



CryptoLink - April 2025

CryptoLink is a compilation of news stories published by outside organizations. Akin aggregates the stories, but the information contained in them does not necessarily represent the beliefs or opinions of the firm. Akin's April CryptoLink update includes developments and events that occurred in April 2025.

Following a two-week Easter recess at the end of April, Congress returned to Washington, D.C. with all eyes on budget reconciliation. Individual committees marked up legislation in accordance with reconciliation directives to pay for immigration, energy and tax priorities, including the extension of the Tax Cuts and Jobs Act (TCJA) and the addition of other Trump priorities like no tax on overtime, tips, and social security. After extensive negotiations among House Republican factions, the final bill passed on Thursday, May 22, by a vote of 215-214. It will now be considered by the Senate, which is likely to make changes in a number of areas. While this process dominates members' attention, comprehensive crypto legislation has moved to the backburner and may not be revisited until later this summer. However, the House recently released a draft of its digital assets regulatory framework bill, and stablecoin legislation has remained a priority. In an April markup, the House Financial Services Committee reported favorably the Stablecoin Transparency and Accountability for a Better Ledger Economy Act (STABLE; H.R. 2392) by a vote of 32-17. STABLE is a rival bill to the Senate's Guiding and Establishing National Innovation for U.S. Stablecoin Act (GENIUS; S.394). Two weeks after Senate Democrats united to block the GENIUS Act, a bipartisan group of Senators reached an agreement giving the bill enough support to clear a key procedural hurdle by a vote of 66-32. GENIUS is now likely to pass in the Senate in the next few weeks. While GENIUS and STABLE overlap in a number of areas, key differences would still need to be ironed out in conference before President Trump can sign any final bill into law.

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Spotlight: DOJ Memorandum on Digital Asset Enforcement

U.S. Deputy Attorney General, Todd Blanche, Issues Memorandum on ‘Ending Regulation by Prosecution’ and Disbands National Cryptocurrency Enforcement Team

On April 7, 2025, the U.S. Deputy Attorney General Todd Blanche issued a memorandum to employees of the U.S. Department of Justice (DOJ) regarding the digital asset industry with the subject “Ending Regulation by Prosecution” (the April 2025 DOJ Digital Assets Memorandum). The April 2025 DOJ Digital Assets Memorandum states that the DOJ “is not a digital assets regulator” and that the prior administration used the DOJ to “pursue a reckless strategy of regulation by prosecution, which was ill conceived and poorly executed.” The April 2025 DOJ Digital Assets Memorandum further states that the DOJ will no longer pursue “litigation or enforcement actions that have the effect of superimposing regulatory frameworks on digital assets,” noting that regulators will “do this work outside the punitive criminal justice framework.”

The April 2025 DOJ Digital Assets Memorandum comes after President Trump’s public remarks that his administration would “end the regulatory weaponization against digital assets.” The April 2025 DOJ Digital Assets Memorandum references Executive Order 14178, which directed the DOJ to prioritize investigations and prosecutions that involve conduct victimizing investors, “including embezzlement and misappropriation of customers’ funds on exchanges, digital asset investment scams, fake digital asset development projects such as rug pulls, hacking of exchanges and decentralized autonomous organizations resulting in the theft of funds, and exploiting vulnerabilities in smart contracts.” The April 2025 DOJ Digital Assets Memorandum states that ongoing investigations that are inconsistent with the priorities listed in the memorandum should be closed. It further notes that the “Office of the Deputy Attorney General will work with the Criminal Division and Executive Office for United States Attorneys (EOUSA) to review ongoing cases for consistency with this policy.”

Federal prosecutors are further directed to consider certain charging considerations when deciding whether to pursue criminal actions in the digital asset space, including prioritizing holding accountable individuals who cause “financial harm to digital asset investors and consumers.” According to the April 2025 DOJ Digital Assets Memorandum, prosecutors should not

charge regulatory violations in cases involving digital assets, such as violations of the Bank Secrecy Act, unless there is evidence that the defendant knew of the licensing or registration requirement violated such a requirement willfully.

In addition, the April 2025 DOJ Digital Assets Memorandum disbanded the National Cryptocurrency Enforcement Team, effective immediately, and stated that the DOJ would fully participate with President Trump's Working Group on Digital Asset Markets (which was established in Executive Order 14178), via attorneys designated by the Justice Department's senior leadership. The April 2025 DOJ Digital Assets Memorandum further directs the "Market Integrity and Major Frauds Unit shall cease cryptocurrency enforcement in order to focus on other priorities, such as immigration and procurement frauds."

The April 2025 DOJ Digital Assets Memorandum also directs the Office of Legal Policy and the Office of Legislative Affairs to evaluate and propose legislative and regulatory changes to improve asset forfeiture efforts in the digital assets space due to concerns that digital asset investors who suffered losses as a result of fraud and theft may have such losses calculated at a value when the digital asset market was at a lower point and victims were therefore unable to benefit from gains during or after the period in which they would have otherwise possessed the asset.

The April 2025 DOJ Digital Assets Memorandum can be found [here](#).

Acting CFTC Chair Caroline Pham Lauds DOJ Policy 'Ending Regulation by Prosecution' of the Digital Assets Industry and Directs CFTC Staff to Comply with Executive Orders

On April 8, 2025, the Commodity Futures Trading Commission's (CFTC) Acting Chair Caroline D. Pham praised the DOJ's policy (discussed above) "ending the practice of regulation by prosecution that has targeted the digital asset industry in recent years," and directed CFTC staff to comply with the President's executive orders and administration policy, in line with the DOJ's digital assets enforcement priorities and charging considerations. Acting Chair Pham directed CFTC staff to de-prioritize actions involving violations of registration requirements under the Commodity Exchange Act unless there is evidence that the defendant knew of the licensing or registration requirement at issue and violated such a requirement willfully and to not take any litigating position or arguments that do not comply with the President's executive orders, administration policy, or DOJ policy on digital assets enforcement priorities and digital assets charging considerations.

The CFTC's press release can be found [here](#).

SDNY Prosecutors Continue to Pursue Case Against Terraform Founder, Do Kwon, Despite the April 2025 DOJ Digital Assets Memorandum

On April 10, 2025, at a conference in the ongoing criminal case against Terraform founder Do Kwon, a prosecutor for the U.S. Attorney's Office for the Southern District of New York told U.S. District Judge Paul A. Engelmayer that the April 2025 DOJ Digital Assets Memorandum disbanding the DOJ's crypto unit (described above) would not impact the charges against Kwon. Kwon has pled not guilty to an indictment charging him with siphoning billions from customers and investors who backed his crypto platform. As alleged, Kwon engaged in multiple schemes to

deceive investors in order to fraudulently inflate the value of Terraform’s cryptocurrencies. Kwon is charged with commodities fraud, securities fraud, wire fraud, conspiracy to commit commodities fraud, securities fraud, wire fraud and money laundering conspiracy.

Reporting on the hearing can be found [here](#) and further information relating to the charges against Do Kwon can be found [here](#).

Samourai Wallet Urges Federal Prosecutors to Drop Charges Following the April 2025 DOJ Digital Assets Memorandum

On April 28, 2025, in a letter submitted by counsel for Keonne Rodriguez and William Hill, the Chief Executive Officer and Chief Technology Officer of Samourai Wallet, a cryptocurrency mixing service, the prosecution and defendants submitted a joint request for a continuance of the pretrial motions schedule in the ongoing litigation by 16 days. The request referred to the recent DOJ memo which outlined the DOJ’s new policies on prosecutions involving digital assets. On April 10, 2025, the defendants wrote to the Acting U.S. Attorney for the Southern District of New York requesting the dismissal of the superseding indictment under the Blanche Memo. In the letter, the defendants noted that a continuance of the pretrial motions schedule is warranted to “permit Defendants to avoid the significant expense of preparing their motions while the Government determines its position in response to the Defendants’ letter.” Without expressing any views on the merits of the defendants’ letter, the government agreed to the adjournment.

The letter can be found [here](#) and further information can be found [here](#).

Key Developments

California Introduces ‘Bitcoin Rights’ in Amended Digital Assets Bill

On March 28, 2025, California’s Assembly Bill 1052 (which was introduced as the Money Transmission Act on February 20, 2025) was amended by Democrat and Chair of the California Assembly’s Banking and Finance Committee Avelino Valencia. The amendments included Bitcoin and other crypto-related investor protections as well as removing the term “Money Transmission Act” and renaming the legislation to “Digital Assets.” The Banking and Finance Committee held a hearing on the Bill on April 21, 2025. If enacted, the Bill seeks to authorize individuals and businesses in California to accept digital financial assets as payment for goods and services, prohibit public entities from restricting use of or taxing digital assets, and prohibit restrictions on restricting or imposing any requirements on the use of hardware to control digital financial assets.

The Bill can be found [here](#) and details of the Banking and Finance Committee hearing can be found [here](#).

Senator Warren Calls for SEC Watchdog Investigation into Whether Agency Actions Were Influenced by Trump Administration’s Crypto Conflicts of Interest

On April 3, 2025, U.S. Senator Elizabeth Warren (D-MA), Ranking Member of the Senate Banking, Housing, and Urban Affairs Committee, wrote to the U.S. Securities and Exchange Commission's (SEC) Office of Inspector General (OIG), Deborah Jeffrey, calling for an investigation into whether Trump administration officials, including those with direct ties to the President's family and business partners, may have improperly influenced SEC enforcement and regulatory decisions on cryptocurrency.

Senator Warren's press release, including the text of the letter, can be found [here](#).

New York Attorney General James Urges Congress to Pass Federal Legislation to Regulate Cryptocurrencies

On April 8, 2025, New York Attorney General Letitia James sent a letter to congressional leaders urging them to pass federal legislation to strengthen regulations on cryptocurrencies and digital assets. In her letter, Attorney General James warned that the lack of strong federal regulations on cryptocurrencies increases the risk of fraud, criminal activity and financial instability. Attorney General James further argued that federal regulations would bolster America's national security, strengthen its financial markets and protect investors from cryptocurrency scams.

The Attorney General's press release can be found [here](#) and the letter can be found [here](#).

SEC's Division of Corporation Finance Provides Guidance on Offerings and Registrations of Securities in the Crypto Asset Markets

On April 10, 2025, the SEC's Division of Corporation Finance issued a statement about the application of certain disclosure requirements under the federal securities laws to offerings and registrations of securities in the crypto asset markets. This guidance is intended to build on the SEC's Crypto Task Force, which is seeking to "develop a comprehensive and clear regulatory framework for crypto assets, including addressing applicable registration and disclosure requirement." The statement confirmed that in the context of offerings and registrations of securities in the crypto asset markets, the content and scope of an issuer's disclosure will depend on the nature of the security and the issuer's business, and may include factors that address the development and implementation of the issuer's business and the particular characteristics of the security, including "its features, price volatility, limited rights of holders, valuation and liquidity risks, technological risks, cybersecurity risks, business, operational, and network risks, and legal and regulatory risks." Furthermore, the statement noted that if the issuer's business involves crypto assets that themselves are not securities, such crypto assets may nevertheless be relevant to the section of the registration or offering statement discussing the issuer's business if material.

The SEC's statement can be found [here](#).

SEC's Crypto Task Force Hosts Roundtables on Crypto Trading and Crypto Custody

On April 11, 2025, the SEC Crypto Task Force hosted a roundtable titled "Between a Block and a Hard Place: Tailoring Regulation for Crypto Trading." The roundtable was part of the SEC Crypto Task Force's ongoing series discussing crypto asset regulation. Mark Uyeda, acting Chairman of the SEC, stated that "a time-limited, conditional exemptive relief framework for registrants and non-registrants could allow for greater innovation with blockchain technology within the United

States in the near term.” On April 25, 2025, the SEC hosted a roundtable on “Know your Custodian: Key Considerations for Crypto Custody” and on May 12, 2025, there will be a further roundtable discussing “Tokenization: Moving Assets Onchain: Where TradFi and DeFi Meet.”

The SEC’s upcoming events can be found [here](#) and acting Chairman Uyeda’s remarks can be found [here](#).

Binance Acting as Adviser to Several Countries on Crypto Regulations and Bitcoin Reserves

On April 17, 2025, the Financial Times reported that Binance is “advising several countries on creating their own digital assets regulations and establishing national strategic bitcoin reserves.” Richard Teng, Binance’s CEO, told the Financial Times that the more “crypto-friendly approach” under President Trump was “spurring other countries into taking similar action.” Teng further noted that Binance had been approached by numerous countries to assist in formulating a regulatory framework to govern crypto. The article further reported that both Pakistan and Kyrgyzstan had announced that Binance’s former Chief Executive Officer, Changpeng Zhao, had been advising them on developing crypto regulations.

The article can be found [here](#).

Paul Atkins Sworn in as SEC Chairman

On April 22, 2025, Paul Atkins was sworn in as 34th Chairman of the SEC. Chairman Atkins was nominated by President Donald Trump on January 20, 2025, and confirmed by the U.S. Senate on April 9, 2025. Atkins said that he was pleased to join the SEC to “advance its mission to facilitate capital formation; maintain fair, orderly, and efficient markets; and protect investors.”

The SEC’s press release can be found [here](#).

SEC’s Chairman Paul Atkins Provides Remarks at Crypto Task Force Roundtable

On April 25, 2025, SEC Chairman Paul S. Atkins spoke at the third roundtable of the SEC’s crypto task force, stating that he was “eager to tackle long festering issues, such as regulatory treatment of digital assets and distributed ledger technologies”. He further stated that he is looking forward to “engaging with market participants and working with colleagues in President Trump’s administration and Congress to establish a rational, fit-for-purpose regulatory framework for crypto assets.”

Chairman Atkins’ remarks can be found [here](#).

Key Enforcement Actions

SEC Announces Dismissal of Civil Enforcement Action Against Kraken

On March 27, 2025, the SEC announced that it had filed a joint stipulation in the U.S. District Court for the Northern District of California with Payward Inc. and Payward Ventures Inc., together known as Kraken, to dismiss, with prejudice, the SEC's ongoing civil enforcement action against Kraken. According to the announcement, the SEC's decision to dismiss this pending enforcement action "rests on its judgment that the dismissal will facilitate the Commission's ongoing efforts to reform and renew its regulatory approach to the crypto industry, not on any assessment of the merits of the claims alleged in the action."

The SEC's press release can be found [here](#).

CFTC Staff Withdraws Advisory on Review of Risks Related to Clearing Digital Assets

On March 28, 2025, the CFTC Division of Clearing and Risk announced it was withdrawing CFTC Staff Advisory No. 23-07, Review of Risks Associated with Expansion of DCO Clearing of Digital Assets, effective immediately. As stated in the withdrawal letter, the Division of Clearing and Risk determined to withdraw Advisory No. 23-07 to ensure that its treatment of digital asset derivatives does not vary from its treatment of other products.

The CFTC's press release can be found [here](#).

CFTC Staff Withdraws Advisory on Virtual Currency Derivative Product Listings

On March 28, 2025, the CFTC Division of Market Oversight and Division of Clearing and Risk announced it was withdrawing CFTC Staff Advisory No. 18-14, Advisory with Respect to Virtual Currency Derivative Product Listings, effective immediately. As stated in the withdrawal letter, the Division of Market Oversight and Division of Clearing and Risk determined that the advisory is no longer needed, given additional staff experience with virtual currency derivative product listings and increasing market growth and maturity.

The CFTC's press release can be found [here](#).

SEC Obtains Final Judgment Against Latvian Citizen Charged with Crypto Asset Fraud

On March 28, 2025, the SEC announced that on February 7, 2025, the SEC obtained a final judgment on consent against Latvian national Ivars Auzins. In December 2021, Auzins was charged with defrauding hundreds of retail investors in connection with two separate fraudulent offerings. According to the SEC's complaint, Auzins defrauded U.S. and foreign investors through the Denaro initial coin offering of digital assets and through Innovamine, an online entity that purportedly offered a cloud mining and digital asset trading platform. Auzins consented to entry of the final judgment, which enjoins him from violating certain provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934, orders disgorgement (including prejudgment interest) of \$412,201.15 (which was satisfied by the order of forfeiture entered in a parallel criminal proceeding), bars him from acting as an officer or director of a public company for 10 years, and prohibits him from participating in any offering of a crypto asset being offered and sold as a security for 10 years.

The SEC's press release can be found [here](#).

SEC Obtains Final Judgment Against CLS Global FZC LLC

On April 7, 2025, the SEC announced that the U.S. District Court for the District of Massachusetts entered final judgment against United Arab Emirates entity CLS Global FZC LLC, a self-proclaimed crypto asset market maker, in a case where the SEC alleged that CLS Global engaged in a scheme to manipulate the market for “NexFundAI,” a crypto asset the SEC previously alleged was being offered and sold as a security to retail investors. The alleged scheme was intended to induce investor victims to purchase NexFundAI by creating the false appearance of an active trading market for it. CLS Global consented to the entry of the final judgment, which includes an order enjoining it from violating certain provisions of the Securities Act of 1933 and Securities Exchange Act of 1934, an order to pay a civil penalty of \$425,000, disgorgement of \$3,000 and prejudgment interest of \$80.39, and an order to comply with undertakings aimed at ensuring that CLS Global ceases doing business with United States persons or entities.

The SEC’s press release can be found [here](#).

Superintendent Adrienne A. Harris Secures \$40 Million Settlement with Block, Inc.

On April 10, 2025, the New York Department of Financial Services (DFS) Superintendent Adrienne A. Harris announced that Block, Inc. would pay a \$40 million penalty for significant failures in its Bank Secrecy Act/Anti-Money Laundering compliance program, which violated the DFS’s money transmitter and virtual currency regulations. In addition to the monetary penalty, Block must retain an independent monitor to perform a comprehensive evaluation of its compliance with the DFS’s regulations and its remediation efforts. Block owns and operates Cash App, a peer-to-peer money transmission service that allows users to send and receive fiat currency. The DFS’s investigation revealed critical gaps in Block’s Bank Secrecy Act/Anti-Money Laundering program, including inadequate customer due diligence, failure to implement sufficient risk-based controls designed to prevent money laundering and illicit activity, and failure to effectively and timely monitor transactions.

The DFS’s press release can be found [here](#).

Man Pleads Guilty to Filing False Income Tax Returns That Omitted More Than \$13 Million in Income from Digital Artwork Sales

On April 11, 2025, the U.S. Attorney’s Office for the Middle District of Pennsylvania announced that Waylon Wilcox appeared in federal court April 9, 2025, and pled guilty to a two-count criminal information charging him with filing false individual income tax returns. According to the press release, Wilcox obtained unreported income after acquiring and selling 97 pieces of digital artwork from the “CryptoPunks” collection of 10,000 unique art characters. Philadelphia Field Office Special Agent in Charge Yury Kruty noted that “IRS Criminal Investigation is committed to unraveling complex financial schemes involving virtual currencies and non-fungible token (NFT) transactions designed to conceal taxable income.”

The U.S. Attorney’s Office press release can be found [here](#).

SEC Charges PGI Global Founder with \$198 Million Crypto Asset and Foreign Exchange Fraud Scheme

On April 22, 2025, the SEC announced that it had charged Ramil Palafox for orchestrating a fraudulent scheme that raised approximately \$198 million from investors worldwide and for

misappropriating more than \$57 million of investor funds. According to the SEC's complaint (filed in the U.S. District Court for the Eastern District of Virginia), Palafox's company, known as PGI Global, claimed to be a crypto asset and foreign exchange trading company and Palafox misappropriated more than \$57 million in investor funds for various personal expenses. The SEC's complaint charges Palafox with violating the anti-fraud and registration provisions of the federal securities laws. The complaint also names BBMR Threshold LLC, Darvie Mendoza, Marissa Mendoza Palafox and Linda Ventura as relief defendants and seeks disgorgement of their ill-gotten gains and prejudgment interest. In a parallel criminal action, Palafox was arraigned on charges brought by the U.S. Attorney's Office for the Eastern District of Virginia.

The SEC's press release can be found [here](#).

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On April 10, 2025, the New York Department of Financial Services (DFS) Superintendent Adrienne A. Harris announced that Block, Inc. would pay a \$40 million penalty for significant failures in its Bank Secrecy Act/Anti-Money Laundering compliance program, which violated the DFS's money transmitter and virtual currency regulations. In addition to the monetary penalty, Block must retain an independent monitor to perform a comprehensive evaluation of its compliance with the DFS's regulations and its remediation efforts. Block owns and operates Cash App, a peer-to-peer money transmission service that allows users to send and receive fiat currency. The DFS's investigation revealed critical gaps in Block's Bank Secrecy Act/Anti-Money Laundering program, including inadequate customer due diligence, failure to implement sufficient risk-based controls designed to prevent money laundering and illicit activity, and failure to effectively and timely monitor transactions.

The DFS's press release can be found [here](#).

SEC Obtains Final Judgment Against Nova Labs for Misrepresentations Concerning Network Users and Drops Lawsuit Regarding Sale of Unregistered Securities

On April 10, 2025, Helium and The People's Network. Nova Labs, the founding team behind Helium, announced in a blog post that the SEC had agreed to dismiss with prejudice its claims that Nova Labs sold unregistered securities. According to Helium's press release, following the dismissal, Helium "can now definitively say that all compatible Helium Hotspots and the distribution of HNT, IOT, and MOBILE tokens through the Helium Network are not securities." The lawsuit, filed in January 2025, was one of the SEC's final enforcement actions against a crypto firm under former SEC Chair Gary Gensler. Helium noted that they "thank the new leadership at the SEC for finally providing clarity and look forward to a new era where innovation can truly thrive."

Subsequently, on April 23, 2025, the SEC obtained a final judgment by consent against Nova Labs, Inc., the creator of a purportedly decentralized wireless network known as the Helium Network. The SEC had charged Nova Labs with making misrepresentations in connection with its offer and sale of preferred stock in a private placement. Nova Labs consented to entry of the final judgment, without admitting or denying the allegations in the complaint, and a \$200,000 civil penalty.

Helium's blog post can be found [here](#) and the SEC's press release can be found [here](#).

CFTC Issues Letter on Status of KuCoin Settlement

On April 21, 2025, John C. Murphy, an agency attorney for the CFTC's Division of Enforcement, submitted a letter to the U.S. District Judge Valerie Caproni in the ongoing litigation against MEK Global Limited (operating under the name KuCoin) in response to the Court's order of April 1, 2025 to provide a status report on the progress of settlement negotiations between the parties to the action. In the letter, Murphy noted that it appears unlikely the CFTC will sign the proposed consent order in the near term. The letter referred to the recent press release issued by the CFTC's Acting Chairman, Caroline D. Pham, which directed CFTC staff and the Director of Enforcement to "not seek to charge regulatory violations in cases involving digital assets, in particular violations of registration requirements under the Commodity Exchange Act," such as those charged in the KuCoin action. In accordance with the press release and the "unique circumstances presented therein," the CFTC requested that the Court provide the CFTC with an additional 60 days or until such time that definitive direction from the CFTC may be issued with respect to the matter.

The CFTC's letter can be found [here](#).

Long Island Man Sentenced to 18 Years in Prison for Defrauding Cryptocurrency Investors of More Than \$12 Million.

On April 23, 2025, the U.S. Attorney's Office for the SDNY announced that Eugene William Austin Jr. was sentenced to 18 years in prison after being convicted following a jury trial in September 2024 of conspiracy to commit: wire fraud, money laundering and interstate transportation of stolen property. The defendant's son, Brandon Austin, was previously sentenced to four years in prison in connection to the scheme. U.S. District Judge P. Kevin Castel imposed both sentences. According to the press release, Austin was the leader of a scheme with his son Brandon and others to steal money from entrepreneurs, investors and other victims by fraudulently offering to, among other things, "serve as a broker for sales of large quantities of cryptocurrency; provide short-term investments in cryptocurrency for purportedly high returns; and secure investors for startups and other small businesses from their network of high net worth individuals."

The U.S. Attorney's Office press release can be found [here](#).

Alabama Securities Commission Drops Enforcement Action Against Coinbase

On April 24, 2025, Coinbase's Chief Legal Officer Paul Grewal announced on a post on X that the Alabama Securities Commission had dropped its enforcement action against Coinbase. Coinbase was accused of violating securities law by offering staking services to clients. The filing noted that the Alabama Securities Commission "believes it would be apt to allow policy makers time to consider regulatory constructs."

The Alabama Securities Commission's filing can be found [here](#).

SEC Drops Dragonchain Enforcement Action

On April 24, 2025, the SEC filed a joint stipulation to dismiss before the U.S. District Court for the Western District of Washington in its litigation against defendants Dragonchain, Inc., Dragonchain Foundation, The Dragon Company and Joseph J. Roets. The SEC had filed its complaint in a civil enforcement action on August 16, 2022 against the defendants for their roles in raising \$16.5 million in unregistered crypto asset securities offerings.

The SEC's case against Dragonchain was about lack of registration in a crypto offering, as the SEC charged Dragonchain with violations of Securities Act Sections 5(a) and 5(c) and did not bring any accompanying fraud charges. The SEC agreed to dismiss its ongoing litigation against the company with prejudice as the Commission considers a regulatory path forward for digital assets.

The stipulation noted that in light of Acting Chairman Mark T. Uyeda's launch of a crypto task force, and in the exercise of its discretion and as a policy matter, the SEC believed the dismissal was appropriate.

The stipulation can be found [here](#).

SEC Drops Investigation into PayPal's Dollar Stablecoin

On April 29, 2025, PayPal Holdings, Inc. filed its Form 10-Q in which it noted that, in February 2025, the SEC had communicated that it was closing its inquiry into PayPal's USD stablecoin without enforcement action.

PayPal's filing can be found [here](#) and further information can be found [here](#).

SEC Drops Case Against Crypto Promoter Ian Balina

On May 1, 2025, the SEC filed a joint stipulation to dismiss before the U.S. District Court for the Western District of Texas in its litigation against crypto promoter Ian Balina. The SEC had filed its complaint in the civil enforcement action on September 19, 2022, alleging that Balina had offered and sold crypto assets called SPRK Tokens as securities in unregistered transactions. The litigation concerned what the SEC described in 2022 as the unregistered offer and sale of "crypto asset securities" by a crypto influencer who allegedly failed to disclose compensation he received from the issuer and allegedly failed to file registration statements for the tokens in question. The stipulation noted that in light of Acting Chairman Mark T. Uyeda's launch of a crypto task force, and in the exercise of its discretion and as a policy matter, the SEC believed the dismissal was appropriate.

The stipulation can be found [here](#).

Akin Thought Leadership

Crypto Course Correction at the SEC (February 5, 2025)

SEC Clears the Way for Crypto Custody (January 24, 2025)

US Supreme Court Declines to Resolve Pleading Requirements for Securities Fraud Claims (December 30, 2024)

Akin Win for Celsius Litigation Administrator, NY Bankruptcy Court Allows Legal Notices Sent via NFTs (October 30, 2024)

Akin Launches AI Law & Regulation Tracker (August 1, 2024)

U.S. Supreme Court to Clarify Securities Fraud Pleading Requirements for Falsity and Scienter During 2024-2025 Term (June 28, 2024)

Bipartisan Legislation Introduced in the Senate to Establish a Regulatory Framework for Stablecoins (April 22, 2024)

Coinbase Court Embraces 'Ecosystem' Approach to Identifying Crypto-Asset Securities (April 3, 2024)

Are Crypto Tokens Securities? Terraform Court Says 'Yes' in Extensive Decision (January 12, 2024)

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