

SEC Cryptocurrency Enforcement

2024 UPDATE

CORNERSTONE RESEARCH



| | |
|---------------|---------------|
| SECURITIES 43 | 3,485,104.91 |
| SECURITIES 42 | 5,240,050.70 |
| SECURITIES 41 | 5,600,121.30 |
| SECURITIES 40 | 2,604,661.97 |
| SECURITIES 39 | 6,498,772.57 |
| SECURITIES 38 | 11,440,032.85 |
| SECURITIES 37 | 7,637,582.12 |
| SECURITIES 36 | 15,078,408.48 |
| SECURITIES 35 | 11,520,988.98 |
| SECURITIES 34 | 8,110,500.37 |
| SECURITIES 33 | 5,918,900.42 |
| SECURITIES 32 | 5,792,565.40 |
| SECURITIES 31 | 6,141,865.82 |
| SECURITIES 30 | 53,631,220.20 |
| SECURITIES 29 | 5,000,000.00 |

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Executive Summary

Cryptocurrency enforcement continued to be a high priority for the U.S. Securities and Exchange Commission (SEC) in 2024, which marks the fourth and last year of Gary Gensler’s tenure as SEC Chair.

After reaching the highest number of cryptocurrency-related enforcement actions in 2023, the SEC brought a total of 33 actions in 2024, a 30% decrease from the year prior. Half of the actions were brought in September and October.

Monetary penalties imposed in 2024 against digital-asset market participants reached a record high of \$4.98 billion, almost entirely because of one multibillion-dollar settlement.

In 2024, the SEC brought 33 cryptocurrency-related enforcement actions against 90 defendants or respondents. Of these actions, 25 were litigations and eight were administrative proceedings.

The most frequent allegations continued to be fraud and unregistered securities offerings. Of the 33 enforcement actions brought in 2024, 73% alleged fraud, 58% alleged an unregistered securities offering violation, and 39% alleged both.

Eight of the 33 enforcement actions were related to initial coin offerings (ICOs). In 2024, the SEC also brought one action related to non-fungible tokens (NFTs).

During 2024, the SEC obtained a total monetary settlement of \$4.55 billion in *SEC v. Terraform Labs PTE Ltd. et al.*, of which \$4.05 billion consisted of disgorgement and prejudgment interest. This was the largest monetary penalty ever imposed in a cryptocurrency-related enforcement action.

In 2024, the SEC continued to recognize self-reporting, cooperation, or remedial efforts of 56% of the respondents charged in administrative proceedings.

In one administrative proceeding, remedial efforts and cooperation by respondents resulted in no monetary penalties.

The proportion of enforcement actions charging only individuals (rather than firms) was 21% in 2024, down from 36% in 2023.

| SEC Administrations at a Glance ¹ | |
|--|---|
| CLAYTON May 4, 2017—December 23, 2020 | GENSLER April 17, 2021—December 31, 2024 |
| Cryptocurrency-Related Enforcement Actions Initiated | |
| 70 | 125 |
| Cryptocurrency-Related Enforcement Actions with Fraud Allegations | |
| 54% | 66% |
| Cryptocurrency-Related Enforcement Actions with Unregistered Securities Offering Allegations | |
| 71% | 63% |
| Cryptocurrency-Related Enforcement Actions Resolved | |
| 50 | 98 |
| Total Monetary Penalties | |
| \$1.52 billion | \$6.05 billion |
| Median Monetary Penalty | |
| \$0.30 million | \$1.29 million |
| Cryptocurrency-Related Enforcement Actions Approved by Commissioners’ Unanimous Vote | |
| 50% | 37% |

Enforcement Activity by Administration

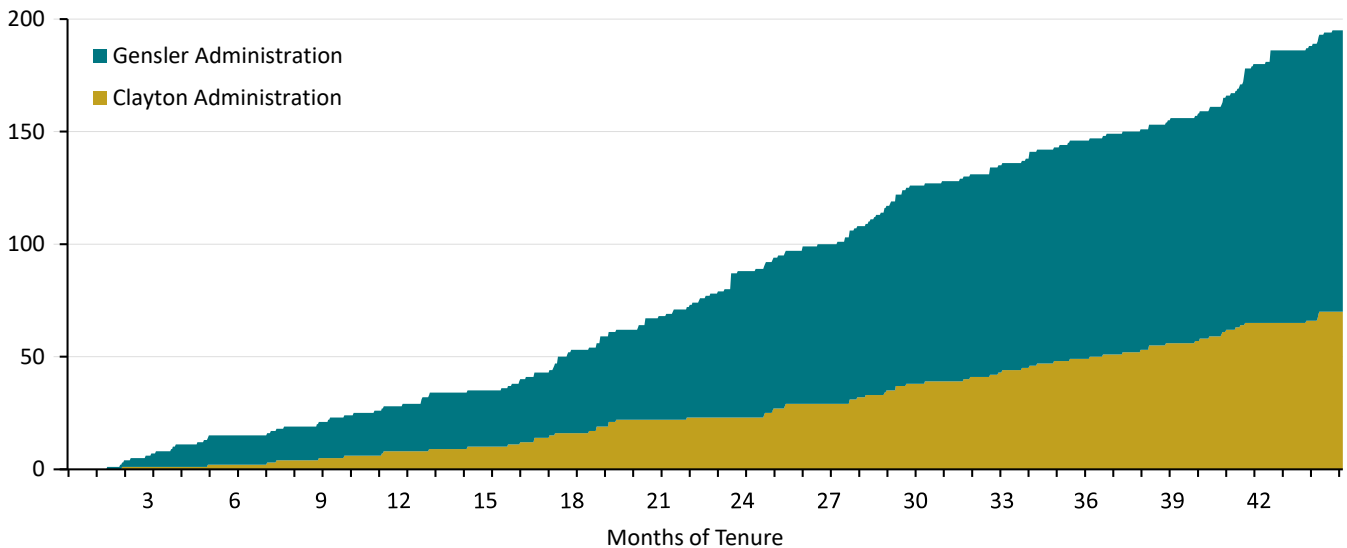
- A comparison of SEC cryptocurrency enforcement activity under the Clayton administration (May 4, 2017–December 23, 2020)² and the Gensler administration (April 17, 2021–December 31, 2024)³ must consider the backdrop of the developments in the evolving crypto industry.
- Prior to the beginning of Chair Clayton’s tenure in May 2017, the SEC had already brought seven cryptocurrency-related actions.⁴ The SEC’s enforcement activity heightened in July 2017 and was mainly directed toward ICOs. At that time, the SEC Division of Enforcement released the *Report of Investigation Pursuant to Section 21(a) of the Exchange Act* (DAO Report), where the SEC used the *Howey* test from the 1946 U.S. Supreme Court decision to determine whether a token is an investment contract.⁵
- In a June 2018 speech, then-Director of the SEC’s Division of Corporation Finance, William Hinman, stated that neither Bitcoin nor Ether is a security, based on the decentralization of their networks. The speech also outlined criteria for distinguishing tokens that are securities from tokens that have mere consumption utility.⁶ In April 2019, the SEC formalized that analysis in its framework for investment contract analysis of digital assets.⁷

“When I arrived in 2021, the Commission under Chairman Jay Clayton had already brought some 80 actions, including the Ripple case, against participants in the crypto markets that were not following the common-sense rules of the road. His Commission and he spoke often about these markets, starting in his third month in office when the Commission put out the DAO Report. The SEC has continued that vigilance to ensure that those offering or selling securities comply with our time-tested securities laws. Since 2018, this has represented generally between five-and-seven percent of our overall enforcement efforts.”⁸

Chair Gary Gensler, November 14, 2024

- For each of the cryptocurrency-related enforcement actions initiated under the Clayton administration, an average of 5.9 SEC staff attorneys led, assisted, or supervised the investigation for that action and led or supervised the related litigation, compared to 8.3 SEC staff attorneys under the Gensler administration.⁹

Figure 1: Cumulative Number of SEC Cryptocurrency Enforcement Actions by Administration
May 2017–December 2024

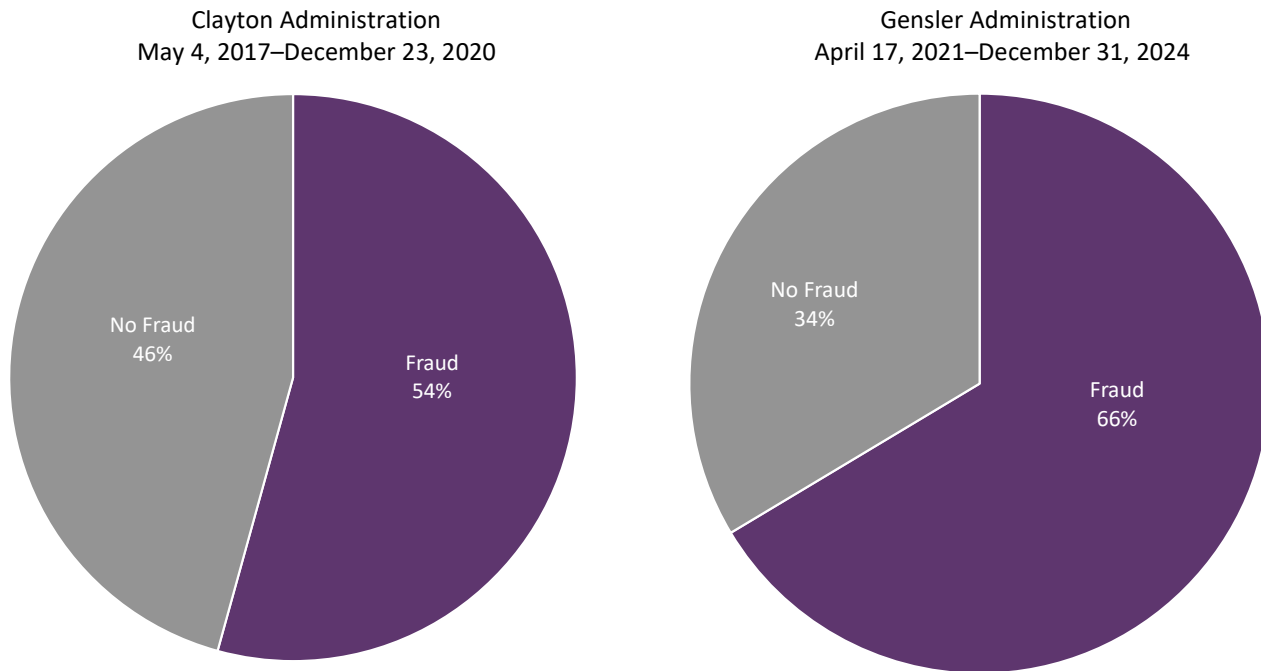


Source: SEC.gov

Note: This figure focuses on SEC cryptocurrency enforcement actions (i.e., litigations and administrative proceedings). Jay Clayton was sworn in as Chair of the SEC on May 4, 2017, and he departed the SEC on December 23, 2020. Gary Gensler was sworn in as Chair of the SEC on April 17, 2021. On November 21, 2024, Chair Gensler announced his departure effective January 20, 2025. As of December 31, 2024, which is the time of this data update, Chair Gensler’s tenure had not ended yet.

- Overall, under the Clayton administration, the SEC brought a total of 70 cryptocurrency enforcement actions, of which 41% were administrative proceedings and 59% were litigated in federal courts.
- Approximately 54% of such actions alleged fraudulent behavior, while 71% alleged an unregistered securities offering violation.
- Following a transition period between December 24, 2020, and April 16, 2021, when Commissioners Elad Roisman first, and later Allison Herren Lee, served as Acting Chair of the SEC,¹⁰ the Gensler administration continued to focus on cryptocurrency enforcement actions.
- Overall, under the Gensler administration, the SEC brought a total of 125 cryptocurrency enforcement actions. Relative to the Clayton administration, a greater percentage (70%) of these actions were litigated in federal courts.
- Additionally, a greater percentage (66%) of the enforcement actions initiated under the Gensler administration alleged fraudulent behavior. Among these actions, *SEC v. Terraform Labs PTE Ltd. et al.* led to the largest monetary penalty ever imposed in a cryptocurrency-related enforcement action.
- Approximately 63% of the actions initiated under the Gensler administrations alleged an unregistered securities offering violation.

Figure 2: Proportion of SEC Cryptocurrency Enforcement Actions Alleging Fraud by Administration May 2017–December 2024

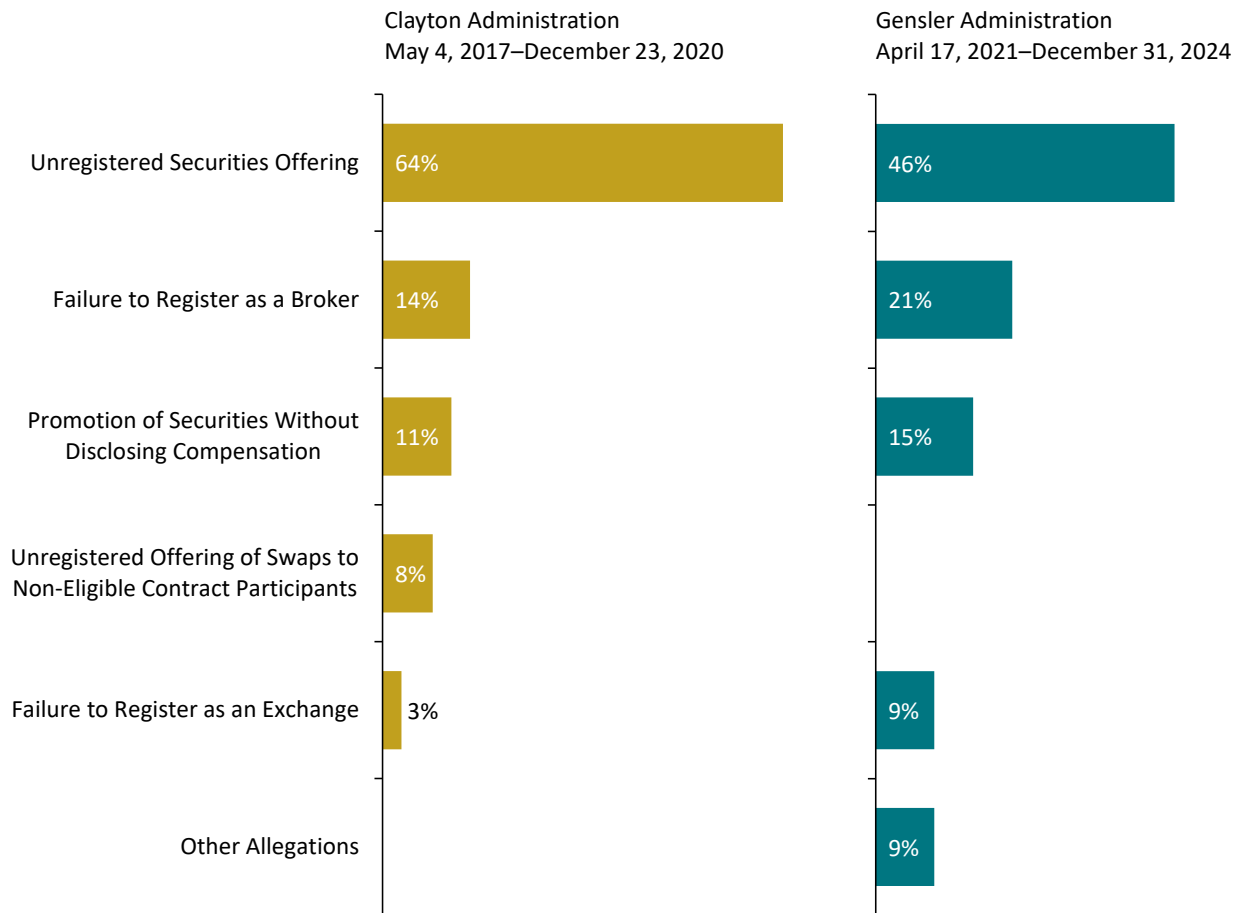


Source: SEC.gov

Note: This figure focuses on SEC cryptocurrency enforcement actions (i.e., litigations and administrative proceedings). Fraud is alleged under Section 17(a) of the Securities Act, Section 10(b) and Rule 10b-5 of the Exchange Act, and/or Section 206 of the Investment Advisers Act.

- Of the 70 enforcement actions initiated under the Clayton administration, 32 actions (46%) did not allege fraud.
- Approximately 72% of these non-fraudulent actions alleged unregistered securities offering violations, including *SEC v. Kik Interactive Inc.*, *SEC v. Telegram Group et al.*, and *SEC v. Ripple Labs Inc. et al.*, as well as a number of ICO-related actions that were settled in administrative proceedings.
- In addition to token issuers, the Clayton administration brought five actions against defendants/respondents who were charged with allegedly operating as an unregistered broker-dealer and four actions against crypto promoters who allegedly failed to disclose their compensation.
- Of the 125 enforcement actions under the Gensler administration, 42 did not allege fraud. Approximately 64% of these non-fraudulent actions alleged unregistered securities offering violations, including *In the Matter of GTV Media Group Inc. et al.* and other ICO-related actions settled in administrative proceedings¹¹ and, more recently, against NFT creators.¹²
- Under the Gensler administration, the SEC initiated actions against crypto lending and trading platforms,¹³ staking programs,¹⁴ decentralized finance (DeFi) operators,¹⁵ and digital asset exchanges,¹⁶ some following the collapse of FTX Trading Ltd.

Figure 3: Allegations in SEC Cryptocurrency Enforcement Actions *Not* Alleging Fraud by Administration May 2017–December 2024

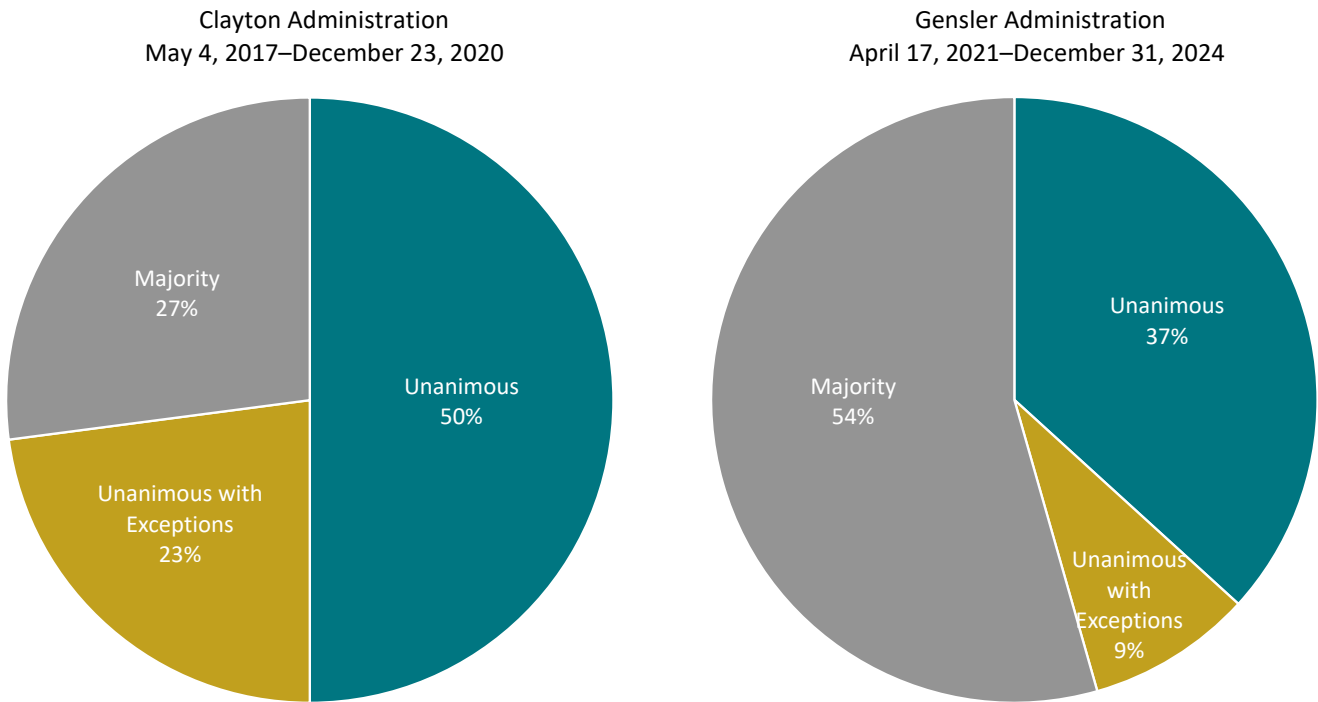


Source: SEC.gov

Note: This figure focuses on those SEC cryptocurrency enforcement actions (i.e., litigations and administrative proceedings) where no fraudulent behavior under Section 17(a) of the Securities Act, Section 10(b) and Rule 10b-5 of the Exchange Act, and/or Section 206 of the Investment Advisers Act was alleged.

- Publicly available data on SEC Commissioners' votes on litigations and administrative orders show that cryptocurrency enforcement actions were more frequently approved unanimously under the Clayton administration (50%) than under the Gensler administration (37%).
- A number of cryptocurrency enforcement actions that were not approved unanimously led certain Commissioners to express dissent in public statements.¹⁷

Figure 4: SEC Commissioners' Voting in Cryptocurrency Enforcement Actions by Administration
May 2017–December 2024



Source: SEC.gov

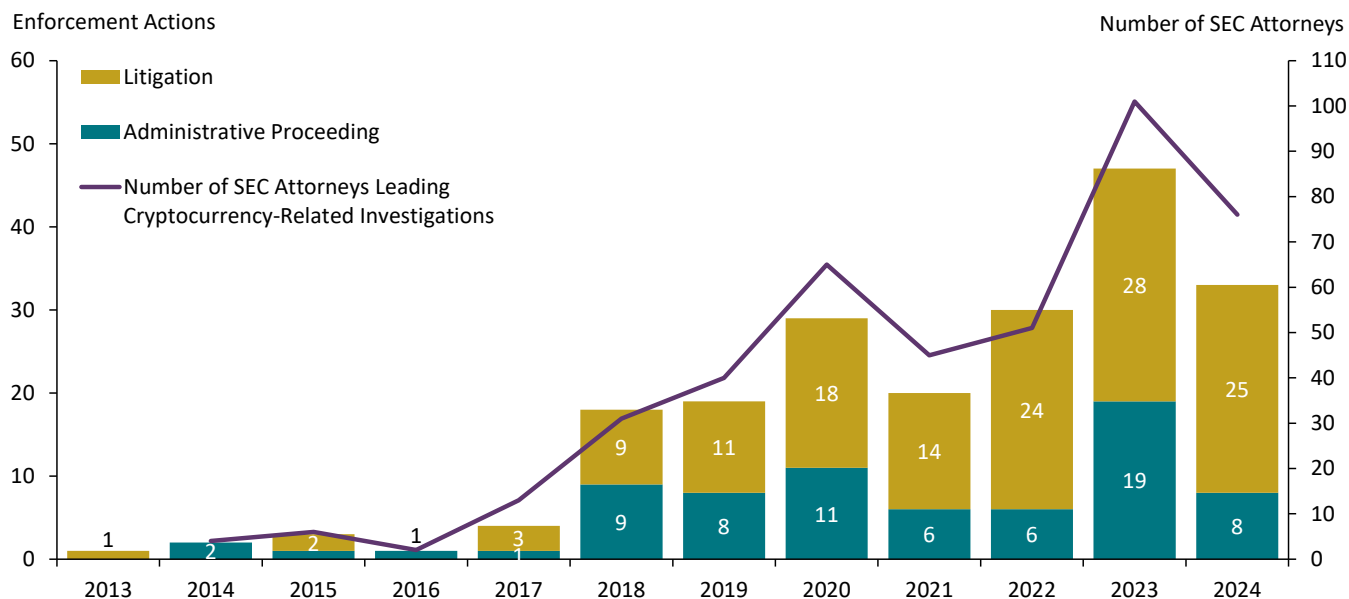
Note: This figure focuses on Commissioners' voting on SEC cryptocurrency enforcement actions (i.e., litigations and administrative proceedings). Votes that precede the final resolution of an enforcement action are generally made publicly available only when the action is final.

Number of Enforcement Actions

- Since the first action in July 2013, the SEC has brought a total of 207 cryptocurrency-related enforcement actions as of December 31, 2024, comprising:
 - 135 litigations, and
 - 72 administrative proceedings.
- In addition, the SEC has issued:
 - 20 trading suspension orders pursuant to Section 12(k) of the Exchange Act, and
 - 15 delinquent filing orders pursuant to Section 12(j) of the Exchange Act, along with a number of subpoenas, follow-on administrative proceedings, and one stop order.¹⁸
- As the SEC’s cryptocurrency-related enforcement activity has generally increased since 2013, the number of SEC attorneys leading cryptocurrency investigations has also grown, peaking in 2023 after the announced expansion of resources at the Division of Enforcement’s Crypto Assets and Cyber Unit in May 2022.¹⁹
- More than half of the 2024 cryptocurrency-related enforcement actions were brought in September and October, prior to the November 5, 2024, presidential election. Only four actions were initiated in November and December.
- Of the 33 enforcement actions initiated in 2024, 25 were litigations and eight were administrative proceedings. Compared to 2023, the number of litigations slightly decreased, while administrative proceedings declined by more than 50%.
- During 2024, the SEC also brought seven follow-on actions and issued two delinquent filing orders and two subpoenas.²⁰

The SEC initiated 33 cryptocurrency-related enforcement actions in 2024, down 30% from the 47 brought in 2023.²¹

Figure 5: Number of SEC Cryptocurrency Enforcement Actions by Initiation Year 2013–2024



Source: SEC.gov

Note: This figure focuses on SEC cryptocurrency enforcement actions (i.e., litigations and administrative proceedings). Dates represent the filing date of the complaint or order instituting cease-and-desist proceedings under Section 8A of the Securities Act, Section 21C of the Exchange Act, and/or Section 203(e) and 203(k) of the Investment Advisers Act. The number of SEC attorneys leading cryptocurrency-related investigations is determined based on the press releases announcing cryptocurrency-related enforcement actions.

Fourth Enforcement Year under the Gensler Administration

- Calendar year 2024 began with the SEC’s approval of spot Bitcoin exchange-traded products (ETPs). After disapproving more than 20 exchange-rule filings for spot Bitcoin ETPs, beginning under Chair Clayton in 2018, the SEC approved 11 spot Bitcoin ETPs with a vote of 3-2.²²
- In a January 10, 2024 statement, Chair Gensler noted that “today’s Commission action is cabined to ETPs holding one non-security commodity, bitcoin. It should in no way signal the Commission’s willingness to approve listing standards for crypto-asset securities. Nor does the approval signal anything about the Commission’s views as to the status of other crypto assets under the federal securities laws or about the current state of non-compliance of certain crypto asset market participants with the federal securities laws.”²³
- On January 29, 2024, the SEC filed its first enforcement action of the year, charging the founder and the promoter of an alleged fraudulent crypto asset pyramid scheme that raised more than \$1.7 billion from investors worldwide.²⁴
- On March 5, 2024, the SEC charged a crypto platform with operating as an unregistered broker-dealer.²⁵ At the announcement of the enforcement action, Commissioners Hester Peirce and Mark Uyeda released a joint dissenting statement: “This enforcement action underscores the adverse consequences of the Commission’s approach to regulation in the crypto space and adds to the ambiguity that hangs over the crypto world.”²⁶

“[Market participants have used a] decade’s worth of verbal gymnastics that are just a backhanded way of saying, ‘we want a different set of rules than those that apply to everyone else.’ ... And most importantly, a decade’s worth of arguments that have been serially rejected in one way or another by court after court.”²⁷

Gurbir S. Grewal, Former Director, Division of Enforcement, April 3, 2024

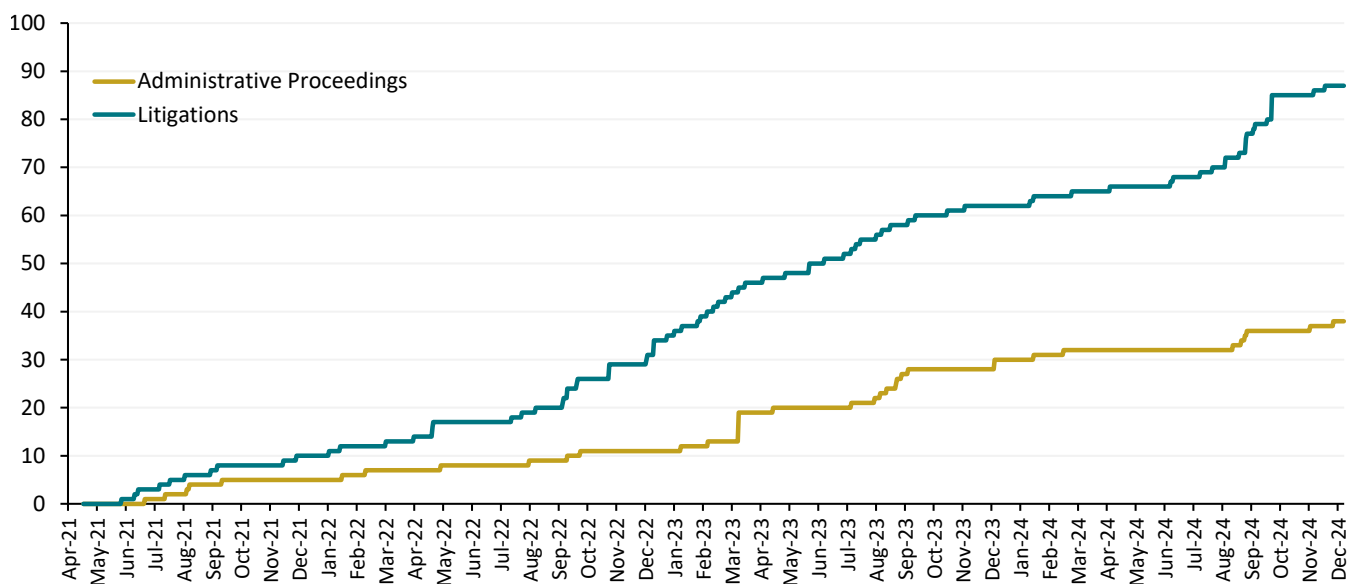
“While we are quite predictable now (in the SEC’s eyes, just about every crypto asset is a security and just about every person that works with crypto-assets must somehow register), we let an entire industry languish for years in uncertainty as to how it should engage with us and our regulations. As a result, the bold were punished, and the timid never even tried.”²⁸

Hester Peirce, SEC Commissioner, April 8, 2024

- This action was the first of nine enforcement actions that the SEC brought in 2024, alleging, among other things, failures to register as a broker-dealer under Section 15 of the Exchange Act.²⁹
- On May 28, 2024, Judge Robert Shelby granted the SEC’s motion to dismiss without prejudice the action it brought last year against Digital Licensing Ltd. (d/b/a “DEBT Box”) et al. in the District Court of Utah.³⁰
- On June 13, 2024, the SEC reached a settlement against Terraform Labs PTE Ltd. and Do Kwon, who agreed to pay more than \$4.5 billion following a unanimous jury verdict in the Southern District of New York that found both defendants liable for defrauding investors in crypto-asset securities.³¹
- On August 7, 2024, Judge Analisa Torres of the Southern District of New York ordered Ripple Labs Inc. (Ripple) to pay a civil penalty of more than \$125 million.³² This order followed the July 13, 2023, ruling that granted and denied in part both parties’ cross-motions for summary judgment in *SEC v. Ripple Labs Inc. et al.* In particular, the court’s ruling concluded that Ripple’s institutional sales of XRP tokens constituted an unregistered offer and sale of investment contracts, and that Ripple’s programmatic sales of XRP tokens on exchanges and other distributions did not constitute the offer and sale of investment contracts.³³

- In 2024, the SEC brought three enforcement actions in connection with the collapse of FTX Trading Ltd. These actions were brought against an audit firm, a Bank Secrecy Act/Anti-Money Laundering (BSA/AML) compliance program firm, and a former registered investment adviser.³⁴
- On September 3, 2024, the SEC charged a former registered investment adviser for failing to ensure that certain “crypto assets that were offered and sold as securities” were maintained with a qualified custodian under Rule 206(4)-2 of the Investment Advisers Act, referred to as the “custody rule.”³⁵ This enforcement action came after the SEC’s amendments to the custody rule that were proposed on February 15, 2023, to enhance protections of customer assets, including crypto assets, managed by registered investment advisers.³⁶
- On September 16, 2024, the SEC brought an enforcement action related to NFTs, the third after the two actions brought in 2023, alleging that the NFT creator conducted an unregistered securities offering of crypto-asset securities in the form of NFTs under Sections 5(a) and 5(c) of the Securities Act.³⁷ Commissioners Hester Peirce and Mark Uyeda expressed dissent in a statement.³⁸
- On October 2, 2024, Director of the SEC Division of Enforcement, Gurbir Grewal, announced his departure from the agency, effective October 11, 2024.³⁹
- On November 21, 2024, Chair Gensler announced his departure, effective January 20, 2025.⁴⁰

Figure 6: Cumulative Number of SEC Cryptocurrency Enforcement Actions During the Gensler Administration April 2021–December 2024



Source: SEC.gov

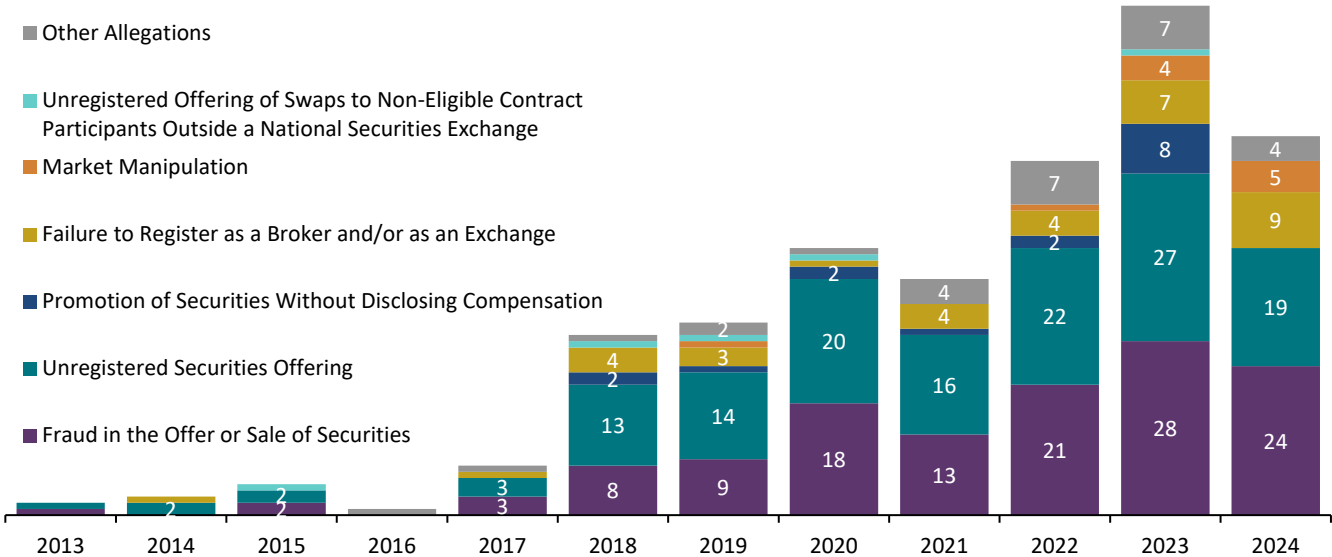
Note: This figure focuses on SEC cryptocurrency enforcement actions (i.e., litigations and administrative proceedings). Dates represent the filing date of the complaint or order instituting cease-and-desist proceedings under Section 8A of the Securities Act, Section 21C of the Exchange Act, and/or Section 203(e) and 203(k) of the Investment Advisers Act. Gary Gensler was sworn in as Chair of the SEC on April 17, 2021. On November 21, 2024, Chair Gensler announced his departure effective January 20, 2025. As of December 31, 2024, which is the time of this data update, Chair Gensler’s tenure had not ended yet.

Allegations

- Of the 33 enforcement actions in 2024:
 - 24 actions (73%) alleged fraud under Section 17(a) of the Securities Act, Section 10(b) and Rule 10b-5 of the Exchange Act, and/or Section 206 of the Investment Advisers Act.
 - 19 (58%) alleged an unregistered securities offering violation under Sections 5(a) and 5(c) of the Securities Act.
 - 13 (39%) contained both allegations.
- In addition, an increased number of actions were brought alleging market manipulation or failure to register as a broker-dealer.
- 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 five actions against three firms and nine individuals. All five actions were filed in the District Court of Massachusetts on October 15, 2024.⁴¹
- In nine actions, the SEC alleged failures to register as a broker-dealer under Section 15 of the Exchange Act.⁴²
- In one action, the SEC also alleged violations of Rule 21F-17 of the Exchange Act (i.e., prohibition to impede individuals reporting possible securities violations from communicating with the SEC staff) for the first time in a cryptocurrency-related action.⁴³
- Relative to 2023, when the SEC charged five crypto platforms for failure to register as a securities exchange⁴⁴ and nine celebrities in eight separate actions for allegedly touting crypto-asset securities without disclosing that they received compensation,⁴⁵ in 2024, the SEC did not bring charges under Section 5 of the Exchange Act or Section 17(b) of the Securities Act. Nor did it bring charges under Section 5(e) of the Securities Act and Section 6(l) of the Exchange Act.

In 2024, fraud and unregistered securities offerings continued to be the most frequent allegations in cryptocurrency-related enforcement actions.

Figure 7: Number of SEC Cryptocurrency Enforcement Actions by Type of Allegations 2013–2024



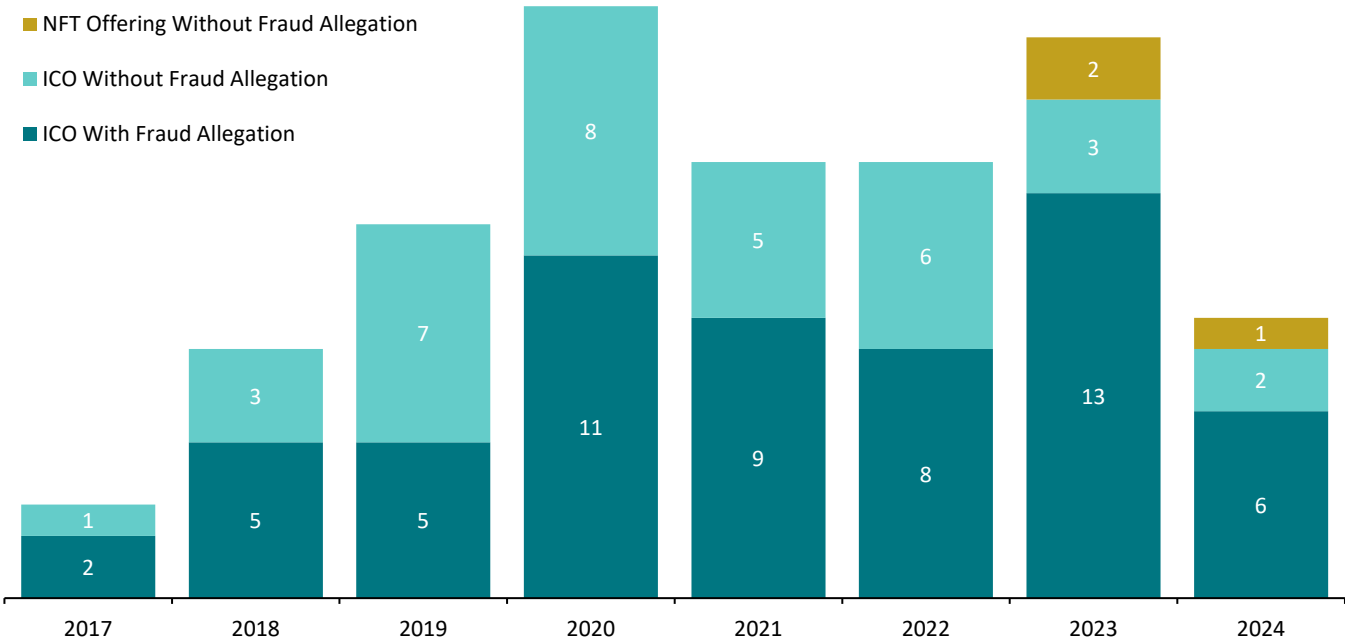
Source: SEC.gov
 Note: This figure focuses on SEC cryptocurrency enforcement actions (i.e., litigations and administrative proceedings). An enforcement action may be associated with more than one allegation. "Other Allegations" include claims that have been alleged in only a few litigations or administrative proceedings, such as violations of restricted period, failure to maintain internal controls, falsification of internal controls, and violations of whistleblower protections.

ICOs and NFT Offerings as Unregistered Securities Offering Allegations

- Relative to 2023, the SEC lessened its focus on ICOs in 2024. Of the 19 enforcement actions alleging an unregistered securities offering violation under Sections 5(a) and 5(c) of the Securities Act, eight were related to the offering of a token or an ICO, and one was related to the offering of NFTs.
- 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, following the SEC’s framework for investment contract analysis of digital assets released in April 2019.⁴⁶ In seven of the eight ICO-related enforcement actions in 2024, the SEC cited the *Howey* decision.
- Six of the eight ICO-related enforcement actions also included a fraud allegation.
- In 2024, the SEC brought one NFT-related administrative proceeding, alleging that an NFT creator conducted an unregistered securities offering of crypto-asset securities in the form of NFTs.⁴⁷
- As in the two NFT-related enforcement actions from 2023, the SEC referenced *Howey* and the SEC Division of Enforcement’s DAO Report in its 2024 action against the NFT creator.⁴⁸

Of the 207 cryptocurrency enforcement actions brought by the SEC since 2013, 47% have been related to ICOs and NFT offerings.

Figure 8: ICOs and NFT Offerings as Unregistered Securities Offering Allegations in SEC Cryptocurrency Enforcement Actions 2017–2024



Source: SEC.gov

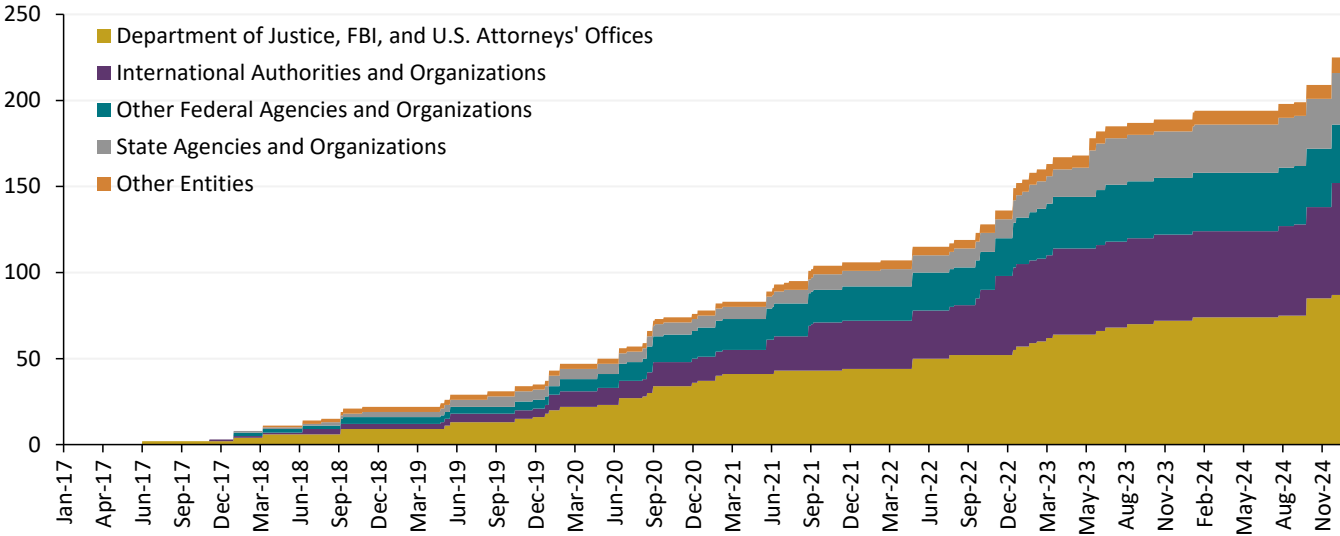
Note: This figure focuses on those SEC cryptocurrency enforcement actions related to ICOs and NFT offerings. Fraud is alleged under Section 17(a) of the Securities Act, Section 10(b) and Rule 10b-5 of the Exchange Act, and/or Section 206 of the Investment Advisers Act.

Assistance from Outside Agencies and Organizations

- The SEC typically acknowledges assistance received from outside agencies and organizations by listing their names in press releases. The SEC’s first public recognition of external support during an investigation leading to a cryptocurrency enforcement action appeared in a June 2017 press release.⁴⁹ Since then, outside assistance in SEC enforcement actions has increased over time.
- Of the 200 enforcement actions since June 2017, the SEC received assistance from outside agencies and organizations in 80 actions (40%), including 67 litigations and 13 administrative proceedings.
- In the press releases announcing the commencement of the enforcement actions, the SEC acknowledged assistance from one to 16 outside agencies and organizations in litigations (an average of 3.1 per litigation) and one to three in administrative proceedings (an average of 1.5 per administrative proceeding).
- The U.S. Attorneys’ offices (46 actions), the Federal Bureau of Investigation (38 actions), the Commodity Futures Trading Commission (12 actions), and the Internal Revenue Service (10 actions) were among the federal agencies and authorities that provided frequent assistance.
- In a total of 25 enforcement actions since June 2017, the SEC also acknowledged assistance from multiple international authorities and organizations.⁵⁰
- In 2024, 10 cryptocurrency-related enforcement actions received outside assistance. One of the 10 actions benefited from the assistance of 12 international authorities and organizations, as well as U.S. Attorneys’ offices and the Federal Bureau of Investigation, among others.⁵¹

In 2024, the SEC continued to leverage assistance from outside organizations in bringing cryptocurrency-related enforcement actions.

Figure 9: Cumulative Number of Outside Agencies and Organizations Assisting the SEC in Cryptocurrency Enforcement Actions 2017–2024



Source: SEC.gov

Note: This figure focuses on SEC cryptocurrency enforcement actions (i.e., litigations and administrative proceedings). The SEC press release announcing the commencement of an enforcement action may acknowledge the assistance received from one or more outside agencies and organizations. In the March 15, 2023, press release announcing charges against Ho Van Kwok et al., the SEC acknowledged assistance from “multiple international regulators.” Given that a number was not specified in the press release, two international authorities and organizations were accounted for in the analysis.

Type of Defendants/Respondents

- In 2024, the SEC charged a total of 90 defendants or respondents in cryptocurrency enforcement actions—57 (63%) individuals and 33 (37%) firms.
- Of the eight administrative proceedings brought in 2024, seven charged firm respondents only and one charged a firm and an individual respondent. Approximately 69% of the defendants in the 25 litigations brought in 2024 were individuals.
- In seven of the 33 enforcement actions that the SEC brought in 2024, the defendants/respondents were individuals only.
- In the remaining 26 enforcement actions, the defendants/respondents were firms only (14 actions) or a mix of firms and individuals (12 actions).

.....
In 2024, 21% of the 33 enforcement actions were against individual defendants only, down from 36% in 2023.

Figure 10: Defendants/Respondents in SEC Cryptocurrency Enforcement Actions 2013–2024

| | 2013–2022 | | 2023 | | 2024 | |
|--|------------|-------------|------------|-------------|-----------|-------------|
| | Number | Proportion | Number | Proportion | Number | Proportion |
| Number of Enforcement Actions | | | | | | |
| Individual(s) Only | 37 | 29% | 17 | 36% | 7 | 21% |
| Firm(s) Only | 30 | 24% | 11 | 23% | 14 | 43% |
| Firm(s) and Individual(s) | 60 | 47% | 19 | 41% | 12 | 36% |
| <i>Total</i> | <i>127</i> | <i>100%</i> | <i>47</i> | <i>100%</i> | <i>33</i> | <i>100%</i> |
| Number of Defendants/Respondents in Enforcement Actions | | | | | | |
| Individuals | 169 | 55% | 67 | 54% | 57 | 63% |
| Firms | 139 | 45% | 58 | 46% | 33 | 37% |
| <i>Total</i> | <i>308</i> | <i>100%</i> | <i>125</i> | <i>100%</i> | <i>90</i> | <i>100%</i> |

Source: SEC.gov

Note: This figure focuses on SEC cryptocurrency enforcement actions (i.e., litigations and administrative proceedings). 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

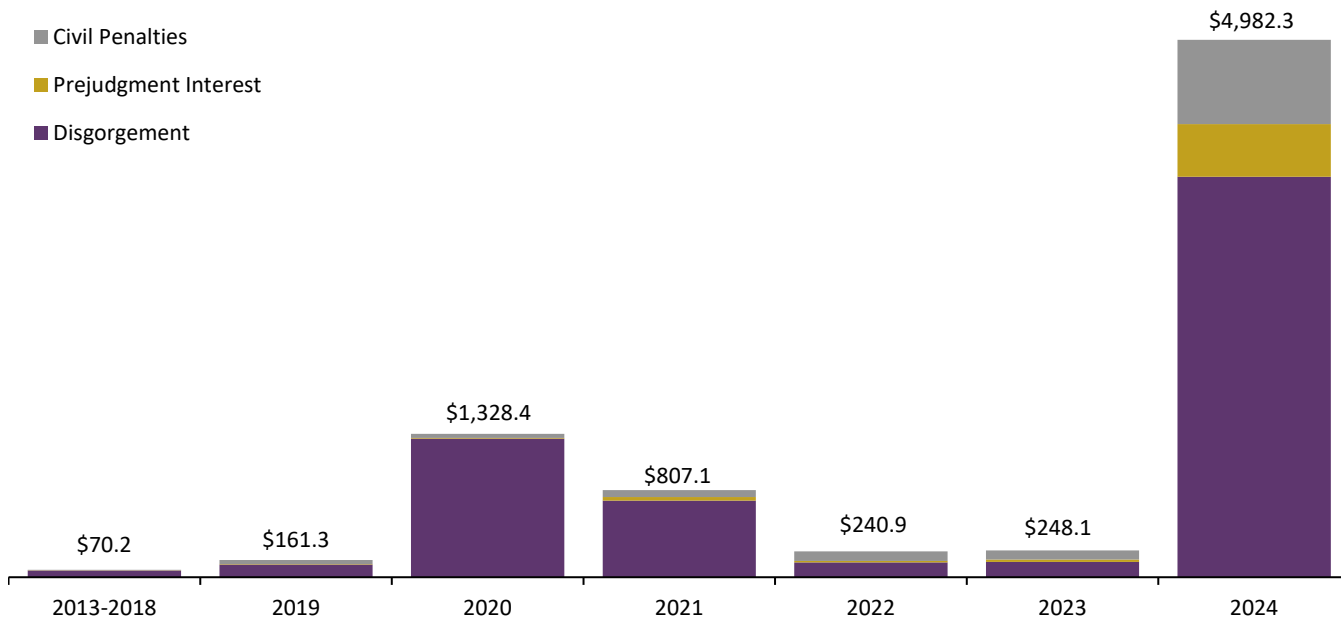
- In June 2024, the SEC reached a total monetary settlement of \$4.55 billion in *SEC v. Terraform Labs PTE Ltd. et al.*, with \$4.05 billion allocated to disgorgement and prejudgment interest.⁵² This was the largest monetary penalty ever imposed in an SEC cryptocurrency-related enforcement action, and over three times greater than the second-largest settlement of \$1.24 billion in *SEC v. Telegram Group Inc. et al.*, obtained by the SEC in 2020.⁵³
- On August 7, 2024, a federal judge ordered Ripple to pay a civil penalty of more than \$125 million in *SEC v. Ripple Labs Inc. et al.*, marking the second-largest settlement of the year.⁵⁴
- As of year-end 2024, the SEC had imposed total monetary penalties of approximately \$7.84 billion related to cryptocurrency enforcement actions since 2013—\$6.90 billion in litigations and \$0.94 billion in administrative proceedings.
- Approximately 14% of the \$7.84 billion consisted of civil penalties, while disgorgement and prejudgment interest comprised the remaining 86%.

With a record-high settlement in SEC v. Terraform Labs PTE Ltd. et al., total monetary penalties in SEC cryptocurrency enforcement actions approached \$5 billion in 2024 alone.

- In 2024, the SEC continued to recognize self-reporting, cooperation, or remedial efforts undertaken by five (56%) of the nine respondents charged in administrative proceedings. Between 2023 and 2024, this proportion increased by 12 percentage points compared to the 2013–2022 period, when the SEC recognized the self-reporting, cooperation, or remedial efforts undertaken by 28 (44%) of the 63 respondents.
- In one administrative proceeding, respondents’ remedial efforts and cooperation led the SEC to impose no monetary penalties in 2024.⁵⁵

Figure 11: Total Monetary Penalties in SEC Cryptocurrency Enforcement Actions by Settlement Year 2013–2024

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, 2024, across all cryptocurrency-related administrative proceedings and litigations. Penalties other than U.S. dollar-denominated amounts (e.g., Bitcoin) are not included. Total monetary penalties in 2024 include a large settlement of \$4.55 billion in *SEC v. Terraform Labs PTE Ltd. et al.*, while total monetary penalties in 2020 include a settlement of \$1.24 billion in *SEC v. Telegram Group Inc. et al.*

Litigation Venue

- From 2013 to 2024, approximately 39% of the 135 actions litigated in U.S. courts occurred in New York, with 42 in the Southern District and 10 in the Eastern District.
- Although the largest number of actions litigated in U.S. courts occurred in New York, the SEC has increasingly litigated cryptocurrency enforcement actions in other federal courts.

Of the 135 litigations the SEC brought since 2013, 84 were resolved with a median resolution time of 323 days. The remaining 51 that are pending include 10 without fraud allegations.

Figure 12: Courts and Presiding Judges in SEC Cryptocurrency Litigations

2013–2024

| United States District Court | Number of Actions | Actions Resolved | Judges |
|----------------------------------|-------------------|------------------|--|
| Southern District of New York | 42 | 31 | Stewart D. Aaron, Naomi Reice Buchwald, Andrew L. Carter Jr. (2), P. Kevin Castel (5), Denise L. Cote (4), Paul Austin Crotty, Katherine Polk Failla, Paul G. Gardephe (4), Alvin K. Hellerstein, Lewis A. Kaplan (2), John F. Keenan, John G. Koeltl (3), Colleen McMahon, J. Paul Oetken, Jed Saul Rakoff, Edgardo Ramos (2), Jennifer Louise Rochon, Lorna G. Schofield (4), Robert Nichols Scola Jr., Louis L. Stanton, Analisa Torres (2), Jeannette A. Vargas, Mary Kay Vyskocil |
| Eastern District of New York | 10 | 3 | Carol Bagley Amon (2), Frederic Block, Margo Kitsy Brodie, LaShann DeArcy Hall (2), Raymond J. Dearie, Eric R. Komitee, William F. Kuntz, Magistrate Judge Robert M. Levy |
| Central District of California | 9 | 8 | Percy Anderson, Jesus G. Bernal, Stanley Blumenfeld, Jr., Dale S. Fischer (2), R. Gary Klausner, Mark C. Scarsi, Fred W. Slaughter, Otis D. Wright II |
| Northern District of California | 11 | 7 | Charles R. Breyer, Maxine M. Chesney, Vince Chhabria, Jacqueline Scott Corley, Haywood Stirling Gilliam Jr., William Horsley Orrick III, Richard Seeborg (4), Trina Lynn Thompson |
| Southern District of California | 3 | 2 | Cathy Ann Bencivengo, Gonzalo P. Curiel, Todd Wallace Robinson |
| Northern District of Texas | 4 | 3 | David C. Godbey, Sidney Allen Fitzwater, Barbara M. G. Lynn, Mark Timothy Pittman |
| Eastern District of Texas | 1 | 1 | Amos L. Mazzant |
| Western District of Texas | 2 | 1 | Robert Pitman (2) |
| Southern District of Texas | 3 | 2 | Andrew S. Hanen (2), George Carol Hanks Jr. |
| District of Connecticut | 1 | 1 | Jeffrey A. Meyer |
| District of Columbia | 3 | 1 | Beryl Alaine Howell, Amy Berman Jackson, Trevor N. McFadden |
| Southern District of Florida | 6 | 3 | Cecilia M. Altonaga, Beth Francine Bloom, Kevin Michael Moore, Robin L. Rosenberg (2), Robert Nichols Scola Jr. |
| District of New Jersey | 4 | 1 | Renée Marie Bumb, Claire Claudia Cecchi, Stanley R. Chesler (2) |
| District of Utah | 3 | 2 | David Barlow, Bruce Sterling Jenkins, Robert James Shelby |
| Western District of Pennsylvania | 1 | 0 | W. Scott Hardy |
| District of Maryland | 2 | 1 | Richard D. Bennett, Peter J. Messitte |
| Northern District of Georgia | 3 | 1 | Mark Howard Cohen, Sarah Elisabeth Geraghty, Steve C. Jones |
| District of Delaware | 1 | 1 | Maryellen Noreika |
| District of New Hampshire | 1 | 1 | Paul J. Barbadoro |
| District of Nevada | 2 | 1 | Jennifer A. Dorsey (2) |
| District of South Carolina | 1 | 1 | Margaret B. Seymour |
| District of Massachusetts | 7 | 1 | Angel Kelley (5), Myong Jin Joun, Mark G. Mastroianni |
| District of Idaho | 1 | 1 | B. Lynn Winmill |
| District of Colorado | 1 | 1 | Daniel D. Domenico |
| Western District of Washington | 5 | 3 | John C. Coughenour, Tana Lin, Ricardo S. Martinez, S. Kate Vaughan, Thomas Samuel Zilly |
| Northern District of Illinois | 5 | 4 | Jorge Luis Alonso, John Robert Blakey, Edmond E-Min Chang, Lindsay C. Jenkins, Matthew F. Kennelly |
| Eastern District of Michigan | 1 | 1 | Shalina D. Kumar |
| Middle District of Florida | 1 | 1 | John Leonard Badalamenti |
| Southern District of Alabama | 1 | 0 | Kristi DuBose |
| Total | 135 | 84 | |

Source: SEC.gov; PACER

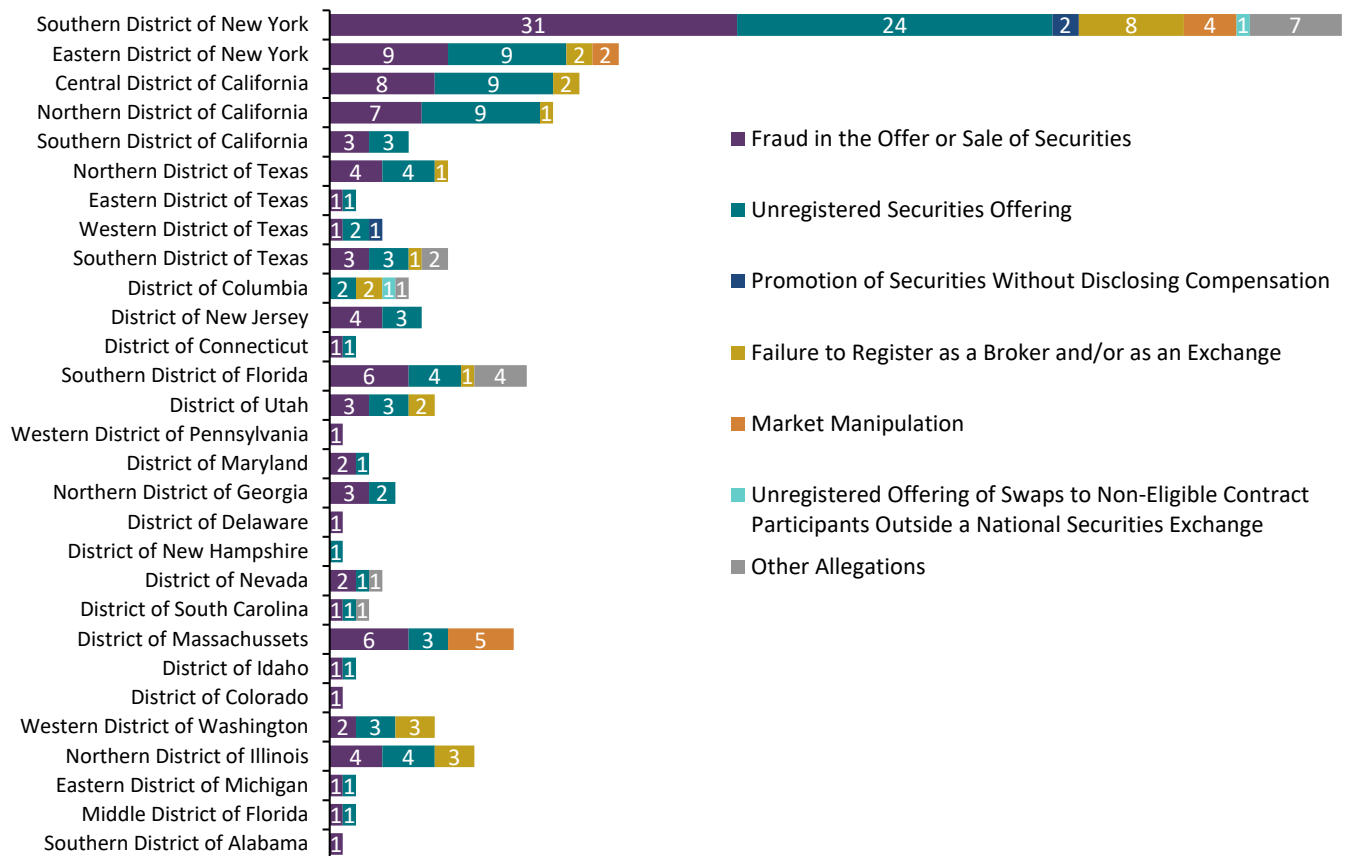
Note: This figure reports the SEC cryptocurrency litigations resolved or partially resolved with a final judgment as of December 31, 2024. After an initial assignment, a case may be reassigned to another judge.

Litigation Allegations by Venue

- Among the 52 litigations filed in New York from 2013 to 2024, the SEC alleged fraud in 40 actions and unregistered securities offering violations in 33 actions.
- Most of the litigations involving allegations of market manipulation and failure to register as a broker and/or exchange have been litigated in New York.
- In 2024, five litigations alleging manipulation were filed in the District of Massachusetts against promoters and market makers of crypto assets that the SEC deemed securities.

While New York remains the predominant venue for cryptocurrency enforcement actions, the SEC has increasingly brought actions in different federal court venues.

Figure 13: Number of SEC Cryptocurrency Litigations by Court Venue and Type of Allegations 2013–2024



Source: SEC.gov

Note: This figure focuses on SEC cryptocurrency litigations. A litigation may be associated with more than one allegation. "Other Allegations" include claims alleged in only a few litigations, such as violations of restricted period, failure to maintain internal controls, falsification of internal controls, and violations of whistleblower protections.

Appendix

Appendix: SEC Cryptocurrency Press Releases, Public Statements and Speeches, Investor Alerts, and No-Action Letters 2013–2024

| 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 |
| 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 |

| Date | SEC Press Releases with Hyperlinks |
|-----------|---|
| 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 |
| 01-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 |
| 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 |
| 04-Jan-23 | SEC Charges Creator of CoinDeal Crypto Scheme and Seven Others in Connection with \$45 Million Fraud |
| 12-Jan-23 | SEC Charges Genesis and Gemini for the Unregistered Offer and Sale of Crypto Asset Securities through the Gemini Earn Lending Program |
| 09-Feb-23 | Kraken to Discontinue Unregistered Offer and Sale of Crypto Asset Staking-As-A-Service Program and Pay \$30 Million to Settle SEC Charges |
| 16-Feb-23 | SEC Charges Terraform and CEO Do Kwon with Defrauding Investors in Crypto Schemes |
| 17-Feb-23 | SEC Charges NBA Hall of Famer Paul Pierce for Unlawfully Touting and Making Misleading Statements about Crypto Security |
| 28-Feb-23 | SEC Charges Nishad Singh with Defrauding Investors in Crypto Asset Trading Platform FTX |
| 06-Mar-23 | SEC Files Emergency Action Against Miami Investment Adviser BKCoin and Principal Kevin Kang for Orchestrating \$100 Million Crypto Fraud Scheme |
| 22-Mar-23 | SEC Charges Crypto Entrepreneur Justin Sun and His Companies for Fraud and Other Securities Law Violations |
| 29-Mar-23 | SEC Charges Crypto Trading Platform Beaxy and its Executives for Operating an Unregistered Exchange, Broker, and Clearing Agency |
| 17-Apr-23 | SEC Charges Crypto Asset Trading Platform Bittrex and its Former CEO for Operating an Unregistered Exchange, Broker, and Clearing Agency |
| 30-May-23 | Former Coinbase Manager and His Brother Agree to Settle Insider Trading Charges Relating to Crypto Asset Securities |
| 05-Jun-23 | SEC Files 13 Charges Against Binance Entities and Founder Changpeng Zhao |
| 06-Jun-23 | SEC Charges Coinbase for Operating as an Unregistered Securities Exchange, Broker, and Clearing Agency |
| 17-Jun-23 | SEC Secures Emergency Relief to Protect Binance.US Customers' Assets |
| 31-Jul-23 | SEC Charges Hex Founder Richard Heart with Misappropriating Millions of Dollars of Investor Funds from Unregistered Crypto Asset Securities Offerings that Raised more than \$1 Billion |
| 03-Aug-23 | SEC Obtains Emergency Relief to Halt Utah-Based Company's Crypto Asset Fraud Scheme Involving 18 Defendants |

| Date | SEC Press Releases with Hyperlinks |
|-----------|---|
| 10-Aug-23 | Crypto Asset Trading Platform Bittrex and Former CEO to Settle SEC Charges for Operating an Unregistered Exchange, Broker, and Clearing Agency |
| 21-Aug-23 | SEC Charges FinTech Investment Adviser Titan for Misrepresenting Hypothetical Performance of Investments and other Violations |
| 28-Aug-23 | SEC Charges LA-Based Media and Entertainment Co. Impact Theory for Unregistered Offering of NFTs |
| 07-Sep-23 | Linus Financial Agrees to Settle SEC Charges of Unregistered Offer and Sale of Securities |
| 13-Sep-23 | SEC Charges Creator of Stoner Cats Web Series for Unregistered Offering of NFTs |
| 01-Nov-23 | SEC Charges Crypto Company SafeMoon and its Executive Team for Fraud and Unregistered Offering of Crypto Securities |
| 20-Nov-23 | SEC Charges Kraken for Operating as an Unregistered Securities Exchange, Broker, Dealer, and Clearing Agency |
| 22-Dec-23 | BarnBridge DAO Agrees to Stop Unregistered Offer and Sale of Structured Finance Crypto Product |
| 29-Jan-24 | SEC Charges Founder of \$1.7 Billion “HyperFund” Crypto Pyramid Scheme and Top Promoter with Fraud |
| 02-Feb-24 | SEC Charges Founder of American Bitcoin Academy Online Crypto Course with Fraud Targeting Students |
| 07-Feb-24 | SEC Charges TradeStation Crypto for Unregistered Offer and Sale of Crypto Asset Lending Product |
| 14-Mar-24 | SEC Charges 17 Individuals in \$300 Million Crypto Asset Ponzi Scheme Targeting the Latino Community |
| 19-Mar-24 | Genesis Agrees to Pay \$21 Million Penalty to Settle SEC Charges |
| 13-Jun-24 | Terraform and Kwon to Pay \$4.5 Billion Following Fraud Verdict |
| 28-Jun-24 | SEC Charges Consensus Software for Unregistered Offers and Sales of Securities Through Its MetaMask Staking Service |
| 01-Jul-24 | SEC Charges Silvergate Capital, Former CEO for Misleading Investors about Compliance Program |
| 30-Jul-24 | SEC Charges Nader Al-Naji with Fraud and Unregistered Offering of Crypto Asset Securities |
| 12-Aug-24 | SEC Charges NovaTech and its Principals and Promoters with \$650 Million Fraud |
| 26-Aug-24 | SEC Charges Abra with Unregistered Offers and Sales of Crypto Asset Securities |
| 26-Aug-24 | SEC Charges Brothers Jonathan and Tanner Adam with \$60 Million Ponzi Scheme |
| 03-Sep-24 | SEC Charges Crypto-Focused Advisory Firm Galois Capital for Custody Failures |
| 18-Sep-24 | SEC Charges DeFi Platform Rari Capital and its Founders With Misleading Investors and Acting as Unregistered Brokers |
| 24-Sep-24 | SEC Charges Crypto Companies TrustToken and TrueCoin With Defrauding Investors Regarding Stablecoin Investment Program |
| 27-Sep-24 | SEC Charges Entities Operating Crypto Asset Trading Platform Mango Markets for Unregistered Offers and Sales of the Platform’s “MNGO” Governance Tokens |
| 02-Oct-24 | SEC Announces Departure of Enforcement Director Gurbir S. Grewal |
| 09-Oct-24 | SEC Charges Three So-Called Market Makers and Nine Individuals in Crackdown on Manipulation of Crypto Assets Offered and Sold as Securities |
| 10-Oct-24 | SEC Charges Cumberland DRW for Operating as an Unregistered Dealer in the Crypto Asset Markets |
| 21-Nov-24 | SEC Chair Gensler to Depart Agency on January 20 |
| 22-Nov-24 | SEC Announces Enforcement Results for Fiscal Year 2024 |
| 20-Dec-24 | Tai Mo Shan to Pay \$123 Million for Negligently Misleading Investors About Stability of Terra USD |

| 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 |

| Date | SEC Public Statements and Speeches with Hyperlinks |
|-----------|--|
| 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 |
| 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 Senate Committee on Banking, Housing, and Urban Affairs |
| 05-Oct-21 | Chair Gary Gensler - Testimony Before the House Financial Services Committee |
| 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 at Penn Law Capital Markets Association 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 Before the House Appropriations Subcommittee on Financial Services and General Government |
| 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 House Financial Services Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets |
| 08-Sep-22 | Chair Gary Gensler - Kennedy and Crypto |
| 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 Before the 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 Practising 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 |
| 20-Jan-23 | Commissioner Hester M. Peirce - Outdated: Remarks before the Digital Assets at Duke Conference |
| 09-Feb-23 | Commissioner Hester M. Peirce - Kraken Down: Statement on SEC v. Payward Ventures, Inc., et al. |

| Date | SEC Public Statements and Speeches with Hyperlinks |
|-----------|--|
| 15-Feb-23 | Commissioner Hester M. Peirce - Statement on Safeguarding Advisory Client Assets Proposal |
| 15-Feb-23 | Commissioner Mark T. Uyeda - Statement on Proposed Rule Regarding the Safeguarding of Advisory Client Assets |
| 15-Feb-23 | Commissioner Caroline A. Crenshaw - Statement on Safeguarding Advisory Client Assets Proposal |
| 15-Feb-23 | Chair Gary Gensler - Statement on Proposed Rules Regarding Investment Adviser Custody |
| 09-Mar-23 | Chair Gary Gensler - Op-Ed: Getting Crypto Firms to Do Their Work Within the Bounds of the Law |
| 10-Mar-23 | Commissioner Hester M. Peirce and Commissioner Mark T. Uyeda - Statement Regarding the Commission's Disapproval of a Proposed Rule Change to List and Trade Shares of the VanEck Bitcoin Trust |
| 14-Apr-23 | Commissioner Mark T. Uyeda - Statement on Supplemental Information and Reopening of Comment Period for Amendments to Exchange Act Rule 3b-16 regarding the Definition of "Exchange" |
| 14-Apr-23 | Commissioner Caroline A. Crenshaw - Statement on Supplemental Information and Reopening of Comment Period for Amendments to Exchange Act Rule 3b-16 Regarding the Definition of "Exchange" |
| 14-Apr-23 | Commissioner Hester M. Peirce - Rendering Innovation Kaput: Statement on Amending the Definition of Exchange |
| 14-Apr-23 | Chair Gary Gensler - Statement on Alternative Trading Systems and the Definition of an Exchange |
| 18-Apr-23 | Chair Gary Gensler - Testimony Before the House Financial Services Committee |
| 07-Jun-23 | Commissioner Hester M. Peirce and Commissioner Mark T. Uyeda - Statement Regarding In the Matter of American CryptoFed DAO LLC |
| 08-Jun-23 | Chair Gary Gensler - We've Seen This Story Before - remarks before the Piper Sandler Global Exchange & Fintech Conference |
| 27-Jul-23 | Chief Accountant Paul Munter - The Potential Pitfalls of Purported Crypto "Assurance" Work |
| 28-Aug-23 | Commissioner Hester M. Peirce and Commissioner Mark T. Uyeda - NFTs & the SEC: Statement on Impact Theory, LLC |
| 27-Sep-23 | Chair Gary Gensler - Testimony Before the House Financial Services Committee |
| 25-Oct-23 | Chair Gary Gensler - "Partners of Honest Business and Prosecutors of Dishonesty": Remarks Before the 2023 Securities Enforcement Forum |
| 15-Dec-23 | Chair Gary Gensler - Statement on the Denial of a Rulemaking Petition Submitted on behalf of Coinbase Global, Inc. |
| 15-Dec-23 | Commissioner Hester M. Peirce and Commissioner Mark T. Uyeda - Statement Regarding Denial of Petition for Rulemaking |
| 10-Jan-24 | Chair Gary Gensler - Statement on the Approval of Spot Bitcoin Exchange-Traded Products |
| 10-Jan-24 | Commissioner Caroline A. Crenshaw - Statement Dissenting from Approval of Proposed Rule Changes to List and Trade Spot Bitcoin Exchange-Traded Products |
| 10-Jan-24 | Commissioner Hester M. Peirce - Out, Damned Spot! Out, I Say!: Statement on Omnibus Approval Order for List and Trade Bitcoin-Based Commodity-Based Trust Shares and Trust Units |
| 10-Jan-24 | Commissioner Mark T. Uyeda - Statement Regarding the Commission's Approval of Proposed Rule Changes to List and Trade Shares of Spot Bitcoin Exchange-Traded Products |
| 12-Jan-24 | Chair Gary Gensler - Statement on Unauthorized Access to the SEC's @SECGov X.com Account |
| 05-Mar-24 | Commissioner Hester M. Peirce and Commissioner Mark T. Uyeda - On Today's Episode of As the Crypto World Turns: Statement on ShapeShift AG |
| 02-Apr-24 | Commissioner Hester M. Peirce - At the SEC: Nothing but Crickets Remarks at SEC Speaks |
| 03-Apr-24 | Division of Enforcement Director Gurbir Grewal – Remarks at SEC Speaks 2024 |
| 05-Apr-24 | Division of Enforcement Director Gurbir Grewal – Statement on Jury's Verdict in Trial of Terraform Labs PTE Ltd. and Do Kwon |
| 08-Apr-24 | Commissioner Hester M. Peirce - Pourquoi Pas? Securities Regulation and the American Dream: Remarks before the Association of Private Enterprise Education |
| 15-Apr-24 | Division of Enforcement Director Gurbir Grewal – Remarks at Program on Corporate Compliance and Enforcement Spring Conference 2024 |
| 22-May-24 | Chair Gary Gensler - Statement on the Financial Innovation and Technology for the 21st Century Act |
| 29-May-24 | Commissioner Hester M. Peirce - Comment on Digital Securities Sandbox Joint Bank of England and Financial Conduct Authority Consultation Paper |
| 02-Jul-24 | Division of Enforcement Director Gurbir Grewal – What's Past is Prologue: Enforcing the Federal Securities Laws in the Age of Crypto |
| 09-Sep-24 | Chief Accountant Paul Munter - Remarks before the 2024 AICPA & CIMA Conference on Banks & Savings Institutions: Accounting for Crypto-Asset Safeguarding Obligations—A Facts-Based Analysis |
| 16-Sep-24 | Commissioner Hester M. Peirce and Commissioner Mark T. Uyeda - Omakase: Statement on In the Matter of Flyfish Club, LLC |
| 24-Oct-24 | Commissioner Mark T. Uyeda - Remarks to the 2024 AIMA APAC Annual Forum |
| 01-Nov-24 | Commissioner Hester M. Peirce - Hobs and Hobbes: Wharton FinTech Lecture |
| 14-Nov-24 | Chair Gary Gensler - Car Keys, Football, and Effective Administration |

| Date | SEC Office of Investor Education and Advocacy – Investor Alerts & Bulletins 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 |
| 23-Mar-23 | Exercise Caution with Crypto Asset Securities |

Appendix (continued)

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|-------------|---|
| 27-Jul-23 | Investors in the Crypto Asset Markets Should Exercise Caution With Alternatives to Financial Statement Audits |
| 29-Sep-23 | Investor Resilience, Crypto Assets, and Sustainable Finance: World Investor Week 2023 |
| 29-May-24 | 5 Ways Fraudsters May Lure Victims Into Scams Involving Crypto Asset Securities |
| 09-Sept-24 | Exchange-Traded Products (ETPs) Providing Exposure to Bitcoin and Ether |
| Date | SEC Cryptocurrency No-Action Letters with Hyperlinks |
| 03-Apr-19 | TurnKey Jet, Inc. |
| 25-Jul-19 | Pocketful of Quarters, Inc. |
| 19-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, 2024.
- The SEC enforcement website was used to identify relevant enforcement actions. 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. The identification may change as a result of updating the phrases used.
- “Litigations” are enforcement actions litigated in U.S. district courts. “Administrative proceedings” are enforcement actions that are resolved within the SEC under Section 8A of the Securities Act of 1933 (Securities Act), Section 21C of the Securities Exchange Act of 1934 (Exchange Act), and/or Section 203(e) and 203(k) of the Investment Advisers Act of 1940 (Investment Advisers Act).
- 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 The table focuses on SEC cryptocurrency enforcement actions (i.e., both litigations and administrative proceedings). An enforcement action may be associated with more than one allegation and more than one defendant/respondent. Jay Clayton was sworn in as Chair of the SEC on May 4, 2017, and he departed the SEC on December 23, 2020. Gary Gensler was sworn in as Chair of the SEC on April 17, 2021. On November 21, 2024, Chair Gensler announced his departure effective January 20, 2025. As of December 31, 2024, which is the time of this data update, Chair Gensler's tenure had not ended yet. The "Approved by Commissioners' Unanimous Vote" percentage excludes approvals given with an exception. Votes that precede the final resolution of an enforcement action are generally made publicly available only when the action is final. See SEC, "Jay Clayton Sworn in as Chairman of SEC," Press Release, May 4, 2017, <https://www.sec.gov/newsroom/press-releases/2017-94>; SEC, "Statement of SEC Chairman Jay Clayton Regarding the Conclusion of His Tenure," Statement, December 23, 2020, <https://www.sec.gov/newsroom/speeches-statements/clayton-2020-12-23>; SEC, "Gary Gensler Sworn in as Member of the SEC," Press Release, April 17, 2021, <https://www.sec.gov/newsroom/press-releases/2021-65>; SEC, "SEC Chair Gensler to Depart Agency on January 20," Press Release, November 21, 2024, <https://www.sec.gov/newsroom/press-releases/2024-182>.
- ² Jay Clayton was sworn in as Chair of the SEC on May 4, 2017, and he departed the SEC on December 23, 2020. See SEC, "Jay Clayton Sworn in as Chairman of SEC," Press Release, May 4, 2017, <https://www.sec.gov/newsroom/press-releases/2017-94>; SEC, "Statement of SEC Chairman Jay Clayton Regarding the Conclusion of His Tenure," Statement, December 23, 2020, <https://www.sec.gov/newsroom/speeches-statements/clayton-2020-12-23>.
- ³ Gary Gensler was sworn in as Chair of the SEC on April 17, 2021. On November 21, 2024, Chair Gensler announced his departure effective January 20, 2025. As of December 31, 2024, which is the time of this data update, Chair Gensler's tenure had not ended yet. See SEC, "Gary Gensler Sworn in as Member of the SEC," Press Release, April 17, 2021, <https://www.sec.gov/newsroom/press-releases/2021-65>; SEC, "SEC Chair Gensler to Depart Agency on January 20," Press Release, November 21, 2024, <https://www.sec.gov/newsroom/press-releases/2024-182>.
- ⁴ SEC, "SEC Charges Texas Man With Running Bitcoin-Denominated Ponzi Scheme," Press Release, July 23, 2013, <https://www.sec.gov/news/press-release/2013-132>; Administrative Proceeding Order, *In the Matter of Erik Vorhees (FeedZeBirds and SatoshiDICE)*, June 3, 2014; Administrative Proceeding Order, *In the Matter of BTC Trading Corp. and Ethan Burnside*, December 8, 2014; Administrative Proceeding Order, *In the Matter of Sand Hill Exchange et al.*, June 17, 2015; SEC, "SEC v. Steve Chen et al.," Press Release, October 5, 2015, <https://www.sec.gov/litigation/litreleases/2015/lr23378.htm>; SEC v. *Homero Joshua Garza, Gaw Miners LLC, and Zenminer LLC (d/b/a Zen Cloud)*, 3:15-cv-01760 (D. Conn), December 1, 2015; Administrative Proceeding Order, *In the Matter of Bitcoin Investment Trust and Secondmarket Inc.*, July 16, 2016.
- ⁵ SEC v. *W.J. Howey Co.*, 328 U.S. 293 (1946); SEC, "Report of Investigation Pursuant to Section 21(a) of the Securities Exchange Act of 1934: The DAO," Release No. 81207, July 25, 2017, p. 11, <https://www.sec.gov/litigation/investreport/34-81207.pdf>.
- ⁶ William Hinman, "Digital Asset Transactions: When Howey Met Gary (Plastic)," Remarks at the Yahoo Finance All Markets Summit: Crypto, June 14, 2018, <https://www.sec.gov/news/speech/speech-hinman-061418>.
- ⁷ SEC, "Framework for 'Investment Contract' Analysis of Digital Assets," April 3, 2019, <https://www.sec.gov/corpfin/framework-investment-contract-analysis-digital-assets>. To constitute an investment contract, the three prongs of the *Howey* test are: (1) an investment of money, (2) in a common enterprise, (3) with a reasonable expectation of profits derived from the efforts of others.
- ⁸ Chair Gary Gensler, "Car Keys, Football, and Effective Administration," Speech, November 14, 2024, <https://www.sec.gov/newsroom/speeches-statements/gensler-remarks-pli-s-56th-annual-institute-securities-regulation-111424>.
- ⁹ The number of SEC attorneys leading, assisting with, or supervising the investigation or litigation is determined based on the press release announcing a given cryptocurrency-related enforcement action.
- ¹⁰ SEC, "Elad Roisman Named Acting Chairman of the SEC," Press Release, December 28, 2020, <https://www.sec.gov/newsroom/press-releases/2020-342>; SEC, "Allison Herren Lee Named Acting Chair of the SEC," Press Release, January 21, 2021, <https://www.sec.gov/newsroom/press-releases/2021-13>.
- ¹¹ See, e.g., Administrative Proceeding Order, *In the Matter of Bloom Protocol LLC*, August 9, 2022; Administrative Proceeding Order, *In the Matter of Sparkster Ltd et al.*, September 19, 2022; Administrative Proceeding Order, *In the Matter of Quantstamp Inc.*, July 21, 2023.
- ¹² SEC, "SEC Charges Three Media Companies with Illegal Offerings of Stock and Digital Assets," Press Release, September 13, 2021, <https://www.sec.gov/newsroom/press-releases/2021-175>; SEC, "Unregistered ICO Issuer Agrees to a Springing Penalty of Up to \$30.9 Million," August 9, 2022, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/33-11089-s>; SEC, "Sparkster to Pay \$35 Million to Harmed Investor Fund for Unregistered Crypto Asset Offering," Press Release, September 19, 2022, <https://www.sec.gov/newsroom/press-releases/2022-167>; SEC, "SEC Charges Quantstamp, Inc. in \$28.35 Million Initial Coin Offering," July 21, 2023, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/33-11215-s>.
- ¹³ See, e.g., SEC, "SEC Charges U.S. Promoters of \$2 Billion Global Crypto Lending Securities Offering," May 28, 2021, <https://www.sec.gov/news/press-release/2021-90>.
- ¹⁴ See, e.g., SEC, "Kraken to Discontinue Unregistered Offer and Sale of Crypto Asset Staking-As-A-Service Program and Pay \$30 Million to Settle SEC Charges," Press Release, February 9, 2023, <https://www.sec.gov/newsroom/press-releases/2023-25>.
- ¹⁵ See, e.g., SEC, "SEC Charges DeFi Platform Rari Capital and its Founders With Misleading Investors and Acting as Unregistered Brokers," September 18, 2024, <https://www.sec.gov/newsroom/press-releases/2024-138>.
- ¹⁶ See, e.g., SEC, "SEC Charges Poloniex for Operating Unregistered Digital Asset Exchange," August 9, 2021, <https://www.sec.gov/news/press-release/2021-147>.
- ¹⁷ See, e.g., Commissioner Hester M. Peirce, "Statement on SEC Settlement Charging Token Issuer with Violation of Registration Provisions of the Securities Act for 1933," Statement, September 15, 2020, <https://www.sec.gov/newsroom/speeches-statements/peirce-statement-settlement-charging-token-issuer>; Commissioner Hester M. Peirce, "Kraken Down: Statement on SEC v. Payward Ventures, Inc., et al.," Statement, February 9, 2023, <https://www.sec.gov/newsroom/speeches-statements/peirce-statement-kraken-020923>; Commissioner Hester M. Peirce and Commissioner Mark T. Uyeda, "NFTs & the SEC: Statement on Impact Theory, LLC," Statement, August 28, 2023, <https://www.sec.gov/newsroom/speeches-statements/peirce-uyeda-statement-nft-082823>; Commissioner Hester M. Peirce and Commissioner Mark T. Uyeda, "On Today's Episode of As the Crypto World Turns: Statement on ShapeShift AG," Statement, March 5, 2024, <https://www.sec.gov/newsroom/speeches-statements/peirce-uyeda-statement-crypto-world-turns-03-06-24>.
- ¹⁸ 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>. The SEC barred the respondent after the Colorado Securities Commissioner revoked his sales representative and investment adviser representative licenses in Colorado. See also *In the Matter of Daniel T. Levine*, September 13, 2019, <https://www.sec.gov/litigation/admin/2019/34-86962.pdf>. The SEC also issued one stop order against American CryptoFed DAO LLC 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. See *In the Matter of the Registration Statement of American CryptoFed DAO LLC*, November 18, 2022.
- ¹⁹ The Crypto Assets and Cyber Unit, formerly known as the Cyber Unit, is part of the SEC's Division of Enforcement. See SEC, "SEC Nearly Doubles Size of Enforcement's Crypto Assets and Cyber Unit," May 3, 2022, <https://www.sec.gov/news/press-release/2022-78>.
- ²⁰ The follow-on actions are *In the Matter of Edith Pardo Mehler, Esq.*, February 29, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-99650.pdf>; *In the Matter of Julio Eduardo Taffinder*, April 12, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-99952.pdf>; *In the Matter of Luis F. Serrano*, April 12, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-99953.pdf>; *In the Matter of Gabriel Edelman*, May 30, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-100249.pdf>; *In the Matter of Lufkin Advisors LLC*, June 26, 2024, <https://www.sec.gov/files/litigation/admin/2024/ia-6634.pdf>; *In the Matter of Chauncey Forbush Lufkin III*, June 26, 2024, <https://www.sec.gov/files/litigation/admin/2024/ia-6635.pdf>; and *In the Matter of Martin Zizi*, October 30, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-101472.pdf>. The delinquent filing orders are *In the Matter of Salt Blockchain Inc.*, September 5, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-100955.pdf>; and *In the Matter of UBI Blockchain Internet Ltd.*, October 15, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-101343.pdf>. The subpoena orders are *SEC v. Dapilinu Dunbar and Corrie Sampson*, 4:23-mc-21-P (N.D. Tex.), December 2023 (Litigation Release No. 25942, February 14, 2024); and *SEC v. Cast Your Nets Ministries et al.*, 24-mc-122-DDD (D. Colo.), December 12, 2024 (Litigation Release No. 26195, December 16, 2024).
- ²¹ The number of cryptocurrency-related enforcement actions for 2023 includes *SEC v. Digital Licensing Inc. (d/b/a "DEBT Box") et al.*, which was brought by the SEC on July 26, 2023, and dismissed without prejudice by Judge Robert J. Shelby on May 28, 2024. See Memorandum Decision and Order Granting Plaintiff Securities and Exchange Commission's Motion to Dismiss Without Prejudice, *SEC v. Digital Licensing Inc. (d/b/a "DEBT Box") et al.*, 2:23-cv-00482-RJS (D. Utah), Doc. No. 313, May 28, 2024.
- ²² Chair Gary Gensler, "Statement on the Approval of Spot Bitcoin Exchange-Traded Products," Statement, January 10, 2024, <https://www.sec.gov/newsroom/speeches-statements/gensler-statement-spot-bitcoin-011023>. See also Scott H. Kimpel, "SEC Approves 11 Bitcoin Spot ETFs," *The National Law Review*, January 16, 2024, <https://natlawreview.com/article/sec-approves-11-bitcoin-spot-etfs>.
- ²³ Chair Gary Gensler, "Statement on the Approval of Spot Bitcoin Exchange-Traded Products," Statement, January 10, 2024, <https://www.sec.gov/newsroom/speeches-statements/gensler-statement-spot-bitcoin-011023>. See also Scott H. Kimpel, "SEC Approves 11 Bitcoin Spot ETFs," *The National Law Review*, January 16, 2024, <https://natlawreview.com/article/sec-approves-11-bitcoin-spot-etfs>.
- ²⁴ SEC, "SEC Charges Founder of \$1.7 Billion 'HyperFund' Crypto Pyramid Scheme and Top Promoter with Fraud," January 30, 2024, <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-25933>.
- ²⁵ SEC, "SEC Charges ShapeShift AG Crypto Platform with Operating as an Unregistered Dealer," March 5, 2024, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/34-99676-s>.
- ²⁶ Commissioners Hester M. Peirce and Mark T. Uyeda, "On Today's Episode of As the Crypto World Turns: Statement on ShapeShift AG," Statement, March 5, 2024, <https://www.sec.gov/newsroom/speeches-statements/peirce-uyeda-statement-crypto-world-turns-03-06-24>.
- ²⁷ Former Director, Division of Enforcement Gurbir S. Grewal, "Remarks at SEC Speaks 2024," Speech, April 3, 2024, <https://www.sec.gov/newsroom/speeches-statements/gurbir-remarks-sec-speaks-04032024>.
- ²⁸ Commissioner Hester M. Peirce, "Pourquoi Pas? Securities Regulation and the American Dream: Remarks before the Association of Private Enterprise Education," Speech, April 8, 2024, <https://www.sec.gov/newsroom/speeches-statements/peirce-remarks-association-private-enterprise-education-040824>.
- ²⁹ The nine enforcement actions alleging violation of Section 15 of the Exchange Act are *In the Matter of ShapeShift AG*, March 5, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-99676.pdf>; *In the Matter of eToro USA LLC*, September 12, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-101001.pdf>; *In the Matter of Rari Capital Infrastructure LLC*, September 18, 2024, <https://www.sec.gov/files/litigation/admin/2024/33-11306.pdf>; *SEC v. Ismael Zarco Sanchez et al.*, 4:24-cv-00939 (S.D. Tex.), March 14, 2024; *SEC v. Consensus Software Inc.*, 1:24-cv-04578 (E.D.N.Y.), June 28, 2024; *SEC v. NovaTech Ltd. et al.*, 1:24-cv-23058 (S.D. Fla.), August 12, 2024; *SEC v. Rari Capital Inc. et al.*, 2:24-cv-07967 (C.D. Cal.), September 18, 2024; *SEC v. Mango Labs LLC et al.*, 1:24-cv-07334 (S.D.N.Y.), September 27, 2024; and *SEC v. Cumberland DRW LLC*, 1:24-cv-09842 (N.D. Ill.), October 10, 2024.
- ³⁰ Memorandum Decision and Order Granting Plaintiff Securities and Exchange Commission's Motion to Dismiss Without Prejudice, *SEC v. Digital Licensing Inc. (d/b/a "DEBT Box") et al.*, 2:23-cv-00482-RJS (D. Utah), Doc. No. 313, May 28, 2024.
- ³¹ SEC, "Terraform and Kwon to Pay \$4.5 Billion Following Fraud Verdict," Press Release, June 13, 2024, <https://www.sec.gov/newsroom/press-releases/2024-73>.
- ³² Judgment, *SEC v. Ripple Labs Inc. et al.*, 1:20-cv-10832 (S.D.N.Y.), Doc. No. 974, August 7, 2024.
- ³³ Order, *SEC v. Ripple Labs Inc. et al.*, 1:20-cv-10832 (S.D.N.Y.), Doc. No. 874, July 13, 2023, pp. 1, 22, 25, 27, 34.
- ³⁴ SEC, "SEC Charges Silvergate Capital, Former CEO for Misleading Investors about Compliance Program," July 2, 2024, <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26044>; SEC, "SEC Charges Crypto-Focused Advisory Firm Galois Capital for Custody Failures," Press Release, September 3, 2024, <https://www.sec.gov/newsroom/press-releases/2024-111>; SEC, "Audit Firm Prager Metis Settles SEC Charges for Negligence in FTX Audits," September 18, 2024, <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26112>.
- ³⁵ SEC, "SEC Charges Crypto-Focused Advisory Firm Galois Capital for Custody Failures," Press Release, September 3, 2024, <https://www.sec.gov/newsroom/press-releases/2024-111>.
- ³⁶ SEC, "SEC Proposes Enhanced Safeguarding Rule for Registered Investment Advisers," Press Release, February 15, 2023, <https://www.sec.gov/newsroom/press-releases/2023-30>.
- ³⁷ SEC, "SEC Charges Flyfish Club, LLC for Unregistered Offering of NFTs," September 16, 2024, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/33-11305-s>.

- ³⁸ Commissioners Hester M. Peirce and Mark T. Uyeda, “Omakase: Statement on In the Matter of Flyfish Club, LLC,” Statement, September 16, 2024, <https://www.sec.gov/newsroom/speeches-statements/peirce-uyeda-statement-flyfish-091624>.
- ³⁹ SEC, “SEC Announces Departure of Enforcement Director Gurbir S. Grewal,” Press Release, October 2, 2024, <https://www.sec.gov/newsroom/press-releases/2024-162>.
- ⁴⁰ SEC, “SEC Chair Gensler to Depart Agency on January 20,” Press Release, November 21, 2024, <https://www.sec.gov/newsroom/press-releases/2024-182>.
- ⁴¹ The five actions alleging violation of Section 9(a)(2) of the Exchange Act are *SEC v. Vy Pham*, 1:24-cv-12588 (D. Mass.), October 15, 2024; *SEC v. CLS Global FZC LLC and Andrey Zhorzhes*, 1:24-cv-12590 (D. Mass.), October 15, 2024; *SEC v. Russell Armand et al.*, 1:24-cv-12586 (D. Mass.), October 15, 2024; *SEC v. Gotbit Consulting LLC a/k/a Gotbit Hedge Fund and Fedor Kedrov*, 1:24-cv-12589 (D. Mass.), October 15, 2024; and *SEC v. ZM Quant Investment Ltd., Baijun Ou a/k/a Eric Ou, and Ruiqi Lau a/k/a Ricky Liu*, 1:24-cv-12587 (D. Mass.), October 15, 2024.
- ⁴² The nine enforcement actions alleging violation of Section 15 of the Exchange Act are *In the Matter of ShapeShift AG*, March 5, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-99676.pdf>; *In the Matter of eToro USA LLC*, September 12, 2024, <https://www.sec.gov/files/litigation/admin/2024/34-101001.pdf>; *In the Matter of Rari Capital Infrastructure LLC*, September 18, 2024, <https://www.sec.gov/files/litigation/admin/2024/33-11306.pdf>; *SEC v. Ismael Zarco Sanchez et al.*, 4:24-cv-00939 (S.D. Tex.), March 14, 2024; *SEC v. Consensus Software Inc.*, 1:24-cv-04578 (E.D.N.Y.), June 28, 2024; *SEC v. NovaTech Ltd. et al.*, 1:24-cv-23058 (S.D. Fla.), August 12, 2024; *SEC v. Rari Capital Inc. et al.*, 2:24-cv-07967 (C.D. Cal.), September 18, 2024; *SEC v. Mango Labs LLC et al.*, 1:24-cv-07334 (S.D.N.Y.), September 27, 2024; and *SEC v. Cumberland DRW LLC*, 1:24-cv-09842 (N.D. Ill.), October 10, 2024.
- ⁴³ Complaint, *SEC v. Ismael Zarco Sanchez et al.*, 4:24-cv-00939 (S.D. Tex.), March 14, 2024.
- ⁴⁴ Complaint, *SEC v. Beaxy Digital LTD et al.*, 1:23-cv-01962 (N.D. Ill.), March 29, 2023; Complaint, *SEC v. Bittrex Inc. et al.*, 2:23-cv-00580 (W.D. Wa.), April 17, 2023; Complaint, *SEC v. Binance Holdings Limited et al.*, 1:23-cv-01599 (D.D.C.), June 5, 2023; Complaint, *SEC v. Coinbase Inc. and Coinbase Global Inc.*, 1:23-cv-04738 (S.D.N.Y.), June 6, 2023; Complaint, *SEC v. Payward Inc. (d/b/a Kraken) and Payward Ventures Inc. (d/b/a Kraken)*, 3:23-cv-06003 (N.D. Cal.), November 20, 2023.
- ⁴⁵ Administrative Proceeding Order, *In the Matter of Paul Anthony Pierce*, February 17, 2023; Administrative Proceeding Order, *In the Matter of Aliaune Damala Badara Akon Thiam*, March 22, 2023; Administrative Proceeding Order, *In the Matter of Jake Joseph Paul*, March 22, 2023; Administrative Proceeding Order, *In the Matter of Shaffer Chimere Smith*, March 22, 2023; Administrative Proceeding Order, *In the Matter of Lindsay Dee Lohan*, March 22, 2023; Administrative Proceeding Order, *In the Matter of Miles Parks McCollum*, March 22, 2023; Administrative Proceeding Order, *In the Matter of Michele Anne Mason*, March 22, 2023; Complaint, *SEC v. Justin Sun et al.*, 1:23-cv-02433 (S.D.N.Y.), March 22, 2023.
- ⁴⁶ SEC, “Framework for ‘Investment Contract’ Analysis of Digital Assets,” April 3, 2019 (modified March 8, 2023), <https://www.sec.gov/corpfin/framework-investment-contract-analysis-digital-assets>.
- ⁴⁷ SEC, “SEC Charges Flyfish Club, LLC for Unregistered Offering of NFTs,” September 16, 2024, <https://www.sec.gov/enforcement-litigation/administrative-proceedings/33-11305-s>.
- ⁴⁸ *Ibid.* See also Administrative Proceeding Order, *In the Matter of Impact Theory LLC*, August 28, 2023, <https://www.sec.gov/files/litigation/admin/2023/33-11226.pdf>; Administrative Proceeding Order, *In the Matter of Stoner Cats 2 LLC*, September 13, 2023, <https://www.sec.gov/files/litigation/admin/2023/33-11233.pdf>.
- ⁴⁹ SEC, “SEC Files Fraud Charges in Bitcoin and Office Space Investment Schemes,” Press Release, June 30, 2017 (stating that “[t]he SEC appreciates the assistance of the U.S. Attorney’s Office for the Southern District of New York and the Federal Bureau of Investigation”), <https://www.sec.gov/newsroom/press-releases/2017-123>.
- ⁵⁰ 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 the 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.
- ⁵¹ SEC, “SEC Charges Three Individual with Impersonating Financial Professionals in Fraud Scheme Targeting Retail Investors,” December 12, 2024, <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26194> (stating that “[t]he SEC appreciates the assistance of the FBI and the United States Attorney’s Office for the District of New Jersey, as well as the Financial Industry Regulatory Authority, the Oregon Department of Consumer and Business Services, the German Federal Financial Supervisory Authority, the Central Bank of Ireland, the Dutch Authority for the Financial Markets, the Monetary Authority of Singapore, the British Virgin Islands Financial Services Commission, the Hong Kong Securities and Futures Commission, the Israel Securities Authority, the Cayman Islands Monetary Authority, the Central Bank of Lithuania, the Financial Supervisory Commission of Taiwan, the Financial Services Commission of the Republic of Korea, and the Cyprus Securities and Exchange Commission.”).
- ⁵² SEC, “Terraform and Kwon to Pay \$4.5 Billion Following Fraud Verdict,” Press Release, June 13, 2024, <https://www.sec.gov/newsroom/press-releases/2024-73>.
- ⁵³ SEC, “Telegram to Return \$1.2 Billion to Investors and Pay \$18.5 Million Penalty to Settle SEC Charges,” Press Release, June 26, 2020, <https://www.sec.gov/newsroom/press-releases/2020-146>.
- ⁵⁴ Judgment, *SEC v. Ripple Labs Inc. et al.*, 1:20-cv-10832 (S.D.N.Y.), Doc. No. 974, August 7, 2024.
- ⁵⁵ Administrative Proceeding Order, *In the Matter of Rari Capital Infrastructure LLC*, September 18, 2024, p. 6, <https://www.sec.gov/files/litigation/admin/2024/33-11306.pdf> (“In determining to accept the Offer, the Commission considered the cooperation afforded the Commission staff by Respondent and Respondent’s remedial efforts to stop trading activity and wind down the Fuse platform following the May 2022 platform exploit, including Respondent’s voluntary return to harmed users of the performance-based fees that it had collected.”).

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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 assistant director and senior policy advisor at the SEC's Division of Economic and Risk Analysis. At the SEC, 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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