital GP I, LLC (collectively, “Block Bits”) and provided services to Block Bits during its offering of securities in Block Bits Fund I. Block Bits was investment adviser to Block Bits Fund I, as defined in the Advisers Act, because it was engaged in the business of providing advice regarding investing in, purchasing, or selling securities for compensation, and Mata was a person associated with an investment adviser during the relevant period. Mata also solicited investors to purchase digital asset securities in an initial coin offering of AML Bitcoin, for which he received \$75,000 in compensation from AML Bitcoin’s issuer, the NAC Foundation. Mata has never held securities licenses or been registered with the Commission.

2. On August 26, 2022, a judgment was entered by consent against Respondent permanently enjoining him from future violations of Sections 5(a) and (c) and 17(a)(1) and (3) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5(a) and (c) thereunder, and Sections 206(1), 206(2) and 206(4) of the Advisers Act and Rule 206(4)-8 thereunder in a civil action entitled Securities and Exchange Commission v. David B. Mata (Civil Action No. 22-cv-02565-RS), in the United States District Court for the Northern District of California.

3. The Commission’s complaint in that action alleged that Mata participated in a scheme to defraud investors in a fraudulent and unregistered securities offering by Block Bits orchestrated by Block Bits’s co-founder and co-Managing Partner Japheth Dillman (“Dillman”), which raised at least \$960,000 between July 2017 and December 2017 from approximately 22 investors. The Commission’s complaint alleged that Block Bits and Dillman provided materially false and misleading information to investors in the offering about the uses of proceeds, risks relating to the investment, and status of a purported Block Bits proprietary “auto-trading bot” that would automatically trade digital assets on more than thirty trading platforms, and that Mata engaged in deceptive acts and practices in furtherance of the scheme.

4. On June 21, 2022, Mata pled guilty to criminal conduct relating to certain matters alleged in the complaint in this case. Specifically, in United States v. David B. Mata, Case No. 22-cr-00171-RS (N.D. Cal.), Mata pled guilty to one count of wire fraud in violation of 18 U.S.C. § 1343.

5. The count of the criminal information to which Mata agreed to plead guilty alleges, inter alia, that Mata participated in a scheme to defraud investors in Block Bits Fund I through materially false and misleading statements about the use of proceeds and risks relating to the investment.

#### IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Mata’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 203(f) of the Advisers Act, that Respondent Mata be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, compliance with the Commission's order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Vanessa A. Countryman  
Secretary