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Fraud Suit Verdict Undermines SEC Control of Cryptocurrencies

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Pymnts.com published an article “[Fraud Suit Verdict Undermines SEC Control of Cryptocurrencies](#)” that quotes a [Troutman Pepper advisory](#) authored by Seth M. Erickson, Mary Weeks, Douglas D. Herrmann, and J. Timothy Mast.

In a ruling that gives “cryptocurrency market participants some much-needed and rarely received comfort,” according to the law firm Troutman Pepper, a federal jury in Connecticut found that four digital assets and products related to a cryptocurrency mining operation were not “investment contracts” subject to state and federal securities laws.

The verdict in *Audet v. Fraser* “will have wide-reaching implications” for two reasons, Troutman argued in a Nov. 22 blog post.

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