



May 28, 2026

Via Electronic Email

Co-Chairman, Senator Chris Rothfuss, [Chris.Rothfuss@wyoleg.gov](mailto:Chris.Rothfuss@wyoleg.gov)  
Co-Chairman, Representative Daniel Singh, [Daniel.Singh@wyoleg.gov](mailto:Daniel.Singh@wyoleg.gov)  
All Members of Wyoming Legislature Select Committee on Blockchain, Financial Technology  
and Digital Innovation Technology

CC:

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Chief Policy Officer/General Counsel, Joe Rubino, [joe.rubino1@wyo.gov](mailto:joe.rubino1@wyo.gov)

**Re: Regulatory Clarity for Intrastate Token Issuance by Wyoming DAOs and DUNAs**

Dear Chairman Rothfuss, Chairman Singh, and Members of the Select Committee:

Thank you for the opportunity for American CryptoFed DAO (“CryptoFed”) to provide public testimony at the session of the Wyoming Secretary of State's Office (“SoS Office”) scheduled at 3:45 PM during the Select Committee’s June 15, 2026 meeting. Scott Moeller and Xiaomeng Zhou will attend the session in person to provide oral public comments, based on this written testimony.

In order for the SoS Office, the Wyoming Attorney General’s Office (“AG Office”), and the Wyoming Courts to correctly and consistently apply and interpret W.S. 34-29-102 (a) (iii) (which states, “Virtual currency is intangible personal property and shall be considered money”) and W.S. 34-29-101(a) and (b) (which jointly classify digital asset as mutually exclusive three categories: digital consumer asset, digital security and virtual currency), CryptoFed respectfully requests that this Select Committee consider adopting the opinion in *SEC v. Ripple* issued by the US District Court, Southern District of New York. The *Ripple* court issued its July 13, 2023



*Order*<sup>1</sup> and October 3, 2023 *Order*<sup>2</sup>, providing a clear precedent as to what token transaction is a security and what token transaction is not. Amazingly, the *Ripple* precedent is compatible with W.S. 34-29-102 (a) (iii), W.S. 34-29-101(a) and (b).

In the July 13, 2023, *Order*, the *Ripple* Court stated (pp.4-5), “Ripple also distributed XRP as a form of payment for services (‘Other Distributions’). Defs. 56.1 Resp. ¶¶ 827–30.” The *Ripple* court concluded (p.27), “Ripple’s Other Distributions did not constitute the offer and sale of investment contracts.” Here XRP could be considered as the virtual currency and money under W.S. 34-29-102 (a) (iii), W.S. 34-29-101(a) and (b), when XRP was used “as a form of payment for services”.

On January 5, 2026, in its court filing, CryptoFed explained why the statement of the SoS Office and AG Office (“But *Ripple* is an outlier”) was wrong (TR-1308-1310).<sup>3</sup> The Laramie County District Court’s Order dated March 6, 2026 (TR-1487, ¶98) also failed to correctly interpret the *Ripple* court’s opinion. The District Court reached a self-contradictory conclusion that “receiving their tokens” from CryptoFed somehow, in turn, “are likewise investments” in CryptoFed (*Ibid*).

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<sup>1</sup> Available at: <https://www.nysd.uscourts.gov/sites/default/files/2023-07/SEC%20vs%20Ripple%207-13-23.pdf>

<sup>2</sup> Available at : [https://storage.courtlistener.com/recap/gov.uscourts.nysd.551082/gov.uscourts.nysd.551082.917.0\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.nysd.551082/gov.uscourts.nysd.551082.917.0_1.pdf)

<sup>3</sup> The Laramie County District Court has organized the record for CryptoFed’s appeal which has Bates number TR-1 through TR-1496. The public can download the court record through the following Dropbox link that CryptoFed provided. It will be better if the Select Committee can upload the court record to its website for the public access. [https://www.dropbox.com/scl/fo/ug0w2hocf646c7jn6hakx/ALsr\\_uK00D3VaMYxiE9CliA?rlkey=uglox13z1bpz15j8mybx2e9r&e=2&st=bqzbm7e4&dl=0](https://www.dropbox.com/scl/fo/ug0w2hocf646c7jn6hakx/ALsr_uK00D3VaMYxiE9CliA?rlkey=uglox13z1bpz15j8mybx2e9r&e=2&st=bqzbm7e4&dl=0)



Regulatory clarity for intrastate token issuance is critical for Wyoming DAOs and DUNAs. On November 2, 2023, about two and a half years ago, CryptoFed provided to this Select Committee a written testimony entitled “Testimony on DAOs’ Token Issuance Clarification: A Non-Security Scenario Was Defined by A Federal Judge’s Ruling in *SEC v. Ripple*”<sup>4</sup>. For convenience, the November 2, 2023 written testimony is attached as Exhibit A.

CryptoFed is still in litigation with the SoS Office at the Wyoming Supreme Court and is in a process of converting to a Wyoming DUNA. CryptoFed would be very grateful, if this Select Committee could consider adopting the *Ripple* precedent for legislation related to Wyoming DAOs and DUNAs. As always, CryptoFed deeply appreciates the pioneering efforts of this Select Committee to explore the frontier of decentralized autonomous entities.

Sincerely,

/s/ Scott Moeller

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<sup>4</sup> Available at : <https://wyoleg.gov/InterimCommittee/2023/S19-202311209-02AmericanCryptoFedTestimony.pdf>



November 2, 2023

Wyoming Legislative Select Committee on Blockchain,  
Financial Technology, and Digital Innovation Technology

**Re: Testimony on DAOs' Token Issuance Clarification:  
A Non-Security Scenario Was Defined by A Federal Judge's Ruling in *SEC v. Ripple***

Dear Chairman Rothfuss, Chairman Western, and Members of the Select Committee:

Thank you for the opportunity for American CryptoFed DAO ("CryptoFed") to provide public testimony for the Decentralized Autonomous Organizations (DAO) session during the Select Committee's November 20, 2023 meeting. We will attend the session in person to provide oral public comments, based on this written testimony.

CryptoFed petitions the Committee to consider adding a paragraph similar to the following proposed paragraph to the Wyoming Decentralized Autonomous Organizations Supplement ("Wyoming DAO Law"):

*If recipients of a DAO's token distribution do not pay **money or 'tangible and definable consideration'** to the DAO, the said token distribution will not constitute the offer and sale of securities.*

The background is that any DAO cannot start its operation via smart contracts without token issuances, but token issuances may inadvertently violate securities laws of Wyoming. This is a **Catch-22 issue** which makes it impossible for Wyoming DAO to grow on a large scale, unless there are clear definitions of securities or non-securities. We previously raised this issue during the May 16, 2023 meeting of the Select Committee.

On July 13, 2023 and October 3, 2023, Judge Analisa Torres of the U.S. District Court for the Southern District of New York issued two orders respectively in *SEC v. Ripple Labs*, which make it clear that if recipients of tokens do not pay **money or 'some tangible and definable consideration'** to the issuing entity, the token distribution is not a security. By

denying the SEC's request for certifying interlocutory appeal, the October 3, 2023 Order<sup>1</sup> confirmed the July 3, 2023 Order<sup>2</sup>.

The July 3, 2023 Order states (Emphasis added, p.26 and 27):

These Other Distributions include **distributions to employees as compensation and to third parties** as part of Ripple's Xpring initiative to develop new applications for XRP and the XRP Ledger. (p.26).

Here, the record shows that recipients of the Other Distributions **did not pay money or "some tangible and definable consideration" to Ripple. To the contrary, Ripple paid XRP to these employees and companies.** (p.26).

Therefore, having considered the economic reality and totality of circumstances, the Court concludes that Ripple's Other Distributions did not constitute the offer and sale of investment contracts. (p.27).

The October 3, 2023 Order states (Emphasis added, p.8):

Applying that standard, the Court concluded that "the record shows that recipients of the Other Distributions **did not pay money or 'some tangible and definable consideration' to Ripple.**" Order at 26 (emphasis added).

Currently, Wyoming DAO Law enables a DAO to be registered, but it does not provide Wyoming DAOs with sufficient room to deploy smart contracts by issuing tokens. This fundamentally limits the potential of DAOs. **A viable and practical methodology for Wyoming DAO Law to overcome this shortcoming is to gradually add these scenarios of non-securities which have been confirmed by rulings of U.S. District Courts.** If CryptoFed's proposal above is adopted in one way or another, we anticipate that a new, positive momentum will be created for Wyoming DAOs.

For all the reasons set forth above, CryptoFed respectfully petitions this Committee to consider its proposal. CryptoFed appreciates the pioneering efforts of Wyoming's lawmakers to

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<sup>1</sup>For October 3, 2023 Order, *see* [https://storage.courtlistener.com/recap/gov.uscourts.nysd.551082/gov.uscourts.nysd.551082.917.0\\_1.pdf](https://storage.courtlistener.com/recap/gov.uscourts.nysd.551082/gov.uscourts.nysd.551082.917.0_1.pdf)

<sup>2</sup> For July 13, 2023 Order, *see*, <https://www.nysd.uscourts.gov/sites/default/files/2023-07/SEC%20vs%20Ripple%207-13-23.pdf>



explore the potential of cryptocurrencies in the real world, beyond speculative use cases. We look forward to an ongoing dialogue with Wyoming’s legislators.

Sincerely,

/s/Troy Carrothers

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