

## Daniel Stabile and Kimberly Prior Discuss Crypto.com Lawsuit Against SEC with *Cryptonews*

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Winston & Strawn partners Daniel Stabile and Kimberly Prior spoke with Cryptonews about the lawsuit filed by Crypto.com against the Securities and Exchange Commission (SEC), which aims to obtain regulatory clarity regarding the categorization of certain types of digital assets. The lawsuit follows the SEC's issuance of a Wells notice to the Crypto.com, indicating the possibility of legal action against the firm. The company stated that the SEC has overstepped by treating various digital assets as securities without following the proper legal processes.

"Crypto.com is alleging that the SEC has de facto created a rule already that essentially many types of digital assets are securities under U.S. law, and they did that without engaging in the traditional notice and comment rulemaking process, which is required under U.S. administrative law," said Daniel.

In addition to the lawsuit, Crypto.com has filed a joint petition under the Dodd-Frank Act with the SEC and the Commodity Futures Trading Commission (CFTC), which asked for collaboration between the regulatory bodies to establish clearer guidelines on digital assets. The outcome of the petition could set an important precedent, potentially influencing how digital assets are classified and regulated in the U.S.

"What's unique about this case is that it's not just a legal challenge to the SEC, but it's also an effort to get the SEC and CFTC to work together," Kim said. "Crypto.com is essentially trying to force the two agencies to interact and come to some agreement."

Kim explained that the outcome of the 2024 election could affect the direction the SEC takes with respect to digital assets, potentially determining whether the SEC softens its approach to crypto regulation. Daniel added that the U.S. Congress may play a critical role in shaping the future of digital asset regulation.

They also touched on the complexities of defining digital assets as securities, which remains a central challenge for the industry. Daniel noted that determining whether a digital asset is a security cannot be simplified into a one-size-fits-all rule, and Kim added that regulators must develop a more nuanced approach to crypto classification, emphasizing that clarity is essential to avoid blanket assumptions.

[Read the full article for more of Daniel and Kim's insights.](#)

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