

SEC Files Suit Against Five Alleged Promoters of Crypto Lending Program

“The U.S. Securities and Exchange Commission (“SEC”) brought an action in the United States District Court for the Southern District of New York against five alleged promoters of a digital asset called BitConnect, claiming they promoted the sale of unregistered securities that raised over \$2 billion from retail investors last Friday,” Report Nelson Mullins Riley & Scarborough LLP in *JD SUPRA*.

“According to the SEC’s complaint, between January 2017 and January 2018, four of the defendants promoted BitConnect by advertising its “lending program” to retail investors, while receiving a percentage of the funds they obtained, without being registered as broker-dealers with the SEC. Specifically, the SEC alleged these four defendants promoted and touted BitConnect’s “lending program” to prospective investors, including by posting testimonial-style videos to YouTube with a referral link to the “lending program.”

Read the article.