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Turning up the Heat – A Look at the FTC’s Groundbreaking Fine Against Bankrupt Digital Asset Services Provider Celsius Network LLC

The Crypto Exchange Podcast

SPEAKERS

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In this episode of *The Crypto Exchange*, Troutman Pepper Partner Ethan Ostroff welcomes his colleagues Kim Phan and Addison Morgan to discuss the recent enforcement actions brought by the Federal Trade Commission (FTC) against Celsius Network and its co-founders. In addition to permanently banning Celsius Network from consumers’ assets, the FTC also fined the company a near record-breaking \$4.7 billion.

This is a groundbreaking move by the FTC for two reasons. First, it marks the first time that the agency has filed suit against a digital asset-based company. Second, the FTC’s request for civil money penalties is predicated on a novel theory under the Gramm-Leach-Bliley Act (GLBA). Alongside the FTC, the Department of Justice has also filed criminal charges against ex-CEO Alexander Mashinsky. Additionally, the Securities and Exchange Commission and the Commodity Futures Trading Commission have filed separate civil enforcement actions against Celsius.

Ethan, Kim, and Addison discuss the intricacies of the FTC’s enforcement actions against Celsius Network, including their creative use of the GLBA, and the impact this will have on future enforcement actions against companies in the digital asset ecosystem.

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