

SEC Lays Out Roadmap for Resolving Illegal ICOs

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In a pair of settled enforcement actions involving initial coin offerings that the SEC deemed to be illegal unregistered securities offerings, the agency imposed an agreed-upon remedy that it will likely seek to use as the template for resolving its backlog of ICO investigations. The settlements announced November 16 with Paragon Coin, Inc. and AirFox both take a three-part approach. The ultimate message to the hundreds of companies that may have conducted illegal ICOs in the past few years seems to be that the SEC will force you to unwind the transaction, force you to file public company reports, and fine you to boot.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Joseph A. Hall

+1 212 450 4565
joseph.hall@davispolk.com

Michael Kaplan

+1 212 450 4111
michael.kaplan@davispolk.com

Edmund Polubinski

+1 212 450 4695
edmund.polubinski@davispolk.com

Byron B. Rooney

+1 212 450 4658
byron.rooney@davispolk.com

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