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Federal Judge Rules That ICO Tokens Are Securities and Grants Preliminary Injunction

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On February 14, 2019, Judge Gonzalo P. Curiel of the United States District Court for the Southern District of California determined that ICO tokens constituted securities, modifying his prior ruling and granting the motion of the Securities and Exchange Commission (the "SEC") for a preliminary injunction against Blockvest, LLC ("Blockvest"). The ruling reversed Judge Curiel's prior decision from November 2018, in which he concluded that the SEC had failed to meet its burden of establishing that the initial coin offering ("ICO") tokens in question were securities. Judge Curiel deemed reconsideration of the SEC's injunction request to be warranted "based upon a prima facie showing of Defendants' past securities violation and newly developed evidence which supports the conclusion that there is a reasonable likelihood of future violations."

Attached please find the memorandum discussing the ruling.

Attorneys

- Helene R. Banks
- Charles A. Gilman
- Geoffrey E. Liebmann