



CORNERSTONE RESEARCH

Economic and Financial Consulting and Expert Testimony

SEC Cryptocurrency Enforcement

2022 Update

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Executive Summary

Cryptocurrency enforcement continues to be a high priority for the U.S. Securities and Exchange Commission (SEC). In 2022, the SEC administration under Chair Gary Gensler brought a total of 30 cryptocurrency-related enforcement actions, up 50% from 2021.

The number of enforcement actions brought in 2022 represents nearly a quarter of the 127 total cryptocurrency-related enforcement actions brought since July 2013, when the SEC issued the first of such actions.

As of year-end 2022, monetary penalties against digital-asset market participants totaled approximately \$2.61 billion, of which \$242 million were settlements reached in 2022.

- In calendar year 2022, the SEC brought 30 enforcement actions related to cryptocurrency against 79 defendants or respondents.
- Of these actions, 24 were litigated in U.S. district courts (“litigations”) and six were resolved within the SEC as administrative proceedings under Section 8A of the Securities Act and/or Section 21C of the Exchange Act (“administrative proceedings”). The SEC also issued two delinquent filing orders, two follow-on actions, and one stop order pursuant to Section 8(d) of the Securities Act. (page 2)
- The most frequent allegations continued to be fraud and unregistered securities offerings. Of the 30 enforcement actions brought in 2022, 70% alleged fraud, 73% alleged an unregistered securities offering violation, and 50% alleged both. (page 5)
- Nearly half of the 30 enforcement actions were related to initial coin offerings (ICOs). (page 8)
- In eight enforcement actions brought in 2022, the SEC was assisted by international authorities and organizations. (page 9)

In 2022, the SEC tightened its enforcement efforts in the cryptocurrency space.

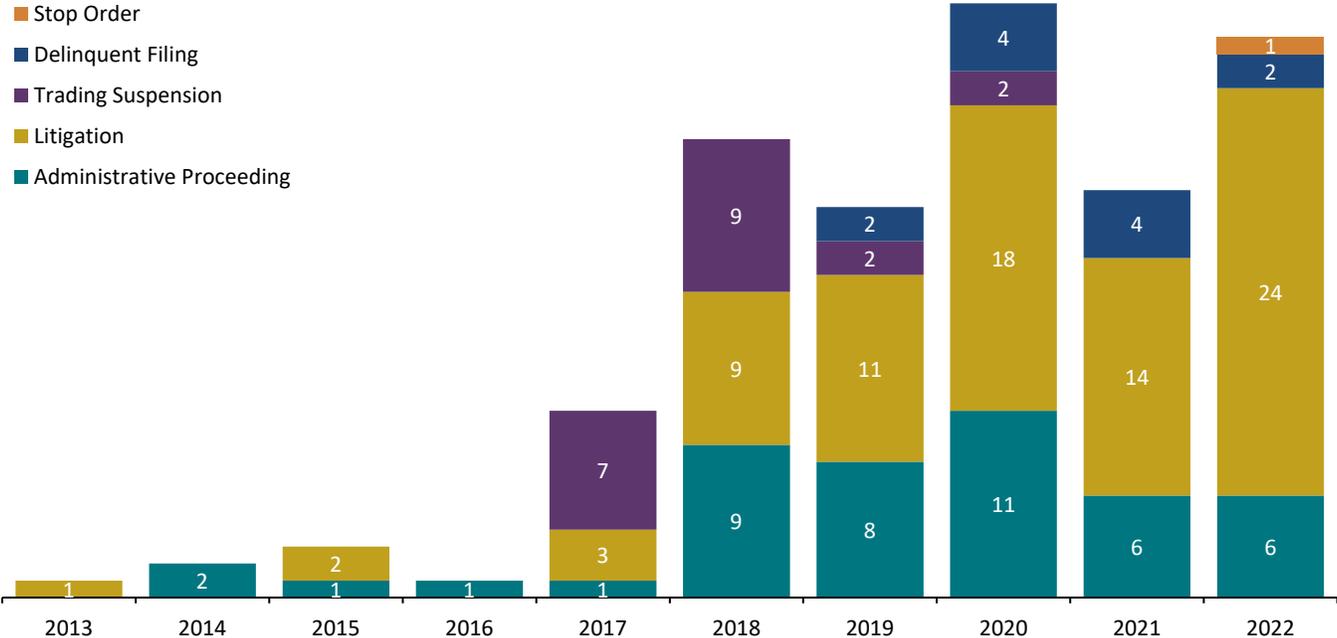
- Under the Gensler administration, the proportion of enforcement actions charging only individuals (rather than firms) has increased relative to prior years, from nearly 20% in the 2013–2020 period to 35% in 2021 and 50% in 2022. (page 10)
- From July 2013 through the end of December 2022, the SEC brought 82 cryptocurrency-related litigations and 45 administrative proceedings. (page 2)
- Approximately 43% of the 82 actions litigated in U.S. courts occurred in New York. As of December 31, 2022, 42 of the 82 litigations had reached a resolution. (page 12)
- In addition, since 2013, the SEC has issued 12 delinquent filing orders, 20 trading suspension orders, and one stop order, along with a number of subpoenas and follow-on administrative proceedings, to digital-asset market participants. (page 2)

SEC Cryptocurrency Enforcement Activity

- Since the first action in July 2013, the SEC has brought a total of 127 cryptocurrency-related enforcement actions as of December 31, 2022, comprising:
 - 82 litigations, and
 - 45 administrative proceedings.
- In addition, the SEC has issued:
 - 20 trading suspension orders pursuant to Section 12(k) of the Exchange Act, and
 - 12 delinquent filing orders pursuant to Section 12(j) of the Exchange Act, along with a number of subpoenas and follow-on administrative proceedings.¹
- In 2022, the SEC brought a total of 30 enforcement actions, a 50% increase compared to the 20 actions brought in 2021.
- Of the 30 enforcement actions in 2022, 24 were litigations and six were administrative proceedings.
- During 2022, the SEC also brought two follow-on actions and issued two delinquent filing orders.² It also issued one stop order against American CryptoFed DAO LLC (American CryptoFed) pursuant to Section 8(d) of the Securities Act, seeking to stop the registration of the offer and sale of two crypto assets due to misleading information allegedly contained in the registration statement on Form S-1 filed by American CryptoFed. In early December, the SEC held three hearing sessions related to American CryptoFed.³

The 24 litigations in 2022 represent the highest number of such litigations brought by the SEC in a single year.

Figure 1: Number of SEC Cryptocurrency Enforcement Actions, Trading Suspensions, Delinquent Filings, and Stop Orders 2013–2022



Source: SEC.gov

Note: Dates represent the filing date of the complaint or order instituting cease-and-desist proceedings under Section 8A of the Securities Act and/or Section 21C of the Exchange Act. For trading suspensions and delinquent filings, the filing date is the date of the order instituting administrative proceedings pursuant to Section 12(k) and Section 12(j) of the Exchange Act, respectively. For stop orders, the filing date is the date of the order instituting administrative proceedings pursuant to Section 8(d) of the Securities Act. Subpoenas and follow-on administrative orders are excluded from the figure.

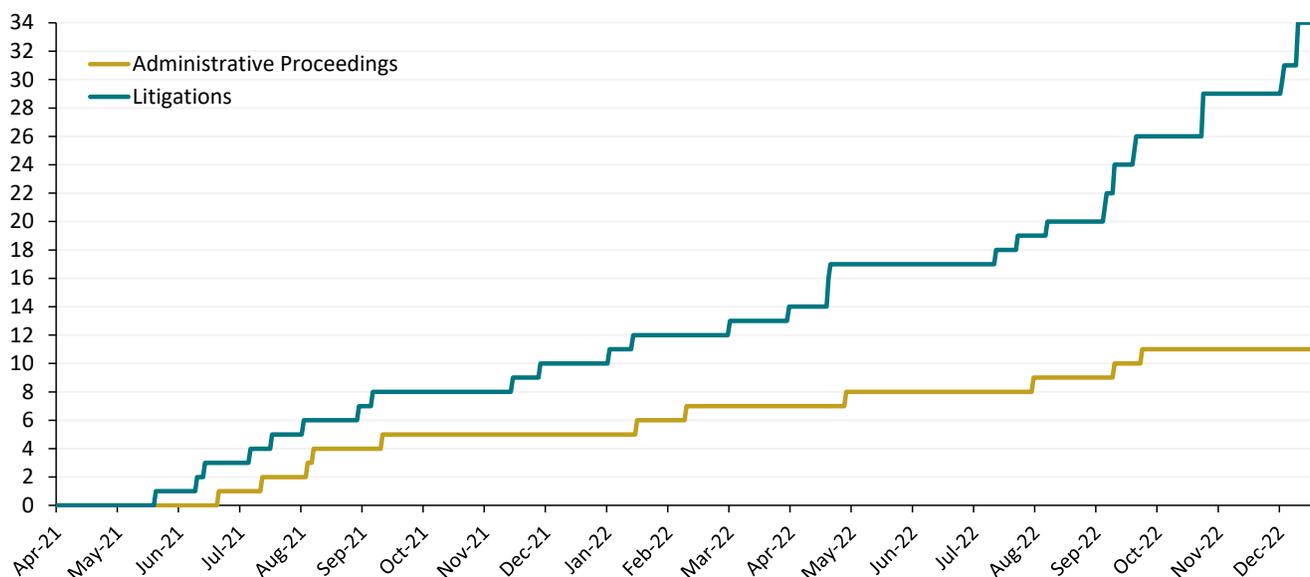
SEC Cryptocurrency Enforcement under the Gensler Administration

- Under Chair Gensler, the SEC continued its focus on crypto lending and trading platforms and decentralized finance (DeFi) platforms.⁴ Chair Gensler recently stated that “[t]he runway is getting shorter” for some of these crypto intermediaries to get registered with the SEC.⁵
- On February 14, 2022, the SEC charged BlockFi Lending LLC (BlockFi) for allegedly failing to register the offers and sales on its retail crypto lending product and for allegedly operating as an unregistered investment company, among other allegations.
- BlockFi agreed to pay a \$50 million penalty to the SEC and an additional \$50 million in fines to settle similar charges with states.⁶ Commissioner Hester M. Peirce released a dissenting statement about the settlement.⁷
- Also on February 14, 2022, the SEC issued an investor bulletin to educate investors about risks with accounts that pay interest on crypto-asset deposits.⁸
- In remarks on April 4, 2022, Chair Gensler renewed his focus on crypto platforms, stablecoins, and crypto tokens and his position that the SEC efforts should be “technology-neutral.”⁹
- On May 3, 2022, the SEC announced that the Crypto Assets and Cyber Unit would nearly double its size to 50 dedicated positions, including trial counsel.¹⁰ The expanded unit would “focus on investigating securities law violations related to crypto asset offerings, exchanges, broker-dealers, and lending and staking products; decentralized finance (‘DeFi’) platforms; non-fungible tokens (‘NFTs’); and stablecoins.”¹¹

“Not liking the message [that securities laws apply in the crypto space] isn’t the same thing as not receiving it.”¹²

Gary Gensler, SEC Chair, September 8, 2022

Figure 2: Cumulative Number of SEC Cryptocurrency Enforcement Actions during the Gensler Administration April 2021–December 2022



Source: SEC.gov

Note: The figure focuses on SEC cryptocurrency litigations and administrative proceedings. Dates represent the filing date of the complaint or order instituting cease-and-desist proceedings by the SEC under Section 8A of the Securities Act and/or Section 21C of the Exchange Act. Trading suspensions, delinquent filings, stop orders, subpoenas, and follow-on administrative orders are excluded from the figure.

- Among other enforcement actions, on July 21, 2022, the SEC brought the first action alleging insider trading charges against three individuals for perpetrating a scheme to trade ahead of announcements that certain crypto assets would be made available on a crypto trading platform.¹³ In its complaint, the SEC alleged that these crypto assets were securities.¹⁴
- On September 28, 2022, the SEC charged a company, its former CEO, and its self-described “market maker” for alleged unregistered offers and sales and market manipulation of crypto-asset securities.¹⁵
- Following the collapse of the crypto trading platform FTX Trading Ltd. (FTX), on December 13, 2022, the SEC charged the CEO and cofounder of FTX for allegedly defrauding equity investors.¹⁶ In a related matter, on December 21, 2022, the SEC also charged the former CEO of Alameda Research and the former CTO and cofounder of FTX, who pleaded guilty to fraud charges.¹⁷
- In addition to enforcement, the SEC engaged in other cryptocurrency-related initiatives. For example, the Division of Examinations listed emerging technology and crypto assets as 2022 priorities.¹⁸ As stated in the March 30, 2022, announcement, “[e]xaminations of market participants engaged with crypto-assets will continue to review the custody arrangements for such assets and will assess the offer, sale, recommendation, advice, and trading of crypto-assets.”¹⁹

“Describing this approach as technology-neutral, of course, works only if new technology can in fact comply with a prescriptive rule set designed for old technology, which is not at all clear. Even if it can work, though, technologies forced into an inflexible, stultifying regulatory framework may not last long either because they cannot go through the trial-and-error process that allows them to mature and thrive.”²⁴

Hester Peirce, SEC Commissioner, April 1, 2022

“There’s no reason to treat the crypto market differently just because different technology is used. We should be technology-neutral. . . . We already have robust ways to protect investors trading on platforms. And we have robust ways to protect investors when entrepreneurs want to raise money from the public. We ought to apply these same protections in the crypto markets. Let’s not risk undermining 90 years of securities laws and create some regulatory arbitrage or loopholes.”²⁰

Gary Gensler, SEC Chair, April 4, 2022

- Moreover, the SEC’s Office of the Chief Accountant and the Division of Corporation Finance’s Office of the Chief Accountant issued Staff Accounting Bulletin No. 121 on April 11, 2022, expressing the views of the Staff regarding the accounting for obligations to safeguard crypto assets that an entity such as a crypto platform holds for its platform users.²¹
- On July 21, 2022, the SEC received a petition for proposing and adopting rules to govern securities that are offered and traded via digitally native methods, including potential rules to identify which digital assets are securities.²²
- Finally, on December 8, 2022, the SEC’s Division of Corporation Finance posted a sample letter to companies regarding recent developments in crypto-asset markets. In light of bankruptcies and financial distress among crypto-asset market participants, the Division of Corporation Finance urged companies to evaluate their disclosures about the impact that these events have had or may have on their business and consider whether existing disclosures should be updated.²³

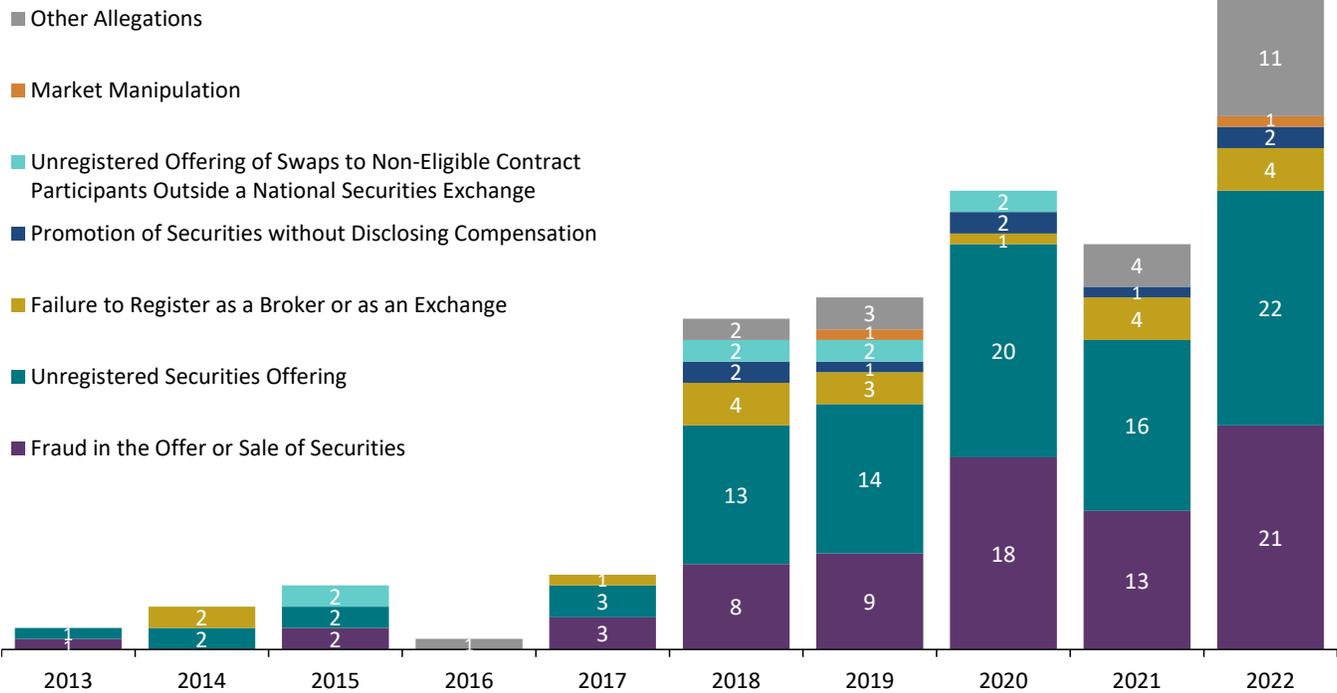
Allegations in SEC Cryptocurrency Enforcement Actions

- Of the 30 enforcement actions in 2022:
 - 21 actions (70%) alleged fraud under Section 17(a) of the Securities Act and/or Section 10(b) and Rule 10b-5 of the Exchange Act;
 - 22 (73%) alleged an unregistered securities offering violation under Sections 5(a) and 5(c) of the Securities Act;
 - 15 (50%) contained both allegations.
- In four actions, the SEC alleged failures to register as a broker or dealer under Section 15 of the Exchange Act, among other things, against one company and seven individuals.²⁵
- In two separate actions, the SEC charged a celebrity and a crypto promoter under Section 17(b) of the Securities Act for allegedly touting crypto-asset securities without disclosing that they received compensation.²⁶

- In connection with the offer and sale of crypto-asset securities, the SEC alleged market manipulation under Section 9(a)(2) of the Exchange Act in one action against a company, its former CEO, and its self-described “market maker.”²⁷ In particular, the SEC alleged that the defendants engaged in a scheme to manipulate the price and volume of the tokens traded on crypto-asset trading platforms so that the company could sell its own tokens at a greater profit.²⁸

In 2022, the most frequent allegations in cryptocurrency-related enforcement actions continued to be fraud and unregistered securities offerings.

Figure 3: Allegations in SEC Cryptocurrency Enforcement Actions 2013–2022



Note: The figure focuses on the total of 127 SEC cryptocurrency enforcement actions (both litigations and administrative proceedings under Section 8A of the Securities Act and/or Section 21C of the Exchange Act). An enforcement action may be associated with more than one allegation. “Other Allegations” include claims that have been alleged in only a few litigations or administrative proceedings, such as violations of restricted period, failure to register as an investment company, fraudulent transactions by investment advisers, failure to maintain internal controls, and falsification of internal controls.

Fraud and Unregistered Securities Offering Allegations

- In 2022, 19 of the 24 litigations alleged fraud under Section 17(a) of the Securities Act and/or Section 10(b) and Rule 10b-5 of the Exchange Act, while two of the six administrative proceedings alleged a fraudulent scheme.
- Moreover, 19 of the 24 litigations and three of the six administrative proceedings in 2022 also alleged an unregistered securities offering violation under Sections 5(a) and 5(c) of the Securities Act.
- Overall, since 2013, 75 (59%) SEC enforcement actions alleged fraudulent behavior and 93 (73%) alleged an unregistered securities offering violation under Sections 5(a) and 5(c) of the Securities Act, while 56 (44%) alleged both.

In 2022, 14 of the 24 cryptocurrency-related litigations alleged both fraud and unregistered securities offering violations.

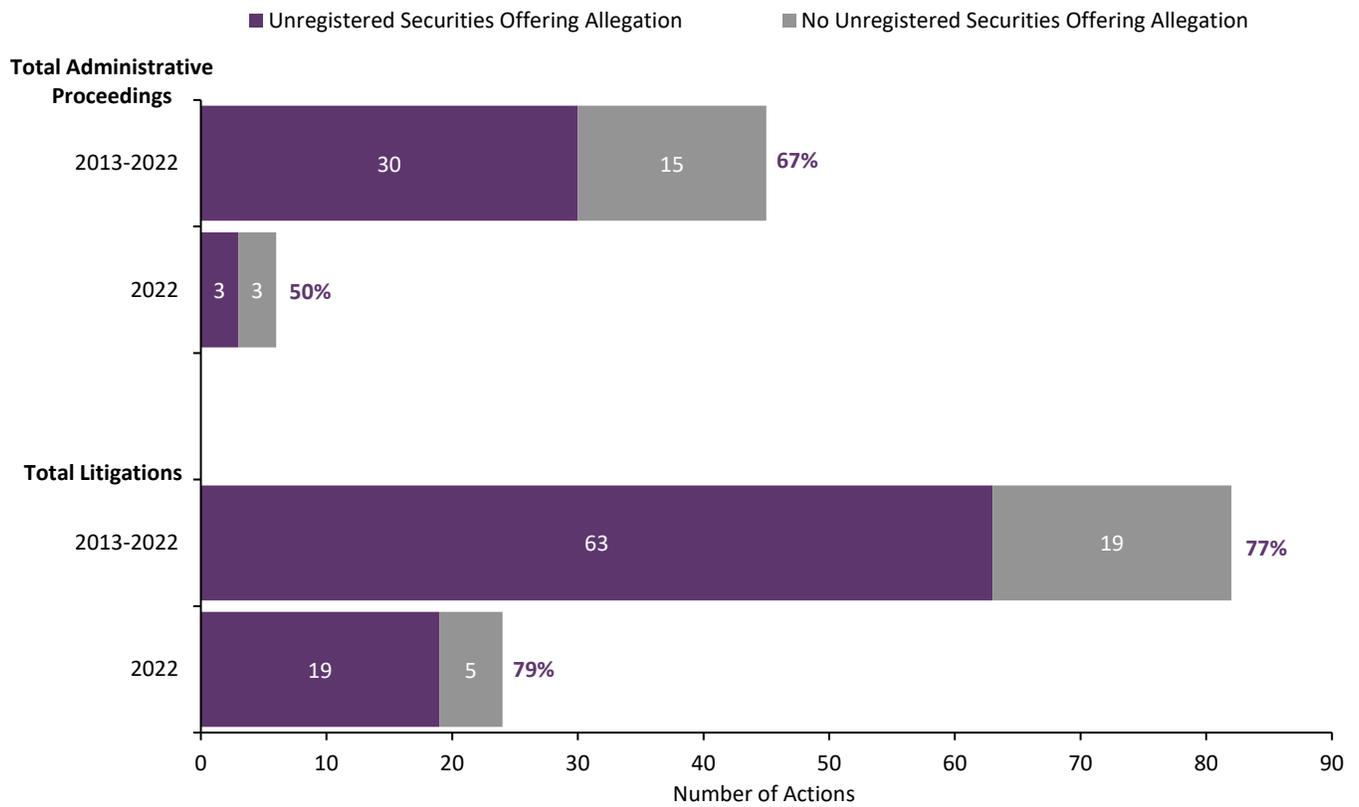
Figure 4a: Allegations of Fraud in the Offer or Sale of Securities in SEC Cryptocurrency Enforcement Actions 2013–2022



Source: SEC.gov

Note: The figure focuses on those SEC cryptocurrency enforcement actions (both litigations and administrative proceedings under Section 8A of the Securities Act and/or Section 21C of the Exchange Act) where fraud was alleged under Section 17(a) of the Securities Act and/or Section 10(b) and Rule 10b-5 of the Exchange Act.

Figure 4b: Allegations of Unregistered Securities Offerings in SEC Cryptocurrency Enforcement Actions 2013–2022



Source: SEC.gov

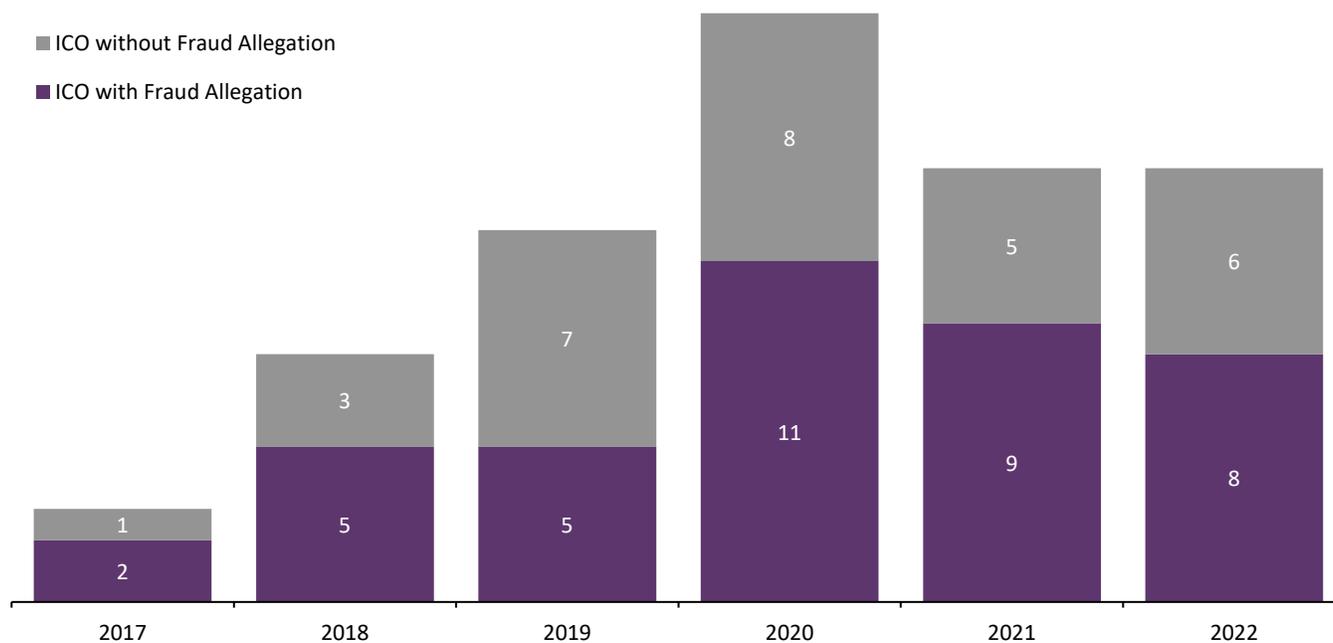
Note: The figure focuses on those SEC cryptocurrency enforcement actions (both litigations and administrative proceedings under Section 8A of the Securities Act and/or Section 21C of the Exchange Act) where the SEC alleged a violation of Sections 5(a) and 5(c) of the Securities Act.

ICOs as Unregistered Securities Offering Allegations

- In 2022, the SEC continued its focus on ICOs: 14 of the 22 enforcement actions alleging an unregistered securities offering violation under Sections 5(a) and 5(c) of the Securities Act were related to the offering of a token or an ICO.²⁹
- The SEC alleged that the tokens issued in such unregistered securities offerings were investment contracts based on the SEC’s implementation of the *Howey* test from the U.S. Supreme Court decision of 1946, following the SEC’s framework for investment contract analysis of digital assets released in April 2019.³⁰
- In one action, the SEC also alleged in its legal analysis that the defendant created notes that bore a “family resemblance” to securities based on a four-part test outlined in *Reves v. Ernst & Young*.³¹
- The majority of these 14 ICO-related enforcement actions (57%) also included a fraud allegation.
- On November 7, 2022, a federal judge for the U.S. District Court for the District of New Hampshire granted the SEC’s motion for summary judgment against LBRY Inc. (LBRY), holding that LBRY offered and sold its digital-asset LBC as a security in violation of the registration provisions of the federal securities laws, and that LBRY did not have a defense that it lacked fair notice.³²
- Overall, since 2013, a total of 70 enforcement actions (55%) have been related to ICOs.

In 2022, nearly half of the 30 cryptocurrency-related enforcement actions involved ICOs.

Figure 5: ICOs as Unregistered Securities Offering Allegations in SEC Cryptocurrency Enforcement Actions 2013–2022



Source: SEC.gov

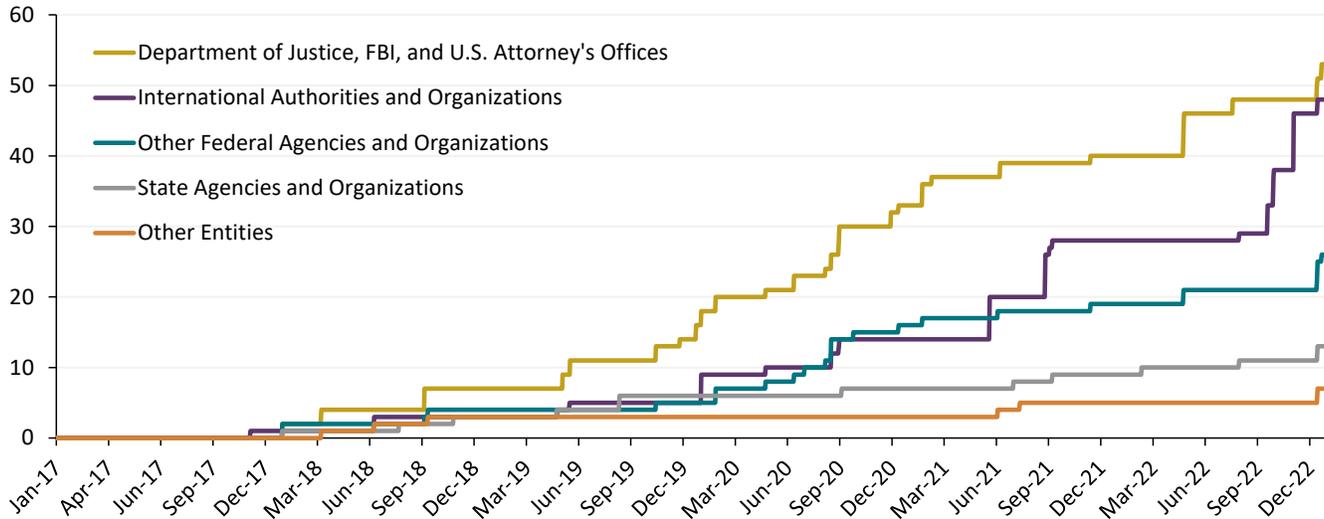
Note: The figure focuses on ICO-related enforcement actions (both litigations and administrative proceedings under Section 8A of the Securities Act and/or Section 21C of the Exchange Act). Fraud is alleged under Section 17(a) of the Securities Act and/or Section 10(b) and Rule 10b-5 of the Exchange Act.

Assistance from Outside Agencies and Organizations

- The SEC typically acknowledges assistance received from outside agencies and organizations by listing their names in press releases. In December 2017, the SEC first acknowledged that it was assisted in the course of an investigation that brought a cryptocurrency enforcement action.³³ Since then, outside assistance in SEC enforcement actions has increased over time.
- Of the 127 enforcement actions from 2013 to 2022, the SEC received assistance from outside agencies and organizations in 56 actions (44%). Of the 56 actions in which the SEC received assistance, 46 were litigations and 10 were administrative proceedings.
- In the press releases announcing the commencement of the enforcement actions, the SEC acknowledged assistance from one to 10 outside agencies/organizations in litigations (with an average of 2.8 per litigation), and one to three outside agencies/organizations in administrative proceedings (with an average of 1.6 per administrative proceeding).
- U.S. Attorney’s offices (28 actions), the Federal Bureau of Investigation (23 actions), the Commodity Futures Trading Commission (8 actions), and the Internal Revenue Service (7 actions) were among the federal agencies and authorities that provided frequent assistance.
- In a total of 21 enforcement actions from 2013 to 2022, the SEC also acknowledged assistance from multiple international authorities and organizations.³⁴
- International assistance has particularly increased under the Gensler administration. Since April 17, 2021, when Chair Gensler was sworn in, 12 enforcement actions (eight in 2022 alone) have involved assistance from multiple international authorities and organizations.³⁵

Under the Gensler administration, the SEC has been increasingly assisted by multiple international authorities in its cryptocurrency enforcement actions.

Figure 6: Cumulative Number of Outside Agencies and Organizations Assisting the SEC in Cryptocurrency Enforcement Actions 2017–2022



Source: SEC.gov
 Note: The figure focuses on SEC cryptocurrency enforcement actions (both litigations and administrative proceedings under Section 8A of the Securities Act and/or Section 21C of the Exchange Act). The SEC press release announcing the commencement of an enforcement action may acknowledge the assistance from one or more outside agencies and organizations.

Type of Defendants/Respondents

- In 2022, the SEC charged a total of 79 defendants or respondents in cryptocurrency enforcement actions, of which 56 (71%) were individuals and 23 (29%) were firms.
- Approximately 29% of respondents in administrative proceedings were individuals, while 75% of defendants in litigations were individuals.
- In 15 of the 30 enforcement actions that the SEC brought in 2022, the defendants/respondents were individuals only. In the remaining 15 enforcement actions, the defendants/respondents were a mix of firms and individuals (11 actions) or firms only (four actions).³⁶
- Under the Gensler administration, the proportion of enforcement actions charging only individuals has increased relative to prior years, from nearly 20%, on average, in the 2013–2020 period to 35% in 2021 and 50% in 2022.
- Similarly, the proportion of individual defendants or respondents has increased relative to prior years, from 46%, on average, in the 2013–2020 period to 61% in 2021 and 71% in 2022.

In 2022, half of the 30 enforcement actions were against individual defendants only.

Figure 7: Defendants/Respondents in SEC Cryptocurrency Enforcement Actions 2013–2022

	2013–2020		2021		2022	
	Number	Proportion	Number	Proportion	Number	Proportion
Number of Enforcement Actions						
Individual(s) Only	15	20%	7	35%	15	50%
Firm(s) Only	21	27%	5	25%	4	13%
Firm(s) and Individual(s)	41	53%	8	40%	11	37%
Total	77	100%	20	100%	30	100%
Number of Defendants/Respondents in Enforcement Actions						
Individuals	85	46%	28	61%	56	71%
Firms	98	54%	18	39%	23	29%
Total	183	100%	46	100%	79	100%

Source: SEC.gov

Note: The figure focuses on SEC cryptocurrency enforcement actions (both litigations and administrative proceedings under Section 8A of the Securities Act and/or Section 21C of the Exchange Act). An enforcement action may be associated with more than one defendant/respondent. Relief defendants named in the complaint are excluded from the count.

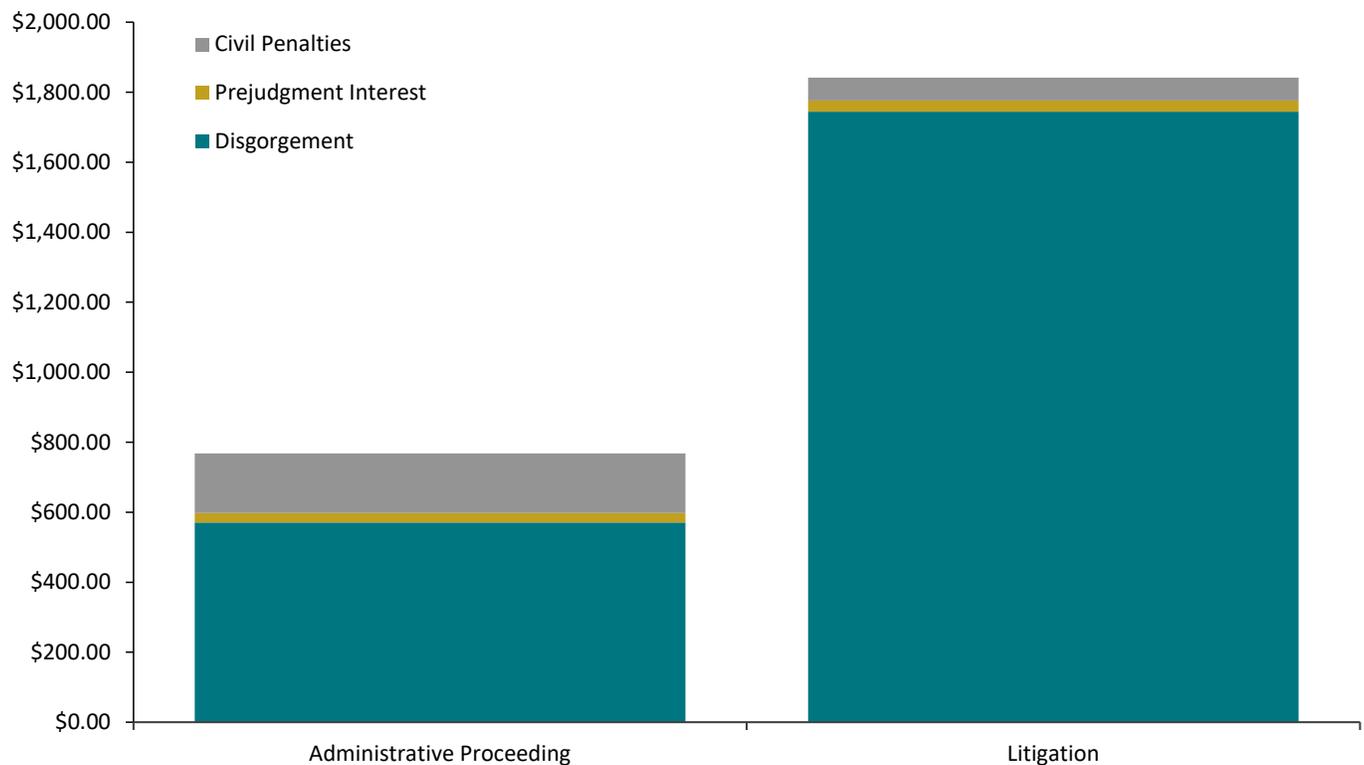
Total Monetary Penalties

- In the February 14, 2022, settlement against BlockFi, the SEC imposed a civil penalty of \$50 million. BlockFi also agreed to an additional \$50 million in fines to settle similar charges with states.³⁷ This was the largest monetary penalty imposed by the SEC in 2022 and one of the largest settlements that the SEC has imposed in cryptocurrency-related enforcement actions.
- Since 2013, actions resolved with multimillion-dollar remedies in terms of disgorgement and/or civil penalties include *SEC v. Telegram Group Inc. et al.*; *In the Matter of GTV Media Group Inc.*; *SEC v. Steve Chen et al.*; and *SEC v. Haddow*.
- As of year-end 2022, the SEC had imposed total monetary penalties of approximately \$2.61 billion since 2013—\$1.84 billion in litigations and \$0.77 billion in administrative proceedings.

Since 2013, monetary penalties have totaled approximately \$2.61 billion, including \$242 million in 2022.

- Approximately 9% of the \$2.61 billion consisted of civil penalties, while disgorgement and prejudgment interest comprised the remaining 91%.
- Of the \$2.61 billion, the SEC imposed \$1.95 billion in actions against firm defendants/respondents only.
- As of December 31, 2022, the total monetary penalties that the SEC had charged in ICO-related enforcement actions against issuers of alleged unregistered securities offerings totaled \$2.06 billion.

Figure 8: Total Monetary Penalties in SEC Cryptocurrency Enforcement Actions 2013–2022
Dollars in millions



Source: SEC.gov; PACER

Note: Total monetary penalties are determined as the sum of disgorgement, prejudgment interest, and civil penalties as of December 31, 2022, across all cryptocurrency-related administrative proceedings and litigations. Penalties other than U.S. dollar-denominated amounts (e.g., Bitcoin) are not included.

Litigation Venue

- From 2013 to 2022, approximately 43% of the 82 actions litigated in U.S. courts occurred in New York, with 29 in the Southern District and six in the Eastern District.
- In 2022, the SEC initiated six litigations in New York, six litigations in California, and four litigations in Washington State, among others.³⁸
- As of December 31, 2022, 42 litigations were resolved within a median of 290 days.

Although the largest number of actions litigated in U.S. courts occurred in New York, the SEC has been increasingly litigating cryptocurrency enforcement actions in other federal courts.

Figure 9: Courts and Presiding Judges in SEC Cryptocurrency Litigations 2013–2022

United States District Court	Number of Actions	Actions Resolved	Judges
Southern District of New York	29	17	Stewart D. Aaron, Naomi Reice Buchwald, Andrew L. Carter Jr., P. Kevin Castel (4), Denise L. Cote (4), Paul G. Gardephe (3), Alvin K. Hellerstein, Lewis A. Kaplan (2), John F. Keenan, John G. Koeltl (3), Colleen McMahon, J. Paul Oetken, Lorna G. Schofield (3), Louis L. Stanton, Analisa Torres (2)
Eastern District of New York	6	3	Carol Bagley Amon, LaShann DeArcy Hall (2), Raymond J. Dearie, Eric R. Komitee, William F. Kuntz
Central District of California	7	7	Jesus G. Bernal, Stanley Blumenfeld, Jr., Dale S. Fischer (2), R. Gary Klausner, Mark C. Scarsi, Fred W. Slaughter
Northern District of California	7	3	Haywood Stirling Gilliam Jr., Charles R. Breyer, Richard Seeborg (4), Trina Lynn Thompson
Southern District of California	2	1	Gonzalo P. Curiel, Todd Wallace Robinson
Northern District of Texas	3	3	David C. Godbey, Sidney Allen Fitzwater, Barbara M. G. Lynn
Eastern District of Texas	1	1	Amos L. Mazzant
Western District of Texas	2	1	Robert Pitman (2)
Southern District of Texas	2	0	Andrew S. Hanen (2)
District of Connecticut	1	1	Jeffrey A. Meyer
District of Columbia	1	1	Trevor N. McFadden
Southern District of Florida	3	1	Beth Francine Bloom, Kevin Michael Moore, Robin L. Rosenberg
District of New Jersey	2	0	Stanley R. Chesler (2)
District of Utah	1	0	David Barlow
Western District of Pennsylvania	1	0	W. Scott Hardy
District of Maryland	1	0	Peter J. Messitte
Northern District of Georgia	1	1	Steve C. Jones
District of New Hampshire	1	0	Paul J. Barbadoro
District of Nevada	1	0	Jennifer A. Dorsey
District of South Carolina	1	1	Margaret B. Sey
District of Massachusetts	1	0	Mark G. Mastroianni
District of Idaho	1	0	B. Lynn Winmill
District of Colorado	1	0	Daniel D. Domenico
Western District of Washington	4	1	John C. Coughenour, Tana Lin, S. Kate Vaughan, Thomas Samuel Zilly
Northern District of Illinois	2	0	Jorge Luis Alonso, John Robert Blakey
Total	82	42	

Source: SEC.gov; PACER

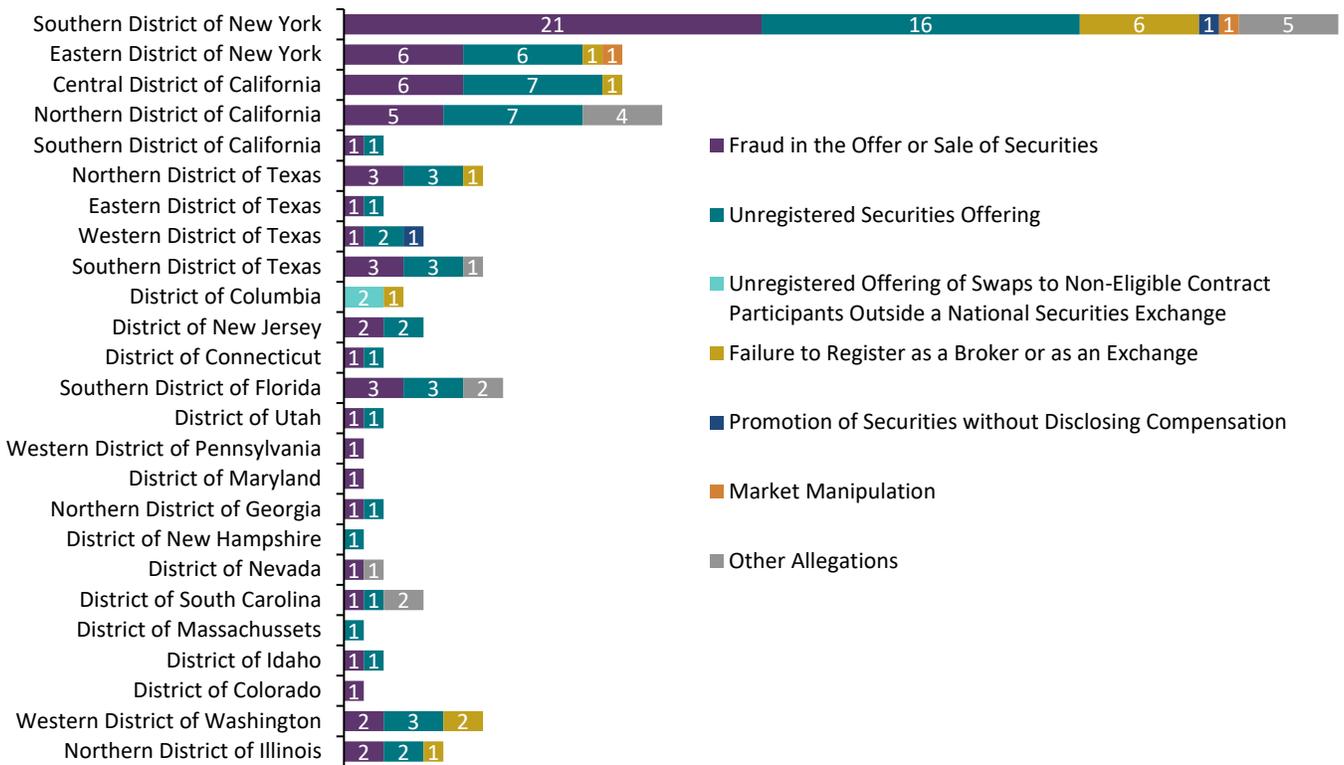
Note: The figure reports the SEC cryptocurrency litigations resolved as of December 31, 2022. A judge may be reassigned after an initial assignment to the case.

Litigation Allegations by Venue

- Among the 35 litigations filed in New York from 2013 to 2022, the SEC alleged fraud in 27 actions and unregistered securities offering violations in 22 actions.
- Most of the litigations involving allegations of market manipulation and failure to register as a broker or exchange have been litigated in New York.

In 2022, the four litigations that the SEC brought against unregistered brokers were filed in Illinois, New York, and Washington State.

Figure 10: Types of Allegations in SEC Cryptocurrency Litigations by Court Venue 2013–2022



Source: SEC.gov

Note: The figure focuses on SEC cryptocurrency litigations. A litigation may be associated with more than one allegation. “Other Allegations” include claims alleged in only in a few litigations, such as a reporting violation, failure to maintain internal controls and records, and falsification of internal controls and records.

Appendix

SEC Cryptocurrency Press Releases, Public Statements and Speeches, Investor Alerts, and No-Action Letters 2013–2022

Date	SEC Press Releases with Hyperlinks
23-Jul-13	SEC Charges Texas Man with Running Bitcoin-Denominated Ponzi Scheme
03-Jun-14	SEC Charges Bitcoin Entrepreneur with Offering Unregistered Securities
08-Dec-14	SEC Sanctions Operator of Bitcoin-Related Stock Exchange for Registration Violations
01-Dec-15	SEC Charges Bitcoin Mining Companies
17-Jun-15	SEC Announces Enforcement Action for Illegal Offering of Security-Based Swaps
30-Jun-17	SEC Files Fraud Charges in Bitcoin and Office Space Investment Schemes
29-Sep-17	SEC Exposes Two Initial Coin Offerings Purportedly Backed by Real Estate and Diamonds
04-Dec-17	SEC Emergency Action Halts ICO Scam
11-Dec-17	Company Halts ICO after SEC Raises Registration Concerns
30-Jan-18	SEC Halts Alleged Initial Coin Offering Scam
16-Feb-18	SEC Suspends Trading in Three Issuers Claiming Involvement in Cryptocurrency and Blockchain Technology
21-Feb-18	SEC Charges Former Bitcoin-Denominated Exchange and Operator with Fraud
02-Apr-18	SEC Halts Fraudulent Scheme Involving Unregistered ICO
06-Apr-18	SEC Obtains Emergency Freeze of \$27 million in Stock Sales of Purported Cryptocurrency Company Longfin
29-May-18	SEC Obtains Emergency Order Halting Fraudulent Coin Offering Scheme
02-Jul-18	SEC Charges Attorney and Law Firm Business Manager with Illegal Sales of UBI Blockchain Internet Stock
14-Aug-18	SEC Bars Perpetrator of Initial Coin Offering Fraud
11-Sep-18	SEC Charges Digital Asset Hedge Fund Manager with Misrepresentations and Registration Failures
11-Sep-18	SEC Charges ICO Superstore and Owners with Operating as Unregistered Broker-Dealers
27-Sep-18	SEC Charges Bitcoin-Funded Securities Dealer and CEO
09-Oct-18	SEC Files Subpoena Enforcement against Investment Company Trust and Trustee for Failure to Produce Documents
11-Oct-18	SEC Stops Fraudulent ICO That Falsely Claimed SEC Approval
08-Nov-18	SEC Charges EtherDelta Founder with Operating an Unregistered Exchange
16-Nov-18	Two ICO Issuers Settle SEC Registration Charges, Agree to Register Tokens as Securities
29-Nov-18	Two Celebrities Charged with Unlawfully Touting Coin Offerings
20-Feb-19	Company Settles Unregistered ICO Charges after Self-Reporting to SEC
21-May-19	SEC Obtains Emergency Order Halting Alleged Diamond-Related ICO Scheme Targeting Hundreds of Investors
23-May-19	SEC Sues Alleged Perpetrator of Fraudulent Pyramid Scheme Promising Investors Cryptocurrency Riches
23-May-19	SEC Charges Additional Parties in Fraudulent Investment Scheme
04-Jun-19	SEC Charges Issuer with Conducting \$100 million Unregistered ICO
05-Jun-19	SEC Adds Fraud Charges against Purported Cryptocurrency Company Longfin, CEO, and Consultant
13-Aug-19	SEC Obtains Freeze of \$8 million in Assets in Alleged Fraudulent Token Offering and Manipulation Scheme
20-Aug-19	SEC Charges ICO Research and Rating Provider with Failing to Disclose It Was Paid to Tout Digital Assets
29-Aug-19	SEC Charges Dallas Company and Its Founders with Defrauding Investors in Unregistered Offering and Operating Unregistered Digital Asset Exchange
18-Sep-19	SEC Charges ICO Incubator and Founder for Unregistered Offering and Unregistered Broker Activity
23-Sep-19	SEC Charges Founder and CEO of Purported Online Adult Entertainment Marketplace with Fraudulent ICO Scheme
30-Sep-19	SEC Orders Blockchain Company to Pay \$24 million Penalty for Unregistered ICO
11-Oct-19	SEC Halts Alleged \$1.7 billion Unregistered Digital Token Offering
31-Oct-19	SEC Charges International Dealer That Sold Security-Based Swaps to U.S. Investors
11-Dec-19	SEC Charges Founder, Digital-Asset Issuer with Fraudulent ICO
17-Jan-20	SEC Charges Convicted Criminal Who Conducted Fraudulent ICO Using a Fake Identity

Date	SEC Press Releases with Hyperlinks
11-Feb-20	SEC Charges Orchestrator of Cryptocurrency Scheme Ensnaring Physicians
19-Feb-20	ICO Issuer Settles SEC Registration Charges, Agrees to Return Funds and Register Tokens As Securities
27-Feb-20	Actor Steven Seagal Charged with Unlawfully Touting Digital Asset Offering
20-Mar-20	SEC Emergency Action Stops Digital Asset Scam
28-May-20	Unregistered \$25.5 million ICO Issuer to Return Money for Distribution to Investors
19-Jun-20	SEC Emergency Action Halts Brothers' Cryptocurrency Offering Fraud
25-Jun-20	SEC Charges Issuer, CEO, and Lobbyist with Defrauding Investors in AML BitCoin
26-Jun-20	Telegram to Return \$1.2 billion to Investors and Pay \$18.5 million Penalty to Settle SEC Charges
13-Jul-20	SEC Charges App Developer for Unregistered Security-Based Swap Transactions
13-Aug-20	SEC Charges Issuer and CEO with Misrepresenting Platform Technology in Fraudulent ICO
11-Sep-20	SEC Charges Film Producer, Rapper, and Others for Participation in Two Fraudulent ICOs
15-Sep-20	Unregistered ICO Issuer Agrees to Disable Tokens and Pay Penalty for Distribution to Harmed Investors
05-Oct-20	SEC Charges John McAfee with Fraudulently Touting ICOs
21-Oct-20	SEC Obtains Final Judgment against Kik Interactive for Unregistered Offering
09-Nov-20	Staff Statement on WY Division of Banking's "NAL on Custody of Digital Assets and Qualified Custodian Status"
03-Dec-20	SEC Announces Office Focused on Innovation and Financial Technology
22-Dec-20	SEC Charges Ripple and Two Executives with Conducting \$1.3 billion Unregistered Securities Offering
23-Dec-20	SEC Issues Statement and Requests Comment Regarding the Custody of Digital Asset Securities by Special Purpose Broker-Dealers
28-Dec-20	SEC Obtains Emergency Asset Freeze, Charges Crypto Fund Manager with Fraud
02-Feb-21	SEC Charges Three Individuals in Digital Asset Frauds
03-Mar-21	SEC Division of Examinations Announces 2021 Examination Priorities
28-May-21	SEC Charges U.S. Promoters of \$2 Billion Global Crypto Lending Securities Offering
11-Jun-21	SEC Charges Dentist-Turned-Investment Adviser for Three Separate Frauds
22-Jun-21	SEC Charges ICO Issuer and CEO with Fraud and Unregistered Securities Offering
14-Jul-21	ICO "Listing" Website Charged with Unlawfully Touting Digital Asset Securities
19-Jul-21	SEC Files Charges in Multi-Million Dollar Fraud Involving Two Companies
19-Jul-21	SEC Shuts Down Fraudulent Mother-Son Offering Involving Purported Supercomputer
06-Aug-21	SEC Charges Decentralized Finance Lender and Top Executives for Raising \$30 Million through Fraudulent Offerings
09-Aug-21	SEC Charges Poloniex for Operating Unregistered Digital Asset Exchange
19-Aug-21	SEC Obtains Judgments against Bitconnect Promoters Michael Noble and Joshua Jeppesen and a Relief Defendant
01-Sep-21	SEC Charges Global Crypto Lending Platform and Top Executives in \$2 Billion Fraud
13-Sep-21	SEC Charges Three Media Companies with Illegal Offerings of Stock and Digital Assets
10-Nov-21	Registration of Two Digital Tokens Halted
18-Nov-21	SEC Announces Enforcement Results for FY 2021
18-Nov-21	SEC Charges Promoter with Conducting Cryptocurrency Investment Scams
02-Dec-21	SEC Charges Latvian Citizen with Digital Asset Fraud
06-Jan-22	SEC Charges ICO Issuer and Founder with Defrauding Investors
14-Feb-22	BlockFi Agrees to Pay \$100 Million in Penalties and Pursue Registration of Its Crypto Lending Product
08-Mar-22	SEC Charges Siblings in \$124 Million Crypto Fraud Operation That Included Misleading Roadshows, YouTube Videos
30-Mar-22	SEC Division of Examinations Announces 2022 Examination Priorities
03-May-22	SEC Nearly Doubles Size of Enforcement's Crypto Assets and Cyber Unit
06-May-22	SEC Charges NVIDIA Corporation with Inadequate Disclosures about Impact of Cryptomining
06-May-22	SEC Halts Fraudulent Cryptomining and Trading Scheme
21-Jul-22	SEC Charges Former Coinbase Manager, Two Others in Crypto Asset Insider Trading Action
01-Aug-22	SEC Charges Eleven Individuals in \$300 Million Crypto Pyramid Scheme
19-Sep-22	Sparkster to Pay \$35 Million to Harmed Investor Fund for Unregistered Crypto Asset Offering
28-Sep-22	SEC Charges The Hydrogen Technology Corp. and Its Former CEO for Market Manipulation of Crypto Asset Securities

Date	SEC Press Releases with Hyperlinks
03-Oct-22	SEC Charges Kim Kardashian for Unlawfully Touting Crypto Security
04-Nov-22	SEC Charges Creator of Global Crypto Ponzi Scheme and Three US Promoters in Connection with \$295 Million Fraud
18-Nov-22	SEC Seeks to Stop the Registration of Misleading Crypto Asset Offerings
13-Dec-22	SEC Charges Samuel Bankman-Fried with Defrauding Investors in Crypto Asset Trading Platform FTX
14-Dec-22	SEC Charges Four Individuals in Crypto Pyramid Scheme That Targeted Spanish-Speaking Communities
21-Dec-22	SEC Charges Caroline Ellison and Gary Wang with Defrauding Investors in Crypto Asset Trading Platform FTX

Date	SEC Public Statements and Speeches with Hyperlinks
14-Nov-16	Chair Mary Jo White - Opening Remarks at the Fintech Forum
25-Jul-17	Statement by the Divisions of Corporation Finance and Enforcement on the Report of Investigation on The DAO
01-Nov-17	SEC Statement Urging Caution around Celebrity Backed ICOs
11-Dec-17	Chairman Jay Clayton - Statement on Cryptocurrencies and Initial Coin Offerings
02-May-18	Commissioner Hester M. Peirce - Beaches and Bitcoin: Remarks before the Medici Conference
22-May-18	Chairman Jay Clayton - Statement on NASAA's Announcement of Enforcement Sweep Targeting Fraudulent ICOs and Crypto-Asset Investment Products
14-Jun-18	William Hinman, Director of Division of Corporation Finance - Digital Asset Transactions: When Howey Met Gary (Plastic)
12-Sep-18	Commissioner Hester M. Peirce - Motherhood and Humble Pie: Remarks before the Cato Institute's FinTech Unbound Conference
20-Sep-18	Statement on Order of Suspension of Trading of Certain Bitcoin/Ether Tracking Certificates
02-Oct-18	Commissioner Hester M. Peirce - Pickups and Put Downs: Remarks at the Financial Planning Association 2018 Major Firms Symposium
07-Nov-18	Commissioner Hester M. Peirce - Lasting Impressions: Remarks before the CV Summit—Crypto Valley
16-Nov-18	Statement on Digital Asset Securities Issuance and Trading
03-Apr-19	Statement on "Framework for 'Investment Contract' Analysis of Digital Assets"
09-May-19	Commissioner Hester M. Peirce - How We Howey
31-May-19	Commissioner Hester M. Peirce - Spelling FinTech without the "F" for Fear
08-Jul-19	Joint Staff Statement on Broker-Dealer Custody of Digital Asset Securities
30-Jul-19	Commissioner Hester M. Peirce - Renegade Pandas: Opportunities for Cross Border Cooperation in Regulation of Digital Assets
11-Oct-19	Leaders of CFTC, FinCEN, and SEC Issue Joint Statement on Activities Involving Digital Assets
06-Feb-20	Commissioner Hester M. Peirce - Running on Empty: A Proposal to Fill the Gap between Regulation and Decentralization
21-Jul-20	Commissioner Hester M. Peirce - Not Braking and Breaking
15-Sep-20	Commissioner Hester M. Peirce - Statement on SEC Settlement Charging Token Issuer with Violation of Registration Provisions of the Securities Act of 1933
17-Sep-20	Chairman Jay Clayton - Investor-Focused, Nimble and Vigorous Enforcement at the SEC
21-Sep-20	SEC FinHub Staff Statement on OCC Interpretation
09-Nov-20	Division of Investment Management Staff in Consultation with FinHub Staff - Staff Statement on WY Division of Banking's "NAL on Custody of Digital Assets and Qualified Custodian Status"
18-Nov-20	Division of Corporation Finance Director William Hinman - The Regulation of Corporation Finance – A Principles-Based Approach
10-Dec-20	Commissioner Hester M. Peirce - Liberty's Loss
15-Jan-21	Commissioner Hester M. Peirce - Concurrence in the Matter of Wireline Inc.
22-Feb-21	Commissioner Hester M. Peirce - Atomic Trading
01-Mar-21	Commissioner Hester M. Peirce - Small World
15-Mar-21	Commissioner Hester M. Peirce - Paper, Plastic, Peer-to-Peer
13-Apr-21	Commissioner Hester M. Peirce - Token Safe Harbor Proposal 2.0
11-May-21	Division of Investment Management Staff - Staff Statement on Funds Registered under the Investment Company Act Investing in the Bitcoin Futures Market
26-May-21	Chair Gary Gensler - Testimony before the Subcommittee on Financial Services and General Government, U.S. House Appropriations Committee

Date	SEC Public Statements and Speeches with Hyperlinks
14-Jun-21	Commissioner Hester M. Peirce and Commissioner Elad L. Roisman - Moving Forward or Falling Back? Statement on Chair Gensler's Regulatory Agenda
14-Jul-21	Commissioner Hester M. Peirce and Commissioner Elad L. Roisman - In the Matter of Coinschedule
03-Aug-21	Chair Gary Gensler - Remarks before the Aspen Security Forum
09-Aug-21	Commissioner Hester M. Peirce - In the Matter of Poloniex LLC
01-Sep-21	Chair Gary Gensler - Remarks before the European Parliament Committee on Economic and Monetary Affairs
14-Sep-21	Chair Gary Gensler - Testimony before the United States Senate Committee on Banking, Housing, and Urban Affairs
05-Oct-21	Chair Gary Gensler - Testimony before the United States House of Representatives Committee on Financial Services
08-Oct-21	Commissioner Hester M. Peirce - Lawless in Austin
12-Oct-21	Commissioner Caroline A. Crenshaw – Digital Asset Securities – Common Goals and a Bridge to Better Outcomes
13-Oct-21	Division of Enforcement Director Gurbir Grewal - Remarks at SEC Speaks 2021
21-Oct-21	Chair Gary Gensler - Prepared Remarks at DC Fintech Week
01-Nov-21	Chair Gary Gensler - President's Working Group Report on Stablecoins
08-Nov-21	Division of Enforcement Director Gurbir Grewal - 2021 SEC Regulation Outside the United States - Scott Friestad Memorial Keynote Address
09-Nov-21	Commissioner Caroline A. Crenshaw - Statement on DeFi Risks, Regulations, and Opportunities
02-Dec-21	Chair Gary Gensler - Remarks before the Investor Advisory Committee
02-Dec-21	Commissioner Hester M. Peirce - Remarks before the Investor Advisory Committee
13-Dec-21	Commissioner Hester M. Peirce and Commissioner Elad L. Roisman - Falling Further Back - Statement on Chair Gensler's Regulatory Agenda
14-Feb-22	Commissioner Hester M. Peirce – Statement on Settlement with BlockFi Lending LLC
22-Feb-22	Acting Chief Accountant Paul Munter – Statement on the FASB's Agenda Consultation: Engagement with Investors and Other Stakeholders Vital to Development of High Quality Accounting Standards
03-Mar-22	Division of Investment Management Director William Birdthistle – Remarks at the IAA Investment Adviser Compliance Conference
04-Mar-22	Commissioner Allison Herren Lee – Send Lawyers, Guns and Money: (Over-) Zealous Representation by Corporate Lawyers Remarks at PLI's Corporate Governance – A Master Class 2022
31-Mar-22	Chair Gary Gensler – Prepared Remarks before the 2022 SEC Investor Advocacy Clinic Summit
31-Mar-22	Commissioner Hester M. Peirce – Response to Staff Accounting Bulletin No. 121
01-Apr-22	Commissioner Hester M. Peirce – Is That a Fish Behind the Wheel? Remarks before the University of Central Florida's Inaugural FinTech Summit
04-Apr-22	Chair Gary Gensler – Prepared Remarks of Gary Gensler on Crypto Markets Penn Law Capital Markets Associations Annual Conference
28-Apr-22	Chair Gary Gensler - Closing Remarks to the Older Investor Roundtable
28-Apr-22	Commissioner Hester M. Peirce – Remarks before the Older Investor Roundtable
11-May-22	Chair Gary Gensler – “A ‘New’ New Era:” Prepared Remarks before the International Swaps and Derivatives Association Annual Meeting
12-May-22	Division of Enforcement Director Gurbir S. Grewal – Remarks at Securities Enforcement Forum West 2022
17-May-22	Chair Gary Gensler – “Investor Protection in a Digital Age,” Remarks before the 2022 NASAA Spring Meeting & Public Policy Symposium
17-May-22	Chair Gary Gensler – Testimony at Hearing before the Subcommittee on Financial Services and General Government U.S. House Appropriations Committee
24-May-22	Office of International Affairs Director YJ Fischer – Resolving the Lack of Audit Transparency in China and Hong Kong: Remarks at the International Council of Securities Associations (ICSA) Annual General Meeting
14-Jun-22	Commissioner Hester M. Peirce – On the Spot: Remarks at “Regulatory Transparency Project Conference on Regulating the New Crypto Ecosystem: Necessary Regulation or Crippling Future Innovation?”
22-Jun-22	Commissioner Hester M. Peirce – Rip Current Rulemakings: Statement on the Regulatory Flexibility Agenda
21-Jul-22	Division of Enforcement Director Gurbir S. Grewal – Testimony on “Oversight of the SEC's Division of Enforcement” before the United States House of Representatives Committee on Financial Services Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets
08-Sep-22	Chair Gary Gensler – Kennedy and Crypto

Date	SEC Public Statements and Speeches with Hyperlinks
09-Sep-22	Division of Enforcement Director Gurbir S. Grewal – Remarks at SEC Speaks 2022
09-Sep-22	Commissioner Mark T. Uyeda – Remarks at the “SEC Speaks” Conference 2022
15-Sep-22	Chair Gary Gensler – Oral Testimony of Gary Gensler before the United States Senate Committee on Banking, Housing, and Urban Affairs
03-Oct-22	Chair Gary Gensler – Statement on Financial Stability Oversight Council’s Report on Digital Asset Financial Stability Risks and Regulation before the Financial Stability Oversight Council Open Meeting
24-Oct-22	Chair Gary Gensler – “Competition and the Two SECs”: Remarks before the SIFMA Annual Meeting
02-Nov-22	Chair Gary Gensler – “This Law and Its Effective Administration”: Remarks before the Practicing Law Institute’s 54th Annual Institute on Securities Regulation
15-Nov-22	Division of Enforcement Director Gurbir S. Grewal – Remarks at Securities Enforcement Forum
16-Nov-22	Commissioner Jaime Lizárraga – Digital Assets: Putting Investors First
12-Dec-22	Division of Enforcement Director Gurbir S. Grewal – Statement on Arrest of Sam Bankman-Fried

Date	SEC Office of Investor Education and Advocacy – Investor Alerts with Hyperlinks
01-Jul-13	Ponzi Schemes Using Virtual Currencies
07-May-14	Bitcoin and Other Virtual Currency-Related Investments
28-Aug-17	Public Companies Making ICO-Related Claims
01-Nov-17	Celebrity Endorsements
11-Oct-18	Watch Out for False Claims about SEC and CFTC Endorsements Used to Promote Digital Asset Investments
24-Apr-19	Watch Out for Fraudulent Digit Asset and “Crypto” Trading Websites
30-Apr-19	Beware of Claims That the SEC Has Approved Offerings
14-Jan-20	Initial Exchange Offerings (IEOs)
10-Jun-21	Funds Trading in Bitcoin Futures
27-Jul-21	Fraudsters Posing as Brokers or Investment Advisers
01-Sep-21	Digital Asset and “Crypto” Investment Scams
14-Feb-22	Crypto Asset Interest-Bearing Accounts
29-Aug-22	Social Media and Investment Fraud

Date	SEC Cryptocurrency No-Action Letters with Hyperlinks
02-Apr-19	TurnKey Jet Inc.
25-Jul-19	Pocketful of Quarters Inc.
17-Nov-20	IMVU Inc.

Source: SEC.gov

Methodology

- Cornerstone Research’s Cryptocurrency Enforcement Database contains cryptocurrency-related enforcement actions brought by the SEC between January 1, 2013, and December 31, 2022.
- The SEC enforcement website was used to identify actions relevant to financial technologies. See “Enforcement,” <https://www.sec.gov/page/litigation>.
- Cornerstone Research’s Data Science Center identified relevant enforcement actions by using a series of phrases relevant to financial technology.
- Allegations in the enforcement actions were generally taken from the “Violations” section in the SEC orders and the “Claims for Relief” sections in the litigation complaints.

Endnotes

- ¹ For example, the SEC filed a subpoena enforcement action against Saint James Holding and Investment Company Trust and its sole trustee, Jeffrey James. See SEC, “SEC Files Subpoena Enforcement against Investment Company Trust and Trustee for Failure to Produce Documents,” October 9, 2018, <https://www.sec.gov/litigation/litreleases/2018/lr24308.htm>. See also *In the Matter of Daniel T. Levine*, September 13, 2019, <https://www.sec.gov/litigation/admin/2019/34-86962.pdf>. The SEC barred the respondent after the Colorado Securities Commissioner revoked his sales representative and investment adviser representative licenses in Colorado.
- ² The follow-on actions are: *In the Matter of Karina Chairez*, August 26, 2022, <https://www.sec.gov/litigation/admin/2022/34-95619.pdf>; *In the Matter of Darcas Oliver Young*, September 27, 2022, <https://www.sec.gov/litigation/admin/2022/34-95932.pdf>. The delinquent filing orders are: *In the Matter of ParagonCoin Limited*, February 10, 2022, <https://www.sec.gov/litigation/admin/2022/34-94216.pdf>; *In the Matter of Gold Camp Cripple Creek Colorado Inc.*, September 8, 2022, <https://www.sec.gov/litigation/admin/2022/34-95705.pdf>.
- ³ *In the Matter of the Registration Statement of American CryptoFed DAO LLC*, November 18, 2022, <https://www.sec.gov/litigation/admin/2022/33-11134.pdf>. Hearing sessions were held on December 1, 2, and 6, 2022. See also *In the Matter of the Registration Statement of American CryptoFed DAO LLC*, December 21, 2022, <https://www.sec.gov/alj/aljorders/2022/ap-6893.pdf>.
- ⁴ Chair Gary Gensler, “Remarks before the Aspen Security Forum,” August 3, 2021, <https://www.sec.gov/news/speech/gensler-aspen-security-forum-2021-08-03>.
- ⁵ Jessica Corso, “SEC Chair Presses Crypto Registration as FTX Crisis Deepens,” *Law360*, November 9, 2022, <https://www.law360.com/articles/1548371/sec-chair-presses-crypto-registration-as-ftx-crisis-deepens>.
- ⁶ SEC, “BlockFi Agrees to Pay \$100 Million in Penalties and Pursue Registration of its Crypto Lending Product,” February 14, 2022, <https://www.sec.gov/news/press-release/2022-26>.
- ⁷ Commissioner Hester M. Peirce, “Statement on Settlement with BlockFi Lending LLC,” February 14, 2022, <https://www.sec.gov/news/statement/peirce-blockfi-20220214>.
- ⁸ SEC’s Office of Investor Education and Advocacy and Division of Enforcement’s Retail Strategy Task Force, “Investor Bulletin: Crypto Asset Interest-Bearing Accounts,” February 14, 2022, <https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins-97>.
- ⁹ Chair Gary Gensler, “Prepared Remarks of Gary Gensler on Crypto Markets Penn Law Capital Markets Association Annual Conference,” April 4, 2022, <https://www.sec.gov/news/speech/gensler-remarks-crypto-markets-040422>. See also Chair Gary Gensler, “Testimony before the United States Senate Committee on Banking, Housing, and Urban Affairs,” September 14, 2021, <https://www.sec.gov/news/testimony/gensler-2021-09-14>.
- ¹⁰ The Crypto Assets and Cyber Unit, formerly known as the Cyber Unit, is part of the SEC’s Division of Enforcement. SEC, “SEC Nearly Double Size of Enforcement’s Crypto Assets and Cyber Unit,” May 3, 2022, <https://www.sec.gov/news/press-release/2022-78>.
- ¹¹ Division of Enforcement Director Gurbir S. Grewal, “Testimony on ‘Oversight of the SEC’s Division of Enforcement’ before the United States House of Representatives Committee on Financial Services Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets,” July 21, 2022, <https://www.sec.gov/news/statement/grewal-statement-house-testimony-071922>.
- ¹² Chair Gary Gensler, “Kennedy and Crypto,” September 8, 2022, <https://www.sec.gov/news/speech/gensler-sec-speaks-090822>.
- ¹³ SEC, “SEC Charges Former Coinbase Manager, Two Others in Crypto Asset Insider Trading Action,” July 21, 2022, <https://www.sec.gov/news/press-release/2022-127>.
- ¹⁴ *SEC v. Ishan Wahi et al.*, 2:22-cv-01009 (W.D. Wa.), Complaint, July 21, 2022, <https://www.sec.gov/litigation/complaints/2022/comp-pr2022-127.pdf>.
- ¹⁵ SEC, “SEC Charges the Hydrogen Technology Corp. and Its Former CEO for Market Manipulation of Crypto Asset Securities,” September 28, 2022, <https://www.sec.gov/news/press-release/2022-175>.
- ¹⁶ *SEC v. Samuel Bankman-Fried*, 1:22-cv-10501 (S.D.N.Y.).
- ¹⁷ *SEC v. Caroline Ellison and Zixiao “Gary” Wang*, 1:22-cv-10794 (S.D.N.Y.). See also David Yaffe-Bellany, Matthew Goldstein, and Benjamin Weiser, “Two Executives in Sam Bankman-Fried’s Crypto Empire Plead Guilty to Fraud,” *New York Times*, December 21, 2022, <https://www.nytimes.com/2022/12/21/technology/ftx-fraud-guilty-pleas.html>.
- ¹⁸ SEC, “SEC Division of Examinations Announces 2022 Examination Priorities,” March 30, 2022, <https://www.sec.gov/news/press-release/2022-57>.
- ¹⁹ *Ibid.*
- ²⁰ Chair Gary Gensler, “Prepared Remarks of Gary Gensler on Crypto Markets Penn Law Capital Markets Association Annual Conference,” April 4, 2022, <https://www.sec.gov/news/speech/gensler-remarks-crypto-markets-040422>.
- ²¹ Staff Accounting Bulletin No. 121, April 11, 2022, <https://www.sec.gov/oca/staff-accounting-bulletin-121>.
- ²² Coinbase, “Re: Petition for Rulemaking – Digital Asset Securities Regulation,” July 21, 2022, <https://www.sec.gov/rules/petitions/2022/petn4-789.pdf>.
- ²³ SEC’s Division of Corporation Finance, “Sample Letter to Companies Regarding Recent Developments in Crypto Asset Markets,” Announcement, December 8, 2022, <https://www.sec.gov/corpfin/announcement/announcement-sample-letter-crypto-asset-markets>; SEC’s Division of Corporation Finance, “Sample Letter to Companies Regarding Recent Developments in Crypto Asset Markets,” <https://www.sec.gov/corpfin/sample-letter-companies-regarding-crypto-asset-markets>.

- ²⁴ Commissioner Hester M. Peirce, “Is That a Fish Behind the Wheel? Remarks before the University of Central Florida’s Inaugural FinTech Summit,” April 1, 2022, <https://www.sec.gov/news/speech/peirce-remarks-fintech-summit-040122>.
- ²⁵ *SEC v. Chicago Crypto Capital LLC et al.*, 1:22-cv-04975 (N.D. Ill.); *SEC v. The Hydrogen Technology Corporation et al.*, 1:22-cv-08284 (S.D.N.Y.); *SEC v. Douver Torres Braga et al.*, 2:22-cv-01563 (W.D. Wa.); *SEC v. Jonathan Tetreault*, 2:22-cv-01567 (W.D. Wa.).
- ²⁶ *In the Matter of Kimberly Kardashian*; *SEC v. Ian Balina*, 1:22-cv-00950 (W.D. Tex.).
- ²⁷ SEC, “SEC Charges the Hydrogen Technology Corp. and Its Former CEO for Market Manipulation of Crypto Asset Securities,” September 28, 2022, <https://www.sec.gov/news/press-release/2022-175>.
- ²⁸ *SEC v. The Hydrogen Technology Corp. et al.*, 1:22-cv-08284 (S.D.N.Y.), <https://www.sec.gov/litigation/complaints/2022/comp-pr2022-175.pdf>.
- ²⁹ In *SEC v. Paul A. Garcia*, 1:22-cv-00118 (D. Colo.), the SEC did not charge the defendant with violation of Sections 5(a) and 5(c) of the Securities Act. The SEC’s complaint alleges that the defendant defrauded investors by stealing approximately one-quarter of investor funds raised for Gold Hawgs Development Corp., a cryptocurrency venture, which touted large potential returns for investors after the completion of an ICO. However, the business failed before reaching that stage, and Gold Hawgs Development Corp. never conducted an ICO. See SEC, “SEC Charges Colorado Man with Fraud Related to Cryptocurrency Venture,” January 18, 2022, <https://www.sec.gov/litigation/litreleases/2022/lr25308.htm>.
- ³⁰ SEC, “Framework for ‘Investment Contract’ Analysis of Digital Assets,” April 3, 2019, <https://www.sec.gov/corpfin/framework-investment-contract-analysis-digital-assets>.
- ³¹ *In the Matter of BlockFi Lending LLC*, February 14, 2022, <https://www.sec.gov/litigation/admin/2022/33-11029.pdf>, citing *Reves v. Ernst & Young*, 494 U.S. 56, 64–66 (1990).
- ³² SEC, “SEC Granted Summary Judgment against New Hampshire Issuer of Crypto Asset Securities for Registration Violations,” November 7, 2022, <https://www.sec.gov/litigation/litreleases/2022/lr25573.htm>; *SEC v. LBRY Inc.*, 1:21-cv-00260 (D.C.NH.), Doc. No. 86.
- ³³ *SEC v. Plexcorps et al.*, 1:17-cv-07007 (E.D.N.Y.); SEC, “SEC Emergency Action Halts ICO Scam,” December 4, 2017 (stating that “[t]he Commission appreciates the assistance of Quebec’s Autorité Des Marchés Financiers”), <https://www.sec.gov/news/press-release/2017-219>.
- ³⁴ In the figure, “International Authorities and Organizations” include, among others, the Ontario Securities Commission, the Israel Securities Authority, the Hong Kong Securities and Futures Commission, the British Columbia Securities Commission, Cayman Islands Monetary Authority, the Monetary Authority of Singapore, the Romanian Financial Supervisory Authority, and the Thailand Securities and Exchange Commission. Other “Federal Agencies and Organizations” include IRS, CFTC, FDIC, CFPB, DHS, U.S. Secret Service, U.S. Postal Inspection Service, and U.S. Patent and Trademark Office. “Other Entities” include FINRA, New York City Sheriff’s Office, and the New York City Police Department, among others.
- ³⁵ SEC, “Gary Gensler Sworn in as Member of the SEC,” April 17, 2021, <https://www.sec.gov/news/press-release/2021-65>.
- ³⁶ *In the Matter of tZero ATS LLC*, January 10, 2022, <https://www.sec.gov/litigation/admin/2022/34-93938.pdf>; *In the Matter of BlockFi Lending LLC*, February 14, 2022, <https://www.sec.gov/litigation/admin/2022/33-11029.pdf>; *In the Matter of NVIDIA Corporation*, May 6, 2022, <https://www.sec.gov/litigation/admin/2022/33-11060.pdf>; *In the Matter of Bloom Protocol, LLC*, August 9, 2022, <https://www.sec.gov/litigation/admin/2022/33-11089.pdf>.
- ³⁷ SEC, “BlockFi Agrees to Pay \$100 Million in Penalties and Pursue Registration of its Crypto Lending Product,” February 14, 2022, <https://www.sec.gov/news/press-release/2022-26>.
- ³⁸ The New York actions are: *SEC v. John Barksdale et al.*, 1:22-cv-01933 (S.D.N.Y.); *SEC v. Gabriel Edelman et al.*, 1:22-cv-07892 (S.D.N.Y.); *SEC v. The Hydrogen Technology Corporation et al.*, 1:22-cv-08284 (S.D.N.Y.); *SEC v. Samuel Bankman-Fried*, 1:22-cv-10501 (S.D.N.Y.); *SEC v. Francisley Valdevino Da Silva et al.*, 1:22-cv-10534 (S.D.N.Y.); *SEC v. Caroline Ellison et al.*, 1:22-cv-10794 (S.D.N.Y.). The California actions are: *SEC v. Crowd Machine Inc. et al.*, 4:22-cv-00076 (N.D. Cal.); *SEC v. Block Bits Capital et al.*, 3:22-cv-02563 (N.D. Cal.); *SEC v. David B. Mata*, 3:22-cv-02565 (N.D. Cal.); *SEC v. Thor Technologies Inc. and David Chin*, 3:22-cv-09043 (N.D. Cal.); *SEC v. Matthew Moravec*, 3:22-cv-09044 (N.D. Cal.); *SEC v. Steven Chiang et al.*, 3:22-cv-0600 (S.D. Cal.). The Washington actions are: *SEC v. Ishan Wahi et al.*, 2:22-cv-01009 (W.D. Wa.); *SEC v. Dragonchain Inc. et al.*, 2:22-cv-01145 (W.D. Wa.); *SEC v. Douver Torres Braga et al.*, 2:22-cv-01563 (W.D. Wa.); *SEC v. Jonathan Tetreault*, 2:22-cv-01567 (W.D. Wa.).

About the Author

Simona Mola

Principal, Cornerstone Research

Simona Mola has more than two decades of experience in consulting, government, and academia. She conducts financial and economic analyses in complex commercial litigation and regulatory proceedings. In addition, Dr. Mola has expertise with economic issues involving cryptocurrency, initial coin offerings, blockchain use cases, and token economies. She has published in this space and has been invited to speak at several conferences. Prior to joining Cornerstone Research, Dr. Mola was assistant professor at Arizona State University and later served as senior policy advisor and assistant director at the SEC's Division of Economic and Risk Analysis (DERA). At DERA, she led and developed numerous economic analyses for high-profile rulemaking and policy projects related to corporate finance, capital formation, disclosure requirements, corporate governance, and executive compensation.

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Simona Mola
202.912.8970
smola@cornerstone.com

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