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Am. CryptoFed DAO Exhibit 190

UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934

Release No. 93551 / November 10, 2021

ADMINISTRATIVE PROCEEDING

File No. 3-20650

In the Matter of **American CryptoFed DAO LLC,** **Respondent.**	**RESPONDENT AMERICAN CRYPTOFED DAO LLC'S MOTION FOR MORE DEFINITE STATEMENT NO.1**

Pursuant to Rule 220 (d), Respondent American CryptoFed DAO LLC ("American CryptoFed" or "Respondent") requests the Division of Enforcement ("Division") to provide a more definite statement to the allegations set forth in Section I, Section III preamble, and Section III B of its Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 ("OIP"), because Section I, Section III preamble and Section III B contains ambiguities that prevent Respondent from correctly understanding the statement, correctly answering the statement, and then reasonably addressing whether the Division has standing. **Exhibits cited in this motion are the Exhibits attached to Respondent's Answer to the OIP.**

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In the Section I, Section III preamble and Section III B of the OIP, the Division asserts that the Securities and Exchange Commission ("Commission") "deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted". However, the Division does not specify who are these investors and what possible damages they have suffered, are suffering and will possibly suffer. These specifications are needed for Respondent to correctly understand the Division's statement, OIP's allegations and relief sought by the Commission, in order to answer them accurately.

For Locke token, all proceeds must be preserved and used for refunding, and no proceeds will be used for another purpose. For Ducat token, all proceeds must be preserved and used for redemption purposes, and no proceeds will be used for other purpose. Respondent outlined in detail the refunding mechanism of Locke token and the redemption mechanism of Ducat token in the Form 10 filing, attached to the Answer as Exhibit A (Section 2.5.1 and 2.5.2, p. 23-24).

Furthermore, Respondent has made it clear that, before the SEC declares CryptoFed's Form S-1 effective, i) Locke token is granted, free of charge, and restricted, untradeable and non-transferable in both the Form 10 filing (Exhibit A, p. 5) and the American CryptoFed DAO Constitution (equivalent to operating agreement) filed as Exhibit 1 to the Form 10, and attached in the Answer as Exhibit B (Section 14.6, p. 12-13), and ii) Ducat token will not be launched until the Locke token market price reaches $0.10 US dollars per token on a daily basis for a consecutive one-month period (Exhibit A, Section 2.4.2, p. 22; Exhibit B, Section 15.6, p. 16).

Under the mechanism of Respondent's design of token economics, no one could possibly and logically be damaged, whatsoever. In contrast, through the Order Instituting Administrative Proceedings, under the guise of "the protection of investors", the Commission has done the opposite to deprive the rights of natural persons and entities to receive disclosure on

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Respondent's historic innovation and the grant of Locke tokens, free of charge. The OIP also prevents general consumers from enjoying huge potential economic benefits in the future as outlined in Respondent's Form 10 filing below, by holding Ducat tokens:

"Ducat is an inflation and deflation protected stable token with unlimited issuance, constrained by algorithms targeting zero inflation and zero deflation. Ducat is used to price goods and services, for daily transactions, accounting and as a store of value. CryptoFed utilizes both fiscal policy tools and monetary policy tools defined by its Constitution, to provide benefits to Ducat users and adjust the incentive ranges as detailed below to influence users' economic behaviors in order to stabilize Ducat.

i) Fiscal Policy tools are defined as rewards paid to consumers at a range of 5.5% -12% for making purchases using Ducat and merchants for accepting Ducat at a range of 1% - 4%.

ii) Monetary Policy tools are defined as interest paid to all Ducat holders at a range of 3% - 5%, but can be raised as high as necessary to cure or deter inflation." (Exhibit A, Section 2.2.1, p. 8).

The possibility of any damages to any investors in this matter is so shadowy, indefinite, and equivocal that it must be put out of consideration as altogether unreal. The Division must specify any possible damages in concrete and accurate manner, before stating that the Commission "deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted." Otherwise, neither is Respondent able to correctly understand and accurately answer the Division's statement, nor can the Division claim it has standing to initiate the OIP. Thus, a more definite statement is necessary.

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Dated: December 3, 2021

Respectfully submitted,

By /s/ Marian Orr

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CERTIFICATE OF SERVICE

I hereby certify that a true copy of this Motion was filed by eFAP and was served on the following on December 3, 2021, in the manner indicated below:

By Email:

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