



Insights

Kobre & Kim Discusses SEC's "regulation-by-enforcement mentality" in ICO case with Cointelegraph

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Kobre & Kim's Benjamin Sauter and David McGill, who both regularly represent clients in disputes and investigations involving digital currency, recently spoke with Cointelegraph on the ongoing battle between messaging giant Kik and the U.S. Securities and Exchange Commission (SEC).

Kik's Initial Coin Offering (ICO) in September 2017 kicked off a slew of subpoenas, testimonies and a Wells Notice over the following two years. McGill commented on Kik's recent response to a formal complaint by the SEC: "Judging by the 130-page, earth-scorching answer that it filed in response to the SEC complaint, Kik intends to attack the integrity of the SEC's investigation every step of the way."

However, Sauter spoke on the damage that the investigation has already caused Kik, who recently announced the shutting down of their messaging app and subsequent layoffs of 80% of staff in an effort to continue the back-and-forth with the SEC. Sauter said the expensive legal battle highlights "the collateral damage of the SEC's regulation-by-enforcement mentality."

For the full article, [click here](#).