

Press Release

SEC Obtains Emergency Relief to Halt Utah-Based Company's Crypto Asset Fraud Scheme Involving 18 Defendants

FOR IMMEDIATE RELEASE

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Washington D.C., Aug. 3, 2023 — The Securities and Exchange Commission today announced that it obtained a temporary asset freeze, restraining order, and other emergency relief against Digital Licensing Inc., a Draper, Utah based entity doing business as “DEBT Box,” as well as the company’s four principals, Jason Anderson, his brother Jacob Anderson, Schad Brannon, and Roydon Nelson, and 13 other defendants in connection with a fraudulent scheme to sell crypto asset securities to hundreds of U.S. investors that raised approximately \$50 million and unspecified amounts of Bitcoin and Ether.

The SEC’s complaint, unsealed yesterday in the U.S. District Court for the District of Utah, charges the defendants in an ongoing scheme that began in March 2021 to sell unregistered securities they call “node licenses.” In hundreds of online videos and social media posts, as well as at investor events, the defendants told investors that the node licenses would generate various crypto asset tokens through crypto mining activity and that revenue-generating businesses in a variety of sectors would drive the value of the various tokens DEBT Box mined, resulting in exorbitant gains for investors. In reality, as alleged, the node licenses were a sham intended to obscure the fact that the total supply of each token was created by DEBT Box instantaneously using code on a blockchain.

“We allege that DEBT Box and its principals lied to investors about virtually every material aspect of their unregistered offering of securities, including by falsely stating that they were engaged in crypto asset mining,” said Tracy S. Combs, Director of the SEC’s Salt Lake Regional Office. “We filed this emergency action to protect the victims of the defendants’ unlawful actions and stop further harm.”

The SEC’s complaint further alleges that DEBT Box and its principals —along with defendants James Franklin, Western Oil Exploration Company Inc., and Ryan Bowen—lied to DEBT Box investors about the revenues of the businesses purportedly driving the value of the tokens.

In total, 18 defendants, including those mentioned above, have been charged with engaging in unregistered securities offerings. DEBT Box, Jason Anderson, Jacob Anderson, Brannon, Nelson, Franklin, Western Oil, and Bowen were also charged with violations of the antifraud provisions of the federal securities laws. Jason Anderson, Jacob Anderson, Brannon, Nelson, Bowen, Mark Schuler, Benjamin Daniels, Joseph Martinez, Travis Flaherty, Brendon Stangis, Matthew Fritzsche, B & B Investment Group, LLC, and iX Global, LLC were charged with acting as unregistered brokers.

The complaint seeks permanent injunctive relief, the return of alleged ill-gotten gains, and civil penalties. The Honorable Judge Robert J. Shelby, U.S. District Judge for the District of Utah, entered an order on July 28, 2023, imposing a temporary restraining order, asset freeze, and other relief. Judge Shelby also entered an order appointing Josias N. Dewey of the law firm Holland & Knight LLP as a temporary receiver over DEBT Box to,

amongst other things, marshal assets for the benefit of investors. Investors who believe they were affected by the DEBT Box offering may visit the receiver's website at www.debtboxreceiver.com or call (305) 349-2134.

The SEC's continuing investigation is being conducted by Joseph Watkins, Laurie Abbott, and Mitchell Davidson of the Salt Lake Regional Office and Karaz Zaki of SEC Headquarters. The litigation will be led by Casey Fronk and Michael Welsh. The matter is being supervised by Ms. Combs.

Investors can learn more about the risks of investing in crypto asset securities and unregistered offerings by reading SEC investor education bulletins such as [Exercise Caution with Crypto Asset Securities](#) and [10 Red Flags That An Unregistered Offering May Be A Scam](#).

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Related Materials

- [SEC Complaint](#)