MEMORANDUM

TO:	Chris Davis, Partner Gray Reed LLP Co-Chair, Blockchain and Digital Assets Practice
FROM:	John Reed Stark President, John Reed Stark Consulting LLC Former Chief, SEC Office of Internet Enforcement
DATE:	April 13, 2026
RE:	Blockchain's Inconvenient Truth: Apples and Bowling Balls — Updated and Expanded

I. INTRODUCTION: APPLES AND BOWLING BALLS

SEC Chairman Paul Atkins has declared that blockchain will usher in the Fourth Industrial Revolution and is the future of finance. Meanwhile, Oracle, Microsoft, Amazon, Apple, and Google are collectively spending over half a trillion dollars on AI infrastructure this year alone and blockchain is not part of that plan. It is not part of any plan. Blockchain is not in the room. Per the greatest technology firms on the planet, the companies who are building our world, *blockchain is absolutely nowhere.*

The stark reality is that the greatest technology companies in history have not condemned blockchain — they have done something far more devastating. They have forgotten it exists and moved on from it long ago.

Along these lines, in your LinkedIn commentary, you cite blockchain innovation as a justification for the SEC's regulatory retreat. This memorandum addresses that premise directly — because before we can debate whether the SEC was 'stifling' blockchain innovation, we need an honest accounting of what blockchain innovation has actually produced.

In June 2025, The Block, an online publication focused on cryptocurrency, reported on a Coinbase "State of Crypto" survey proclaiming that 60% of Fortune 500 firms were working on blockchain initiatives.[1] Some have interpreted the survey as an indicator of universal crypto and DeFi adoption. That implication is not just misleading and distorted — it is, as Phil Leotardo once so succinctly told Tony Soprano, like comparing "Apples and Bowling Balls."[2]

Conflating the use of private, permissioned, back-office blockchain projects with widespread crypto-utility is the central deception of blockchain promoters — and it is the deception that underlies your argument that the SEC was harming innovation by enforcing the federal securities laws. And it is a deception that will be meticulously debunked in this memorandum.

As this memorandum will demonstrate, the evidence compiled from enterprise experience, the world's leading technologists, Big Tech's own filings and earnings calls, the catastrophic collapse of NFTs, the metaverse, and every major blockchain trade finance consortium, and the most recent data on crypto fraud and theft, paints a picture not of stifled innovation, but of a technology that has spectacularly and consistently failed to deliver on its promises — while simultaneously serving as a vehicle for massive, ongoing investor harm.

II. SOME BACKGROUND: A TECHNOLOGY THAT HAS PROMISED MUCH AND DELIVERED LITTLE

Touted since 2008[3] as a game-changing revolution in how corporations handle and reconcile financial services, very little widespread blockchain utility has come to fruition. Wall Street firms have been experimenting with blockchain projects[4] for years. Yet despite all the carnival barking, few have had a widespread impact[5] on how financial transactions take place.

Others have simply given up, like the group of European insurance companies who formed a consortium called B3i in 2016 to explore blockchain uses in their industry. In July 2022, the B3i consortium — which included Zurich, Swiss Re, Generali, Allianz, XL Innovate, SCOR, Aegon Blue Square, MAPFRE and Achmea — shut down after failing[6] to raise new capital. A statement on the website reads: "The directors, following consultation with the shareholders, have collectively concluded that there was not sufficient support to continue with the venture at this stage."

Beyond the failed bid to transform the insurance industry, blockchain promoters have also promised that blockchain will streamline supply chains, upgrade payments infrastructure,

accelerate clearing systems, and make global trade more efficient and less dependent on third parties. These claims now appear more akin to baseless flimflam masquerading as aspirational optimism.

What blockchain promoters are really talking about are so-called "private blockchains" providing opportunities for enterprise applications. Expert technologist Stephen Diehl explains this troubling phenomenon:[7]

> *"Indeed, the top-selling database solutions from companies like IBM, Oracle, and Microsoft have had all the selling points of private blockchains — immutability and auto-reconciliation — for more than 40 years. The so-called tokenization projects of banks . . . built on top of private blockchains to do intraday repo transactions or bond settlements are quite real, but the use of the word 'blockchain' to describe any of this is pure innovation theatre. Tokenization is merely mundane 'digitization' wrapped up in crypto language. And most securities markets have already been digitized since the 1980s."*

In his 2025 essay "The Case Against Crypto," Diehl sharpened this critique further, describing blockchain advocates' use of language in these terms:[8]

> *"a dark art of linguistic manipulation, wielding terms like 'blockchain' and 'tokenization' as magical incantations that mean everything and nothing at once — a kind of semantic smokescreen, allowing crypto advocates to dance between definitions whenever convenient. This deliberate ambiguity has proven devastatingly effective in policy circles, where aging legislators and their overwhelmed staffers grasp desperately for understanding. The average member of Congress, already struggling to operate their iPhone, stands no chance against this calculated obscurantism."*

Of course, blockchain's "innovation theater" is not necessarily nefarious — all companies promote their wares and hype their innovations. The difference in blockchain, however, is that by promoting blockchain, financial firms bestow an aura of legitimacy upon other crypto-related investments. Crypto promoters latch onto the proclamations of financial firms, amplify them exponentially, and exploit them to dupe investors into buying crypto and buying into the myths and deceit of decentralized finance.[9]

This observation matters not merely as a technology critique, but as the explanatory engine of the entire securities law analysis that surrounds blockchain. When blockchain was first evangelized, entrepreneurs raised billions of dollars selling tokens to the public on a single promise: that blockchain's promoters would do something extraordinary with the proceeds, and buyers would be rewarded accordingly. That promise — invest your money, let us do the work, share in the profits — is the precise formula of an investment contract under the Howey test. Had blockchain delivered genuine, independent utility, token buyers would have acquired tokens to use them, not merely to sell them to the next speculator at a higher price. The absence of any demonstrable blockchain utility is therefore not incidental to the legal analysis: it is its foundation. Federal courts recognized this economic reality in enforcement action after enforcement action, holding that digital asset transactions met the criteria of investment contracts because buyers invested for profit based on the efforts of others — and because, as the technology record confirms, there was nothing else of substance to invest in.[10]

Gartner Research: Enterprise Blockchain's Dismal Production Record

According to Gartner, only 5% of enterprise blockchain projects ever make it to production. Of those that do, 90% will need to be replaced within two years to remain competitive.[11] *Three years ago, Gartner itself predicted blockchain would produce $3.1 trillion in new business value by 2030 — a prediction that has been quietly retired. These are not the metrics of a transformative technology — they are the metrics of a technology in perpetual, expensive pilot phase.*

Additional technical data published in 2025 confirms what technologists have long argued: blockchain integration increases transaction latency by 120% to 450% and reduces system throughput by up to 70% compared to traditional databases.[12] *This is not a debate about potential. These are measured, documented performance deficits. This is the technology Chairman Atkins has declared the Fourth Industrial Revolution.*

III. J.P. MORGAN CLEARS UP THE CONFUSION

Thankfully, J.P. Morgan tackles the blockchain subterfuge head-on. In the June 12, 2025, edition of his famed 20-year-old newsletter "Eye on the Market," Chairman of Market and Investment Strategy for J.P. Morgan Asset Management Michael Cembalest discusses the ill-advised conflation between a private, permissioned blockchain and the cryptoverse:

> *"The selling points of a blockchain are immutability (once it's done, it's done), public transparency and the ability to operate without requiring trusted intermediaries. But*

when used for securities clearing, trading and bookkeeping, these features need to be altered: the process must allow for error correction and fraud reversal; public ledgers must be private to ensure confidentiality; and centralized, permissioned controls must be in place. Once these changes are made, tokenization for some B2B instruments could reduce the need for collateral, for credit lines extended by banks and for capital held by intermediaries. A new intraday blockchain-based repo settlement system launched by JP Morgan's Kinexys group is a move in this direction. Kinexys also settles some payments for corporate clients using the same kind of permissioned, proprietary blockchain. Daily volumes are just $2 billion compared to $10 trillion in traditional payments the firm handles daily; it remains to be seen just how much demand there will be for a blockchain-based B2B payments system. ***To be clear, I don't think this kind of activity enhances the value proposition for crypto coins, stablecoin issuers, crypto exchanges or other crypto assets; it's simply a blockchain-based mousetrap that a bank pays its engineers to build, with any value due to competitive advantage mostly accruing to shareholders of banks that build it."*** *(emphasis added)*

The J.P. Morgan Kinexys Update (January 2026): A Tale of Impressive Branding, Underwhelming Proportions

In the months since Cembalest's newsletter, J.P. Morgan has rebranded its Onyx blockchain platform as "Kinexys" and announced an increase in daily transaction volumes. By January 2026, American Banker reported that Kinexys was processing an average of more than $5 billion daily.[13] This may sound impressive in isolation — until one recalls that J.P. Morgan's Payments division processes $10 trillion in transactions daily. Simple arithmetic reveals that Kinexys, after years of development, hundreds of millions of dollars of investment, and a splashy rebrand, now handles approximately 0.05% of JPMorgan's total daily payment volume. The technology that was supposed to disrupt and transform finance now processes roughly one-twentieth of one percent of a single bank's daily transactions.

More revealing still is the candor of Kinexys's own co-head, who told American Banker that the bank is starting with "narrow use cases, such as intercompany settlements and clearing for financial institution clients."[14] This is precisely the point Cembalest made — these are bespoke, back-office, permissioned applications that have nothing whatsoever to do with the value proposition of cryptocurrency, stablecoins, or public blockchain networks.

Diehl explains:[15]

> *"Blockchain technology is neither particularly innovative nor useful and has a terrible track record of success in the IT industry. In the best case, it is simply a buzzword describing mundane technologies that have existed for decades. In the worst case, it's a solution in search of a problem, a form of a technical fantasy that falsely promises to alchemize human trust through technology and is a symptom of the irrational exuberance and magical thinking arising out of cryptomania."*

One recent development is widely cited by blockchain advocates as the most significant counterevidence to this analysis: the emergence of tokenized real-world assets, led by BlackRock's BUIDL fund. Launched in March 2024, BUIDL is a tokenized money market fund holding 100% U.S. Treasury bills, cash, and repurchase agreements, managed by BlackRock Financial Management, with Bank of New York Mellon as custodian and Securitize — an SEC-registered transfer agent, broker-dealer, and alternative trading system operator — handling the tokenization.[16] By mid-2025, BUIDL had peaked at approximately $2.9 billion in assets. Franklin Templeton, Goldman Sachs, Fidelity, KKR, and Hamilton Lane have followed. The broader tokenized real-world asset market reached an estimated $36 billion by late 2025, growing 380% over three years.[17]

These figures deserve careful scrutiny. BUIDL is not a blockchain application operating outside the securities regulatory framework — it is a securities product that uses blockchain as a settlement mechanism, wrapped in full SEC registration, institutional custody, and qualified-investor restrictions. Every operational advantage BUIDL offers — 24/7 liquidity, near-instant settlement, transparent ownership — derives from the institutional infrastructure surrounding the blockchain, not from the blockchain itself. The underlying asset is a conventional U.S. Treasury money market fund. The tokenization layer adds a settlement efficiency that a well-designed database could replicate. This is precisely the "permissioned mousetrap" Cembalest described. The Securitize platform handling BUIDL's tokenization is itself an SEC-registered broker-dealer and alternative trading system — subject to the full panoply of investor protections that the former SEC was accused of weaponizing against blockchain. The only blockchain applications currently achieving genuine institutional scale are those operating fully within — and firmly subject to — the investor protection framework the Atkins SEC is now dismantling for everyone else. BlackRock's BUIDL is not the refutation of the former SEC's enforcement posture. It is its vindication.

IV. GOLDMAN SACHS AND BLOCKCHAIN: A TALE OF MARKETING THEATER

In Stark contrast to J.P. Morgan, Goldman Sachs takes an entirely different approach, going out of its way to extol the benefits of blockchain. Consider Goldman Sachs' 2022–23 public relations blitz regarding their blockchain endeavors, specifically:

- A December 6, 2022 ,Wall Street Journal op-ed article[18] entitled "Blockchain Is Much More Than Crypto," by Goldman's Chairman and CEO David Solomon, stating "Investors large and small stand to gain with blockchain innovations that are guided by established, experienced institutions;" and

- A February 10, 2023, 20-minute video on CNBC Cryptoworld[19] about their digital asset endeavors, where a Goldman official proclaimed that "digital assets will bring about a paradigm shift in the financial market and beyond . . . [blockchain] technology really lends itself to that and allows for critical reduction of risks and cost savings."

My take is that efforts by Goldman Sachs and other big financial firms to focus on crypto's underlying blockchain technology are less akin to technological innovation and more akin to marketing theater — or even frivolous propaganda. A financial firm can certainly run a bond settlement system using a private blockchain in the same way an automobile manufacturer can make a car with square wheels. But to most technologists, jerry-rigging blockchain into an otherwise already efficient technological application is rarely an optimal solution.

However, the problem is that Goldman's efforts at self-promotion can be easily co-opted as a deceptive form of "reputation laundering" for crypto investments. A person with little experience in IT or banking who reads David Solomon's WSJ op-ed could easily be tricked into thinking that Goldman is getting into crypto — when the reality is that Goldman is merely upgrading their bond settlement system and wrapping it in some flavor-of-the-month buzzwords. This is where the innovation theatre becomes genuinely harmful and dangerous, especially when this kind of spin finds its way into Senate hearings and shapes legislation and public policy.

V. THE COMPLETE TRADE FINANCE GRAVEYARD: A BLOCKCHAIN BLOODBATH

Perhaps no domain better illustrates blockchain's failure than international trade finance, where the technology was supposed to eliminate paper-based inefficiencies, accelerate cross-border

transactions, and create shared digital ledgers across global supply chains. Instead, what we have witnessed is nothing less than a systematic, industry-wide catastrophe. In 2019, there were four major blockchain trade finance networks. By November 2023, all four were either shut down or commercially dead. Every single one. Here is the roll call:

- **TradeLens (IBM/Maersk, Discontinued November 2022)**
  After years of development and hundreds of millions in investment, Maersk and IBM announced they were shutting down their blockchain-based supply chain platform, citing a failure to achieve "full global industry collaboration" and commercial viability. A Forbes analysis noted: "TradeLens is the only successful deployment of Enterprise Blockchain in a public supply chain network, Maersk is backing away from building a utility to improve ocean shipping, and IBM is admitting failure in thought leadership in Enterprise Blockchain in the public sector."[20]
- **We.Trade (Consortium of 12 Major European Banks, Insolvent June 2022)**
  We.Trade, formed in 2017 as a consortium of major banks including Deutsche Bank, HSBC, Santander, Societe Generale, and UBS, filed for insolvency in June 2022 after failing to gain traction. IBM had taken a 7% stake in 2020 but could not save the venture. Despite being backed by some of the most powerful financial institutions in Europe and the full IBM imprimatur, the platform never attracted sufficient corporate clients to reach commercial viability.
- **Marco Polo Network (~45 Banks, Insolvency February 2023)**
  Marco Polo, a blockchain network built on R3's Corda platform backed by approximately 45 banks including ING, Commerzbank, and Bank of America, entered insolvency proceedings in Ireland in February 2023 after a potential investment from Bank of America fell through. With total debts of €5.2 million and liabilities exceeding assets by €2.5 million, Marco Polo could not convert its impressive roster of bank partners into the corporate client adoption needed to sustain a business.
- **Contour (Letter of Credit Network, Ceased Operations October 2023)**
  Contour — which had grown from a 2018 prototype and achieved a live production launch in October 2020 with member banks including HSBC, BNP Paribas, Citi, Standard Chartered, and MUFG — announced in October 2023 that it was terminating services after being unable to raise sufficient funds from its bank shareholders. Earlier that year, a source told Ledger Insights that Contour was processing just 60-70 transactions per month — a throughput so negligible it was commercially unsustainable by any measure.

The World Trade Organization once labeled blockchain the "biggest disruptor to the shipping industry and international trade since the invention of the container."[21] It proved to be the biggest disappointment instead. The pattern across all four of these failures is identical and

damning. As one veteran HSBC trade finance executive summarized: “These companies couldn’t scale. They were solving for a narrow problem that would work if everyone joined only one platform. But that doesn’t happen.”[22] The entire enterprise blockchain trade finance experiment — backed by dozens of the world’s largest banks, hundreds of millions of dollars, and years of development — is, as of April 2026, a complete and total failure.

VI. EXHIBIT B: THE NFT COLLAPSE — 96% DEAD AND FALLING

If the trade finance graveyard is blockchain’s industrial failure, the NFT collapse is its cultural failure — and the numbers are even more devastating. Non-fungible tokens were the public face of blockchain technology, the consumer product that was supposed to prove to the world that blockchain enabled a new era of digital ownership, creativity, and value. What they proved instead is that blockchain’s most prominent consumer application was, as critics observed from the beginning, just overpriced JPEGs.

The NFT Market: A Statistical Obituary

- *NFT art trading volume: $2.9 billion in 2021 → $197 million in 2024 → $23.8 million in Q1 2025 (a 93% collapse)*
- *Active NFT traders: 529,101 in 2022 → 19,575 in Q1 2025 (a 96% collapse)*
- *96% of all NFT collections are now considered dead — no trading activity, no community, no value*
- *98% of NFT projects launched in 2024 were essentially dead on arrival*
- *Average lifespan of an NFT collection: 1.14 years — 2.5 times shorter than the average crypto project*
- *The top 20 most-traded Art NFT collections from 2021 have suffered an average 95% decline in both trading volume and sales*

The institutional retreat from NFTs has been equally dramatic and revealing. Nifty Gateway, one of the earliest and most prominent NFT marketplaces, shut down February 23, 2026.[23] Christie’s — which helped launch the NFT frenzy with its $69 million Beeple sale — quietly closed its digital art department. Sotheby’s laid off most of its metaverse and NFT team, retaining only three staffers. Platforms including Async Art, KnownOrigin, MakersPlace, and LG Art Lab had all already shuttered.

Remember: NFTs were not some fringe experiment. They were blockchain’s flagship consumer product, its proof of concept, its most visible and marketable application. They attracted celebrity endorsements, billion-dollar venture capital, mainstream media coverage, and the enthusiastic participation of some of the world’s most sophisticated art institutions. They lasted, on average,

1.14 years. The blockchain was supposed to make digital ownership permanent. Instead, it made it ephemeral.

VII. EXHIBIT C: THE METAVERSE COLLAPSE — $83.6 BILLION INCINERATED

Blockchain, NFTs, and the metaverse were the three legs of the Web3 stool. All three have collapsed in virtually identical fashion: massive hype, enormous capital inflows, splashy press releases, and then quiet, catastrophic failure. The fact that all three failed simultaneously and in the same pattern is not a coincidence. It is evidence of a technology ecosystem that produces more marketing than utility.

Meta's Reality Labs — the division responsible for building the blockchain-powered virtual world Mark Zuckerberg staked his company's entire identity upon when he renamed Facebook as "Meta" in October 2021 — has now burned more than $83.6 billion in cumulative operating losses since 2020,[24] what one analyst described as "one of the largest capital misallocations in Big Tech history."[25] Reality Labs lost $19.19 billion in 2025 alone. On March 17, 2026, Meta announced it was pulling the plug on Horizon Worlds VR entirely, removing it from Quest headsets by June 15, 2026. Disney shut down its metaverse division.[26] Microsoft dissolved its industrial metaverse team.[27] Walmart backed out.[28] The word "metaverse" now appears in none of Zuckerberg's public remarks. Instead, Meta is now committing $100 billion toward AI infrastructure — a tacit acknowledgment that the original vision was fundamentally mistaken.

To put Meta's metaverse losses in perspective: you would have to spend $1 million per day for 200 years to spend $83.6 billion.[29] That is what blockchain's promise of a revolutionary virtual economy produced. Not a single functioning mass-market application. Not a single use case that could not have been better served by existing technology. Just $83.6 billion, vaporized in pursuit of a technology that the world's most sophisticated technology company has now quietly abandoned.

The blockchain-NFT-metaverse triad is now collectively one of the most expensive failed technology experiments in the history of innovation. The combined losses across these three interconnected blockchain-powered concepts — hundreds of billions in venture capital, corporate investment, and retail investor losses — rival and, in terms of actual capital invested and incinerated, match or exceed the dot-com collapse of 2000 in scale. And yet, the SEC has

retreated from enforcement. And yet, Chairman Atkins has proclaimed blockchain to be cornerstone of American financial policy.

VIII. TECHNOLOGY EXPERTS AGREE: BLOCKCHAIN IS WILDLY OVER-HYPED

Meanwhile, as the burgeoning Big Crypto Cartel[30] spent more money[31] than the entire defense sector put together to foster and extend blockchain groupthink throughout the U.S. Congress, not everyone bought into the braggadocio. In a letter to U.S. Congressional leaders,[32] the global tech community called out blockchain to be one big con (the "Concerned.tech Letter").[33]

The Concerned.tech Letter's[34] over 1,500 signatories included professors, scientists and engineers from Amazon, ACM, Adobe, AMD, Apple, Box, Block, CMU, Cornell, Disney, Dropbox, eBay, Google, GitHub, IEEE, IBM, Microsoft, MIT, Meta, Mozilla, Pixar, Netflix, Oracle, Stanford, Shopify, Salesforce, Thoughtworks and VMWare. It is now 2026. Every specific prediction in that letter has come true. Every failure the signatories warned about has materialized. The experts were right. The promoters were wrong. And the SEC was on the right side of history when it enforced the securities laws.

The Concerned.tech Letter[35] fought blockchain groupthink with objective and independent technological expertise, concluding that when it comes to blockchain and all of web3, ***there's no there there.***

A notable follow-up to the Concerned.tech Letter was an extraordinary independent study[36] of the top Google results for "blockchain production users" (and related queries), which analyzed 34 individual "real world blockchain" projects. The researcher discovered that[37] 13 are already dead; 6 are only useful within the crypto and NFT ecosystems; 14 use blockchain in a way where removing the blockchain would not impact functionality at all or make the product better; and the remaining project is Chainalysis, which has real-world impact by helping law enforcement de-anonymize blockchain users.

It is worth pausing on what Chainalysis actually does: it exists to track, trace, and unmask the anonymous transactions that blockchain was specifically designed to make untraceable. Its entire business model — generating hundreds of millions of dollars in revenue from contracts with the FBI, DEA, IRS Criminal Investigation, Europol, and law enforcement agencies across more than 70 countries — is built on reversing blockchain's core design promise.[38] The most

commercially successful enterprise blockchain application in the world is a tool that helps governments catch blockchain users. If one wished to summarize blockchain's net contribution to civilization in a single sentence, that sentence would do nicely.

Molly White, the celebrated software engineer and researcher who runs the "Web3 Is Going Just Great" website — which documents every failure, fraud, hack, and scam in the crypto ecosystem — has now tallied nearly $12 billion in losses on her running Grift Counter.[39] White, who guest lectures at Harvard, MIT, and Stanford and advises policymakers globally, stated in an IEEE Spectrum interview: "I'm mostly still waiting. Every once in a while there's something where I can understand what they're going for, but I don't understand why they've picked a blockchain over a more efficient or less expensive solution."[40]

IX. THE SILENCE OF ORACLE, MICROSOFT, APPLE, GOOGLE AND AMAZON

That blockchain projects are always a bust is probably why the greatest database and technology firms in the world — Oracle, Microsoft, Amazon, Google and Apple — have devoted little, if any, resources to blockchain or tokenization development. Listen to their earnings calls — there is no mention of blockchain. Review their most recent Forms 10-K[41] filed with the SEC and the Management, Discussion and Analysis sections in each. There is radio silence when it comes to blockchain. These are the companies that actually build the infrastructure the global economy runs on. They have looked at blockchain carefully, at length, and passed.

Now consider who IS betting on blockchain: Paul Atkins. The SEC Chairman has made blockchain and crypto the cornerstone and defining mission of his entire tenure — launching "Project Crypto," unveiling "Reg Crypto," and proclaiming America's destiny as the "crypto capital of the world."[42] A securities regulator is now more enthusiastic about blockchain technology than Oracle, Microsoft, Amazon, Apple, and Google combined. Let that sink in.

The lack of blockchain focus by big tech companies should come as no surprise. Despite the fact that blockchain technology is not simply inferior, but dramatically inefficient,[43] some companies and institutions have tried to use it and failed miserably:

- **IBM/Maersk TradeLens:** IBM and shipping giant Maersk announced they were shutting down[44] their blockchain-based TradeLens platform — a total failure.[45] Back in 2015 and

2016,[46] banks and large companies had embraced blockchain's potential. These blockchain ambitions fell dramatically short.

- **Microsoft Azure Blockchain:** Microsoft shut its blockchain projects down.[47] Six years after its initial launch, Microsoft shut down its Azure Blockchain as a Service project, offering no substantive explanation.[48]
- **Australian Securities Exchange (ASX):** Australia's stock exchange admitted failure.[49] The ASX scrapped a much-delayed blockchain announced in 2016 that was meant to replace its clearing and settlement system, after losing hundreds of millions of dollars and seven years of work. Reuters reported that the exchange project director ultimately indicated "we will need to use a more conventional technology."[50]
- **Everledger:** Brisbane-based Everledger, which used blockchain technology to track the provenance of diamonds, was placed into voluntary administration after expected investor funding failed to happen.[51] The move came despite it securing $57 million in backing, including from the federal government and Chinese internet giant Tencent.

Consider also AWS (Amazon Web Services), who looked hard and found no real practical use cases for blockchain where a database would not have worked. As noted Amazon technologist Tim Bray explained regarding AWS and blockchain:[52]

> *"We went looking around the industry from behind our screens and discovered a few things: Actual working business applications of blockchain were really, really hard to find. Plenty of blockchain products were on offer, characterized as 'polished', 'robust', 'production-ready', and 'regulator-approved.' But if you looked hard at their customer stories, it got pretty vaporous pretty fast."*

The observation that the world's most sophisticated technology companies have declined to adopt blockchain does not stand alone. An equally distinguished group of fact-finders — Article III federal judges whose life tenure insulates them entirely from political pressure — arrived at precisely the same conclusion about blockchain's crypto applications through a decade of exhaustive, adversarial SEC legal proceedings.

In *Green United*, Judge Ann Marie McIff Allen of the District of Utah found that the SEC's crypto enforcement "does not present any novel attempt at regulation" and that the agency was simply "pursuing the regulatory goals Congress set for it ninety years ago."

In *Opporty*, Judge Eric Komitee of the Eastern District of New York produced a 69-page analysis confirming that applying the Howey test to new facts is "inherent in the application of existing law to any new technology" and that the crypto industry's due process challenges were

"foreclosed" by existing precedent. In *Kraken*, Judge William H. Orrick of the Northern District of California firmly rejected the argument that secondary exchange buyers of digital assets have no reasonable expectation of profit, holding that such a view "defies common sense."

In *Binance*, Judge Amy Berman Jackson of the District of Columbia ruled that the SEC's enforcement "does not reflect enormous and transformative expansion in regulatory authority" and that "the principles driving the SEC's attempt to assert regulatory authority over it are not new."

In *Coinbase*, Judge Katherine Polk Failla of the Southern District of New York found in an 84-page order that the challenged transactions "fall comfortably within the framework that courts have used to identify securities for nearly eighty years."

These rulings are not political artifacts of one administration. They are the considered conclusions of life-tenured jurists who read every brief, weighed every argument, and reached the same verdict — independently and unanimously — that Big Tech reached without any litigation at all.[53]

X. THE SWIFT EXAMPLE: A DATABASE IS ALL YOU NEED

Blockchain promoters have long touted the revolutionary impact of blockchain to better harmonize cross-border, cross-currency transactions. But blockchain is not necessary as the backend for supporting instant remittances across currency zones. As SWIFT has already demonstrated, all that's necessary is a database.[54] Specifically, SWIFT has piloted instant cross-border payments, and SWIFT can do payments[55] as quickly as correspondent banks can swap numbers in a relational database, which is nanoseconds.[56]

Along the same lines, as Professor Kelvin Low noted about the Australian Stock Exchange blockchain debacle:[57]

> *"The only thing the blockchain accelerates is simpleton syndrome where every complex problem is grossly oversimplified so that a blockchain is its solution. ASX learnt this the hard way. How many others will have to do so for themselves?"*

XI. IT'S STILL NOT THE EARLY DAYS

On January 14, 2022, technologist and software engineer Molly White authored a viral blog post entitled "It's Not Still The Early Days,"[58] which details how blockchains are slow, do not scale well, and are expensive. White also noted how with blockchains, there is no "undo" button. White concludes sardonically:

> *"How long can it possibly be 'early days'? How long do we need to wait before someone comes up with an actual application of blockchain technologies that isn't a transparent attempt to retroactively justify a technology that is inefficient in every sense of the word? . . . The more you think about it, the more 'it's early days!' begins to sound like the desperate protestations of people with too much money sunk into a pyramid scheme, hoping they can bag a few more suckers and get out with their cash before the whole thing comes crashing down."*

It has been over four years since Molly White penned her infamous blockchain critique and for blockchain, it's still not the early days. As of 2026:

- Still remains[59] an append-only linked list using cryptographic hashes, which have been around for decades;
- Still remains[60] highly inefficient, with blockchain integrations adding 120-450% latency and reducing throughput by up to 70%;[61]
- Still remains[62] a failure at just about everything the technology promises to accomplish, ending up 10x worse than existing systems we're already using;[63]
- Still powering an ecosystem that has now killed over 50 million tokens, with over 50% of all cryptocurrencies ever listed having failed entirely;[64] and
- Still being celebrated by the SEC Chairman as the future of American finance.

Remember when Beeple's $69 million JPEG[65] was bought with ether? The ether wasn't sent over the Ethereum blockchain — Christie's demanded direct transfer of the ether from one account on an exchange to another account on the same exchange. Christie's has since closed its digital art department.[66] As celebrated technologist David Gerard so eloquently stated[67] back in 2021: "The blockchain works so much better when you don't use it."

Blockchain — the particular flavor of cryptography/Merkle Trees compounded with a digital token system — was invented in 2008. It has been almost 20 years, and still there's not a single example of any application that blockchain does better than existing non-blockchain technology.[68] Indeed, virtually every implementation of blockchain is riddled with serious

problems and whatever system it aims to provide utility to, from being a digital currency,[69] to improving authentication,[70] supply chain,[71] ticketing or "digital ownership" rights,[72] ends up being 10x worse than existing systems we're already using.

XII. THE CALIFORNIA DMV: HYPE-LADEN BLOCKCHAINIFICATION CONTINUES

Believe it or not — hype-laden blockchainification continues. In July 2024, California's Department of Motor Vehicles (DMV) digitized 42 million car titles using blockchain technology, in a bid to detect fraud and smooth the title transfer process.[73] The project, in collaboration with tech company Oxhead Alpha on a permissioned Avalanche subnet — not a public blockchain — promised to allow California's more than 39 million residents to claim their vehicle titles through a mobile app by Q1 2025. There is one critical caveat: because the DMV built its implementation on a permissioned subnet, the DMV retains central control and can override, edit, or delete records at will — which raises the obvious question of why blockchain was needed at all rather than a traditional database.

Worth noting: Oxhead Alpha originally worked with the Tezos blockchain before switching to Avalanche[74] — suggesting even the vendor itself could not commit to a single blockchain platform. The consumer-facing mobile app was promised for Q1 2025. It is now April 2026 — more than 15 months past that deadline — and there has been no announcement of a successful consumer launch. The project has gone completely silent. No press releases. No launch coverage. No follow-up from Oxhead Alpha or the DMV.

XIII. THE BLOCKCHAIN SHAKEOUT CONTINUES IN REAL TIME: APRIL 2026

Blockchain's collapse is not a historical phenomenon. It is happening right now, in real time, as this memorandum is written. Consider the evidence from just the past six months:

Oct 2025	**Kadena Foundation Shuts Down**	The Kadena Foundation announced it was ceasing all operations. Its KDA token fell more than 60% in a single day on the news.
Jan 2026	**Nifty Gateway Shuts Down**	One of the earliest and most prominent NFT marketplaces — which processed $300 million in GMV at its 2021 peak — shut down February 23, 2026.
Q1 2026	**20+ Projects Collapse**	More than 20 blockchain projects shut down in Q1 2026 alone, as documented by data platform RootData, spanning DeFi, NFT marketplaces, analytics firms, and exchanges.

Mar 2026	**Meta Kills Metaverse VR**	Meta announced it was removing Horizon Worlds from Quest headsets by June 2026, ending the metaverse vision that prompted Zuckerberg to rename his entire company.
Apr 2026	**CA DMV App: Still Missing**	The blockchain-based California DMV consumer app, promised for Q1 2025, remains undelivered — 15+ months past its deadline with no public update.

The Kadena Foundation's October 2025 collapse[75] — an established blockchain network ceasing all operations without warning — and the more than 20 additional blockchain project shutdowns documented in Q1 2026 alone by data platform RootData[76] confirm what the timeline above makes unmistakably clear: this is not a technology reaching maturity. This is a technology in systemic, continuing collapse — even as the U.S. government dismantles the regulatory framework that was protecting investors from its worst depredations.

XIV. THE 2025 CRYPTO CRIME CATASTROPHE: BLOCKCHAIN'S DEADLIEST YEAR

If the failure of blockchain as a productive technology were not damning enough, the catastrophic record of the crypto ecosystem as a vehicle for fraud, theft, and criminal activity in 2025 should leave no doubt about the wisdom of the former SEC's enforcement-focused approach.

The total crypto losses in 2025 — including hacks, scams, and fraud — reached **$17 billion**, the worst year on record according to Chainalysis.[77] Of that, cryptocurrency theft alone totaled $3.41 billion. The single largest crypto theft in history occurred on February 21, 2025, when North Korean Lazarus Group hackers stole approximately $1.46 billion in cryptocurrency from Dubai-based exchange Bybit. This single incident accounted for 44% of all crypto theft for the year. The Bybit hack surpassed the $611 million stolen from Poly Network in 2021 and may be the largest theft of any kind in human history, eclipsing Saddam Hussein's reported $1 billion heist from Iraq's Central Bank in 2003.

2025 Crypto Crime: By the Numbers

- *$17 billion total lost to crypto hacks, scams, and fraud in 2025 — the worst year on record (Chainalysis)*
- *$3.41 billion in cryptocurrency stolen in 2025 (Chainalysis)*
- *$1.46 billion stolen by North Korean hackers in the Bybit hack alone — the largest cryptocurrency theft in history*
- *$2.02 billion stolen by DPRK-affiliated hackers in total in 2025, a 51% year-over-year increase*

- *$6.75 billion stolen by North Korea since 2017, funding the country's nuclear weapons program*
- *11.56 million crypto tokens collapsed in 2025 — 86.3% of all token failures in the history of cryptocurrency*
- *Impersonation scams surged 1,400% year over year in 2025*
- *Over 50 million total crypto tokens now exist; over 50% have failed entirely*

North Korea's haul alone tells a story that blockchain promoters studiously ignore. DPRK-linked hackers have now stolen a cumulative $6.75 billion in cryptocurrency since 2017 — the proceeds of which reportedly fund Pyongyang's nuclear weapons program. The crypto ecosystem is, demonstrably and literally, financing North Korea's weapons of mass destruction program. And yet blockchain promoters argue that the SEC was "stifling innovation" by attempting to regulate this space.

Molly White's "Web3 Is Going Just Great" Grift Counter — a running tally of losses documented on her website, alongside her newsletter, Citation Needed, with bylines in The New York Times, The Guardian, Rolling Stone, and Bloomberg Businessweek — has now tallied nearly $12 billion in documented losses. The site tracks only a fraction of the ecosystem's total fraud and theft, meaning the actual carnage is orders of magnitude larger.

XV. PRESIDENT TRUMP, THE CRYPTO INDUSTRY, AND THE ARCHITECTURE OF DEREGULATION

A word first about President Trump, because intellectual honesty requires it: *Donald Trump did exactly what he promised to do.*

He campaigned openly and explicitly on making America the "crypto capital of the world." He spoke at the 2024 Bitcoin Conference in Nashville, where he declared "On day one, I will fire Gary Gensler" to a thunderous crowd, and promised to make America "the bitcoin superpower of the world."[78] He was transparent about his own crypto investments, his family's involvement in World Liberty Financial, and his personal enthusiasm for digital assets. The voters knew. The markets knew. The industry knew. And he won. Credit where credit is due: he has delivered on his promises with remarkable fidelity.

This memorandum does not blame President Trump for doing what he said he would do. It does not suggest that his administration's support for the crypto industry is hidden or deceptive. It is

none of those things. It is transparent, it is consistent, and it is what the American people elected in November 2024.

What this memorandum does observe is the structural reality that results from that transparency. The President of the United States has a direct and massive financial stake in the crypto industry — not as a general supporter of innovation, but as a financial participant in the specific industry being deregulated. Consider the documented facts, per one recent extraordinarily comprehensive and meticulously footnoted report entitled, "*Political Capital, How The Trump Family's Crypto Ventures Are Distorting The Market*" (Eisen, Canter, Swartz, Reiners, March 2026):

> *"Since retaking office, President Trump has nearly doubled his net worth. Much of that can be traced to his family's forays into cryptocurrency, an industry he and his family entered into earnestly only days before his second term.*
>
> *World Liberty Financial Inc. (WLFI), is one of those presidentially aligned companies. WLFI was formed by Zachary Folkman, Chase Herro and the families of Donald J. Trump and White House advisor Steven Witkoff in 2024. Since its inception, WLFI has produced over $1.4 billion for Trump and Witkoff's families. As of writing, WLFI's proprietary U.S. dollar-denominated stablecoin, USD1, has become the third biggest stable coin by market capitalization.*
>
> *As described in this report, WLFI and USD1's success is not coincidental, nor is it the result of a healthy, normal, and competitive marketplace. Rather, the financial windfall of WLFI and USD1 cannot be explained without understanding the coordinated effort—by actors in government, the private sector, and foreign countries—to create economic conditions that were favorable to the success of these presidentially aligned crypto enterprises.*
>
> *Within government, President Trump has spearheaded an immense deregulatory effort through the President's Working Group on Digital Asset Markets and heavy-handed oversight at the Commodity Futures Trading Commission and the Securities and Exchange Commission that has created a permissive environment for cryptocurrency markets. Outside of government, WLFI and USD1 have benefited from an unprecedented $2.5 billion infusion of foreign state-linked capital and preferential treatment from dominant market intermediaries, including Binance, whose former CEO, Changpeng Zhao, had pleaded guilty to failing to maintain an effective anti-money laundering (AML) program in violation of the Bank Secrecy Act but was pardoned by President Trump"*

Again: none of this is hidden. The President has not denied any of it. He is transparent about his financial interests in a way that, frankly, many politicians are not. But the structural consequence of this transparency is unavoidable: the United States now has an SEC chairman whose primary

mission is to deregulate an industry in which the President of the United States and his family have earned billions of dollars *in a single year*. The question for our debate is not whether this is corrupt. The question is whether a regulator operating in this environment can fulfill its statutory mandate to protect investors.

The concern here is institutional and would apply regardless of who holds the presidency. The Supreme Court recognized the structural dimension of this problem in SEC v. Chenery Corp., a foundational securities law decision establishing that the SEC's statutory authority derives from and is bounded by its duty to protect investors — a duty that does not bend to the personal financial interests of those who direct the agency.[83]

These constraints exist not because the law assumes bad faith, but because the structure of conflicting financial interests, left unaddressed, predictably shapes institutional outcomes regardless of the intentions of any individual participant. This is precisely why the securities laws have, for nearly a century, required registration, mandatory disclosure, and the segregation of customer assets from those of their financial intermediaries. Those requirements were designed for exactly this situation: not to accuse anyone of corruption, but to ensure that the structure of incentives cannot overwhelm the statutory mission before the damage becomes visible. The Atkins SEC is not an aberration. It is a structural consequence that the architects of the securities laws anticipated — and that this memorandum, out of respect for those architects, is obligated to name.

The crypto industry itself spent $238 million in the 2024 election — the single largest corporate election expenditure in history, surpassing the oil, gas, and pharmaceutical industries combined. 85% of the candidates they backed won. They spent $40 million alone to unseat Senator Sherrod Brown, who chaired the Senate Banking Committee and called for crypto regulation. They gave $18 million to Trump's inauguration.[84] In return, the Atkins SEC has dropped cases against Coinbase, Kraken, Ripple, OpenSea, Consensys, and Cumberland, and settled with Justin Sun.[85] A comprehensive March 2026 analysis by the Democracy Defenders Fund found that eight of the fourteen crypto enforcement cases dropped by the SEC had direct Trump family business ties — and documented that leading crypto executives openly threatened to blacklist any law firm that hired former SEC attorneys who had worked on crypto enforcement matters.[86] This is not regulatory reform. This is return on investment — quantifiable, documented, and historically unprecedented in scale.

The regulator has become the regulated industry's most powerful advocate. And the industry being advocated for has produced, by any honest accounting, more fraud than utility, more theft than innovation, and more investor harm than any comparable technology in the history of American finance.

XVI. A TALE OF TWO BLOCKCHAINS

The approaches to blockchain by Goldman Sachs and J.P. Morgan are a tale of two blockchains. J.P. Morgan downplays blockchain hype, remaining carefully measured, thoughtful, modulated and restrained in its blockchain-related discussions. Goldman Sachs, in an effort to appear innovative and project an image of high-tech hipness, facilitates and partakes in blockchain hype. Both banks should be commended for testing out new technology — but I prefer the approach of J.P. Morgan, which also says a lot about J.P. Morgan's integrity and professionalism.

From where I sit, the vast, if not overwhelming, number of current blockchain projects are "private blockchain" projects which are not open to the public, not decentralized, not permissionless, not technologically transformative, not futuristic — but are instead antiquated — and cannot perform any better than a Google Docs spreadsheet.

But even more importantly, despite the fierce tides of blockchain groupthink, blockchain is not just bunk[87] — it has also evolved into a dangerous swindle.[88] Touting and blessing blockchain can also hurt people. As expert technologist and chief scientist for software engineering at IBM Research Grady Booch said so eloquently:[89]

> *"Web3 is a flaming pile of feces orbiting a giant dripping hairball. Cryptocurrencies — ones not backed by the full faith and credit of stable nation states — have only a few meaningful use cases, particularly if you are a corrupt dictator of a nation with a broken economic system, or a fraud and scammer who wants to grow their wealth at the expense of greater fools. I was one of the original signatories of a letter to Congress in 2022 for a very good reason: these technologies are inherently dangerous, they are architecturally flawed, and they introduce an attack surface that threatens economies."*

Eminent fintech law professor Kelvin Low added presciently in his blockchain exposé, "The (f)utility of Blockchain Asset Tokenisation:"[90]

"It bears repeating that we have passed the 14th anniversary of Satoshi Nakamoto's white paper and while the blockchain has promised much, it has delivered little unless we are looking for frauds and scams and consumer harm. It is past time to take blockchain skepticism seriously."

XVII. BLOCKCHAIN'S BROKEN PROMISE: A TIMELINE

2016	**B3i Consortium Founded**	12 major insurers including Zurich, Swiss Re, Allianz, and Generali form consortium to revolutionize insurance using blockchain. Shuts down 2022 after failing to raise capital.
2017	**We.Trade Founded**	12 European banks including Deutsche Bank, HSBC, Santander, and UBS launch blockchain trade finance platform. Enters insolvency June 2022.
2018	**IBM/Maersk TradeLens**	IBM and Maersk launch 'the future of global trade.' Shuts down November 2022 after failing to achieve industry collaboration.
2018	**Marco Polo / Contour Founded**	Two more major blockchain trade finance networks launch, backed by dozens of global banks. Both enter insolvency or close by 2023.
2021	**NFT Mania Peaks**	$2.9 billion in NFT art trading volume. 96% of NFT collections are now dead. Trading volume fell 93% to $23.8M in Q1 2025.
2021	**Meta Renames Itself**	Facebook rebrands to 'Meta' to pursue the blockchain-powered metaverse. Cumulative losses reach $83.6 billion by 2025. Horizon Worlds VR shut down March 2026.
2022	**Azure Blockchain Shut Down**	Microsoft quietly terminates its Azure Blockchain-as-a-Service product after six years. Offers no substantive explanation.
2022	**ASX Blockchain Abandoned**	Australian Securities Exchange scraps blockchain clearing system after $168M written off and seven years of work.
2024	**CA DMV Blockchain**	California DMV promises blockchain car title app for Q1 2025. As of April 2026, app has never launched. Project is silent.
2025	**$17B in Crypto Crime**	Worst year on record for crypto fraud, hacks, and scams. North Korea steals $2.02B. 11.56 million tokens collapse.
2026	**SEC Retreats**	The SEC dismantles its crypto enforcement program. The Atkins era begins. Blockchain declared cornerstone of American financial policy.

XVIII. BLOCKCHAIN'S INCONVENIENT TRUTH AND ITS IMPLICATIONS FOR THE SEC DEBATE

What is so compelling is that blockchain remains, and will forever be, remarkably unremarkable — a useless, shoddy, inefficient database scheme that is not remotely close to becoming any sort of technological panacea.

Moreover, no matter where the arena, blockchain enthusiasts can never: (1) articulate one feature of blockchain that, since blockchain's inception, has been proven to provide a unique benefit to anyone; (2) provide one example of a real-world problem that blockchain has solved which could not have been solved equally well using traditional database technology; or (3) explain how blockchain will somehow revolutionize finance without making broad, sweeping, unproven, untested, undocumented aspirational generalizations.

The Stark reality is that if blockchain disappeared tomorrow, the only people who would care are those invested in blockchain or those who are using crypto to commit heinous crimes upon helpless victims. Period. End of Story.

And that is precisely why the argument that the SEC was "stifling innovation" by enforcing the federal securities laws is so fundamentally misguided. The SEC was not stifling blockchain innovation. There was no blockchain innovation to stifle.

The SEC was enforcing laws designed to protect ordinary investors from fraud — fraud that, as the Concerned.tech Letter, the J.P. Morgan analysis, the collapse of TradeLens, We.Trade, Marco Polo, Contour, the Australian Securities Exchange blockchain, the California DMV blockchain, Microsoft Azure Blockchain, Everledger, B3i, the NFT market, the metaverse, and the testimony of over 1,500 of the world's leading technologists all confirm, was the most consistent and reliable product of the crypto ecosystem.

The evidence now assembled over nearly 20 years of blockchain's existence is not ambiguous. It is overwhelming. The technology has failed in supply chains. It has failed in trade finance. It has failed in insurance. It has failed in government records. It has failed in securities clearing. It has failed in digital art. It has failed in virtual worlds. It continues to facilitate some of the most devastating financial crimes in modern history, including North Korea's theft of $6.75 billion to fund its nuclear arsenal. And it has failed — decisively, repeatedly, expensively — as a vehicle for any productive innovation that could not have been achieved by a conventional database.

The former SEC's approach was not perfect. No regulatory regime is. But the argument that enforcing securities laws against a technology that has produced fraud far more reliably than utility was "stifling innovation" is not just wrong — it is dangerously misleading.

Respectfully, yours is the kind of argument that, left unchallenged, will continue to cost ordinary investors billions of dollars, will leave the door open for criminals and terrorists to more easily finance their operations all on the backs, and at the expense, of American retail investors, and will allow the most expensive failed technology experiment in history to be repackaged, one more time, as the future.

That is blockchain's inconvenient truth. And that sucks.

Respectfully submitted,

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FOOTNOTES

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10. Federal courts reached this economic conclusion in successive enforcement actions. See SEC v. Green United, LLC, No. 2:23-cv-00159 (D. Utah Feb. 21, 2024) (denying motion to dismiss; the SEC "pursues the regulatory goals Congress set for it ninety years ago"); SEC v. Opporty Int'l Inc., No. 20-cv-0171 (E.D.N.Y. Sept. 24, 2024) (Judge Komitee; 69-page decision; applying Howey to digital tokens; due process and vagueness challenges "foreclosed" by prior precedent); SEC v. Rivetz Corp., No. 1:21-cv-10528 (D. Mass. Sept. 30, 2024) (Judge Mastroianni; summary judgment for SEC; token value was "directly dependent on Rivetz's entrepreneurial efforts"); SEC v. Payward Inc. (Kraken), No. 23-cv-06003 (N.D. Cal. Aug. 23, 2024) (Judge Orrick; "It defies common sense to suggest that when someone purchases crypto assets from a reseller or another investor, that person or entity does not understand themselves to be investing money in the asset"); SEC v. Binance Holdings Ltd., No. 23-cv-01599 (D.D.C. June 28, 2024) (Judge Jackson; 10 of 13 counts to proceed; enforcement "does not reflect enormous and transformative expansion in regulatory authority"); SEC v. Kik Interactive Inc., 492 F. Supp. 3d 169 (S.D.N.Y. 2020) (summary judgment for SEC; fair notice and vagueness defenses rejected); SEC v. Telegram Grp. Inc., 448 F. Supp. 3d 352 (S.D.N.Y. 2020) ($1.2B

disgorged); SEC v. LBRY Inc., 639 F. Supp. 3d 211 (D.N.H. 2022) (Judge Barbadoro; fair notice rejected; Howey "has been applied by hundreds of federal courts across the country over more than 70 years"); SEC v. Terraform Labs Pte. Ltd., No. 23-cv-01346 (S.D.N.Y. July 31, 2023) (Judge Rakoff; fair notice rejected); SEC v. Coinbase Inc., No. 23-cv-04738 (S.D.N.Y. Mar. 27, 2024) (Judge Failla; 84-page order; "the challenged transactions fall comfortably within the framework that courts have used to identify securities for nearly eighty years").

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No. 23-cv-01346 (S.D.N.Y. July 31, 2023) (Judge Rakoff; fair notice rejected; prior SEC enforcement actions against other crypto firms "would have apprised a reasonable person working in the crypto-currency industry that the SEC considered some crypto-currencies to be securities"). See also SEC v. Balina, 2024 WL 2332965 (W.D. Tex. May 22, 2024); SEC v. Wahi, 2024 WL 896148 (W.D. Wash. Mar. 1, 2024); SEC v. Genesis Global Capital, LLC, 2024 WL 1116877 (S.D.N.Y. Mar. 13, 2024).

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