

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 96779 / January 31, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-20455

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

On August 9, 2021, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)¹ against Poloniex, LLC (the “Respondent”). In the Order, the Commission found that from July 2017 through November 2019, Poloniex operated a digital asset trading platform that meets the definition of an “exchange” under the federal securities laws but did not register as a national securities exchange nor operate pursuant to an exemption from registration at any time, in violation of Section 5 of the Securities Exchange Act of 1934. The Commission ordered the Respondent to pay \$8,484,313.99 in disgorgement, \$403,995.12 in prejudgment interest, and a \$1,500,000.00 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, along with the disgorgement and interest paid, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund includes the \$10,388,309.10 paid by the Respondent. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund and has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to, and become part of, the Fair Fund.

On December 1, 2022, 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

¹ Exchange Act Rel. No. 92607 (Aug. 9, 2021).

² Exchange Act Rel. No. 96429 (Dec. 1, 2022).

³ 17 C.F.R. § 201.1103.

Catherine Pappas, United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103. 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 paid fees to transact in certain crypto assets on the Poloniex trading platform during the Relevant Period and suffered a Recognized Loss as calculated pursuant to the methodology used in the Plan of Allocation attached 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

⁴ All capitalized terms used herein but not defined are used as defined in the Proposed Plan.

⁵ 17 C.F.R. § 201.1104.

⁶ 17 C.F.R. § 200.30-4(a)(21)(iv).