

Alex Grishman in Bloomberg Law: 'SEC's Win Over Kik's ICO Seen Tamping Crypto's Litigation Zeal'

October 5, 2020 Alexander Grishman

PRACTICES Finance, Financial Regulatory

Haynes Boone Partner [Alex Grishman](#) talked with *Bloomberg Law* about a New York federal court ruling that says digital token sales must comply with Securities and Exchange Commission (SEC) rules.

Below is an excerpt:

Companies that offered unregistered initial coin offerings will likely think twice about challenging the SEC after the agency scored one more court victory that put an ICO within its regulatory jurisdiction.

The judge's ruling on the questions of Kik's horizontal commonality—whether the sale of its Kin tokens created a common enterprise that ties the company's performance to investors' fortunes—is one of the most interesting questions raised during the case, said Alexander Grishman, partner at Haynes Boone in New York.

“That's going to be an interesting question for the appellate justices” if Kik does pursue an appeal, Grishman said.

Some companies may still want to fight the SEC in court if they feel they made a good faith judgment that their ICO wasn't a securities offering, Grishman said.

“There's a lot of gray area that all the lawyers and all the companies are navigating,” Grishman said.

To read the full article, click [here](#).