

Insights



Benjamin Sauter and David McGill on the current Kik-SEC clash in Law 360

June 6, 2019

Publication: **Law 360**

Kobre & Kim's David McGill and Benjamin Sauter continue to share their insights with the media into the current stand-off between Kik and the United States Securities and Exchange Commission (SEC). Yesterday, they spoke with *Law 360* on how the clash could potentially redefine securities and the cryptocurrency industry as we know it.

On June 4th, the SEC officially drew the first sword when it filed a complaint against Kik, alleging the latter's violation of the Securities Act of 1933 by failing to register their initial kin token as a security. However, the social platform maintains that kin is not classified as such. Despite the disagreement, the regulator has been investigating the platform and has listed statement and actions to support their securities classification. "It's clear that [the SEC's] investigation yielded some helpful facts," said Mr. McGill, "and statements that they've used to good effect in the complaint."

A lack of regulatory guidance for cryptocurrencies has been a long-standing point of contention in the industry, and many are hoping that Kik's challenge to the SEC's definitions will lead to necessary clarification. "Anyone looking for a quick judgment on the sufficiency of the complaint may be disappointed," observed Mr. Sauter.

[Read the full article here](#) (subscription required).