BURR & FORMAN



Social Media Crypto "Influencer" Not Above the Law

Blockchain & E-Transactions Law
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Former Louisiana deputy sheriff and Russian resident Steven Seagal agreed to a Cease and Desist ("C&D") Order by the SEC, finding violations of the non-touting provisions of Securities Act § 17(b) and imposing civil penalties for acting as a Twitter and Facebook "brand ambassador" for cryptocurrency Bitcoiin2Gen without disclosing it was a paid endorsement.

The Order required Seagal to forego such opportunities for any issuer for three years, disgorge his endorsement fees and pay a civil penalty of a like amount over the coming year.

In 2017, the SEC's Office of Compliance Inspections and Examinations ("OCIE") issued a statement warning about celebrities and others using social media to tout initial coin offerings ("ICO"), here.

In 2018, the SEC entered similar C&D Orders against boxer Floyd Mayweather and music producer DJ Khalid for touting ICOs, here.

And here.

The order against *Lawman* Seagal is here.

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