

Forum:[Hack Forums](#)

Thread: [If you're an Ooki DAO token holder who's voted on proposals, you just got charged](#)

SUI-3183372 - September 22, 2022, 3:22 pm

<https://www.cftc.gov/PressRoom/PressReleases/8590-22>

CFTC Charges Ooki DAO for for "Offering Illegal, Off-Exchange Digital-Asset Trading, Registration Violations, and Failing to Comply with Bank Secrecy Act"

"The Commission defines the Ooki DAO unincorporated association as those holders of Ooki tokens that have voted on governance proposals with respect to running the business"

What a can of worms this opens....

Omniscient - September 22, 2022, 3:34 pm

(Sep 22, 2022 03:22 PM)BV1 Wrote: [\[CITE\]](#)

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So how much in assets is this DAO?

SUI-3183372 - September 22, 2022, 3:56 pm

(Sep 22, 2022 03:34 PM)Omniscient Wrote: [\[CITE\]](#) So how much in assets is this DAO?

\$11m in treasury

\$15m TVL across dApps

Seems like it's a no KYC exchange with a DAO/governance token.

Omniscient - September 22, 2022, 3:59 pm

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Seems like it's a no KYC exchange with a DAO/governance token.
Pretty small footprint really.

SUI-3183372 - September 22, 2022, 4:04 pm

(Sep 22, 2022 03:59 PM)Omniscient Wrote: [\[CITE\]](#) Pretty small footprint really.

Could set an interesting precedent where simply being a DAO member, voting on governance proposals, puts you in jeopardy.

Seems like a case that entities such as A16Z, who prominently vote across many DAO's, would be very keen on not seeing gain any real traction.

Cooldudex - September 22, 2022, 4:52 pm

(Sep 22, 2022 04:04 PM)BV1 Wrote: [\[CITE\]](#) Could set an interesting precedent where simply being a DAO member, voting on governance proposals, puts you in jeopardy.

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I'm curious as to how they are going to charge holders on a non KYC exchange lol

SUI-3183372 - September 22, 2022, 5:21 pm

(Sep 22, 2022 04:52 PM)Cooldudex Wrote: [\[CITE\]](#) I'm curious as to how they are going to charge holders on a non KYC exchange lol

I'd imagine in many cases the address holding the governance tokens is an active DeFi address and has some sort of trail to follow.

(Sep 22, 2022 03:59 PM)Omniscient Wrote: [\[CITE\]](#) Pretty small footprint really.
Potentially major impact

SIM-5049184 - September 22, 2022, 8:01 pm

(Sep 22, 2022 05:21 PM)BV1 Wrote: [\[CITE\]](#) I'd imagine in many cases the address holding the governance tokens is an active DeFi address and has some sort of trail to follow.

Potentially major impact

unacceptable, you dont own it or run it under your umbrella, you dont tell people they can and cannot buy it

Sudsy - September 23, 2022, 6:18 am

The only DAO's I have ever participated in is Decentraland, inb4 they take me mana

SUI-3183372 - September 23, 2022, 7:58 am

More details on the case:

<https://cointelegraph.com/news/ctfc-slammed-for-blattant-regulation-by-enforcement-over-ooki-dao-case>

wyvn - September 23, 2022, 8:49 am

(Sep 22, 2022 05:21 PM)BV1 Wrote: [\[CITE\]](#) I'd imagine in many cases the address holding the governance tokens is an active DeFi address and has some sort of trail to follow.

Potentially major impact

how is this even possible? i mean if BTC is open source, decentralized and everything, how could they ban people from getting some?

SUI-3183372 - September 23, 2022, 9:02 am

(Sep 23, 2022 08:49 AM)wyvn Wrote: [\[CITE\]](#) how is this even possible? i mean if BTC is open source, decentralized and everything, how could they ban people from getting some?

My best guess is, they couldn't physically/digitally bar you from buying (at most they could force US exchanges to enforce it), but they can sure as shit charge you with more crimes / impose further penalties if they catch wind of you trading.

wyvn - September 23, 2022, 9:28 am

(Sep 23, 2022 09:02 AM)BV1 Wrote: [\[CITE\]](#) My best guess is, they couldn't physically/digitally bar you from buying (at most they could force US exchanges to enforce it), but they can sure as shit charge you with more crimes / impose further penalties if they catch wind of you trading.

thats all madddd

not liking the sound of that

SUI-3183372 - October 17, 2022, 12:26 pm

[https://policy.paradigm.xyz/assets/writing/DAO%20Amicus%20Brief%20\(Exhibit%20A\)%20\(FINAL\)\(1534023141.1\).pdf](https://policy.paradigm.xyz/assets/writing/DAO%20Amicus%20Brief%20(Exhibit%20A)%20(FINAL)(1534023141.1).pdf)

Paradigm Capital steps up in defense of Ooki DAO to help prevent poor precedent from being set.

SUI-3183372 - June 11, 2023, 9:12 am

CFTC wins Ooki DAO case, setting precedent that DAOs can be held liable

<https://www.theblock.co/post/234019/cftc-wins-ooki-dao-case-setting-precedent-that-daos-can-be-held-liable>

Quote:The judgement sets a precedent that other decentralized autonomous organizations could be held liable for legal violations as a "person" under the Commodity Exchange Act and the court found that Ooki violated the law as charged. The precedent may open the door to future actions against DAOs and decentralized exchanges in the near future.

"The founders created the Ooki DAO with an evasive purpose, and with the explicit goal of operating an illegal trading platform without legal accountability," said CFTC Division of Enforcement Director Ian McGinley in a release. "This decision should serve as a wake-up call to anyone who believes they can circumvent the law by adopting a DAO structure, intending to insulate themselves from law enforcement and ultimately putting the public at risk."

Not the fight we were hoping for. default judgement awarded to the CFTC.