

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES ACT OF 1933**  
**Release No. 10624 / April 1, 2019**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19127**

**In the Matter of**

**MUTUAL COIN FUND LLC**  
**and**  
**USMAN MAJEED,**

**Respondents.**

**ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER**

**I.**

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) against Mutual Coin Fund LLC and Usman Majeed (“Respondents”).

**II.**

In anticipation of the institution of these proceedings, Respondents have submitted Offers of Settlement (the “Offers”), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceeding brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over them and the subject matter of these proceedings, which are admitted, Respondents consent to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

### III.

On the basis of this Order and Respondents' Offers, the Commission finds that:

#### **Respondents**

1. **Mutual Coin Fund LLC** ("MCF") is a Wyoming limited liability company with its principal place of business in Saginaw, Michigan. MCF has never been registered with the Commission in any capacity.

2. **Usman Majeed** ("Majeed"), age 27, is the founder, sole principal, and sole owner of MCF. Majeed resides in Saginaw, Michigan. Majeed has never been registered with the Commission in any capacity or associated with any registrant.

#### **Other Relevant Entity**

3. **Mutual Coin Fund LP** ("Fund") is a Delaware limited partnership with its principal place of business in Saginaw, Michigan. MCF is the Fund's general partner and investment manager.

#### **Facts**

4. Respondents formed the Fund in 2017 for the purpose of investing in certain assets. Respondents filed a Form D Notice of Exempt Offering of Securities with the Commission on November 21, 2017. Before the Fund's founding, Majeed had not worked in the securities industry.

5. From August 1, 2017 through May 1, 2018 (the "Relevant Period"), Respondents raised approximately \$567,000 from 15 individual investors, residing in at least five states and in Canada. Through this offering, the investors purchased limited partnership interests in the Fund pursuant to a private placement memorandum ("PPM") that, among other things, described the investment objective and strategy, disclosed various risk factors, and allowed periodic redemptions of the investors' capital. In exchange, the investors were entitled to a pro rata share of any profits derived from the Fund's investments. At least one investor in the Fund was non-accredited.

6. Respondents controlled and directed the investment of the Fund's assets consistent with the terms of the PPM. Pursuant to the PPM, MCF earned management fees from the Fund and was entitled to incentive fees based on the Fund's investment performance. As of February 28, 2019, the value of the Fund's investments has declined to approximately \$223,000, an unrealized loss of 62%. Respondents also engaged counsel to provide privileged advice on regulatory compliance matters in connection with launching the Fund.

7. Respondents did not have pre-existing, substantive relationships with a number of the Fund's investors and engaged in a general solicitation of public interest in the offering through MCF's website and traditional media interviews.

8. MCF did not file or cause to be filed a registration statement with the Commission, and no exemption from registration was available during the Relevant Period.

9. During the Relevant Period, in communications with actual and potential investors—some of whom ultimately invested in the Fund—Respondents misrepresented the amount of money raised by the Fund and the size of other investors’ actual and prospective investments in the Fund. Respondents failed to take reasonable steps as to the accuracy of these statements before disseminating them to actual and potential investors.

### **Violations**

10. As a result of the conduct described above, Respondents violated Section 5(a) of the Securities Act, which prohibits the sale of securities through interstate commerce or the mails, unless a registration statement is in effect, and Section 5(c) of the Securities Act, which prohibits the offer to sell any security through interstate commerce or the mails, unless a registration statement has been filed as to such security with the Commission.

11. As a result of the conduct described above, Respondents violated Section 17(a)(2) of the Securities Act, which prohibits any person in the offer or sale of securities from obtaining money or property by means of any untrue statement of material fact or any omission to state a material fact necessary in order to make the statements made not misleading.

### **Inability to Pay**

12. Respondent Majeed has submitted a sworn Statement of Financial Condition dated September 10, 2018 and other evidence and has asserted his inability to pay a civil penalty.

### **Undertakings**

13. Relinquish Accrued Fees. Respondents hereby relinquish their right to withdraw any and all management fees and incentive fees earned from the Fund’s inception through the date of this Order.

14. Notice to Investors. Within 30 days of the entry of this Order, Respondents shall provide a copy of the Order to each of the Fund’s investors via mail, email, or such other method not unacceptable to the Commission staff.

15. Certification of Compliance. Respondents shall certify, in writing, compliance with the undertakings set forth above. The certification shall identify the undertakings, provide written evidence of compliance in the form of a narrative, and be supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Respondents agree to provide such evidence. The certification and supporting material shall be submitted to Adam S. Aderton, Assistant Director, Asset Management Unit, Division of Enforcement, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-5012, or such other address as the Commission staff may provide, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than 60 days from the date of the completion of the undertakings.

#### IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondents' Offers.

Accordingly, pursuant to Section 8A of the Securities Act, it is hereby ORDERED that:

A. Respondents MCF and Majeed cease and desist from committing or causing any violations and any future violations of Sections 5(a), 5(c), and 17(a)(2) of the Securities Act.

B. Respondents MCF and Majeed are jointly and severally liable for, and shall pay, disgorgement in the amount of \$10,000, representing management fees earned since the Fund's inception. This payment obligation shall be deemed satisfied by fulfillment of the undertaking in Paragraph 13 above.

C. Based upon Majeed's sworn representations in his Statement of Financial Condition dated September 10, 2018 and other documents submitted to the Commission, the Commission is not imposing a penalty.

D. Respondents shall comply with the undertakings enumerated in Paragraphs 14 and 15 above.

#### V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent Majeed, and further, any debt for disgorgement, prejudgment interest, civil penalty, or other amounts due by Respondent Majeed under this Order or any other judgment, order, consent order, decree, or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent Majeed of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman  
Acting Secretary