

Why We're Suing the SEC

- The SEC has no authority—nor should it—to regulate global, peer-to-peer computer networks. The SEC's aggressive overreach into commodities, software, and these novel technology platforms is unlawful.
- The SEC insists that Ethereum, a decentralized network that allows people to control their own finances, identity, and information, must be centralized and beholden to the SEC or not be accessible to the U.S. at all. Its position and resulting actions undermine the global Ethereum system and negatively impact developers, market participants, the state of Texas and the U.S. at large.
- This is just the latest example of aggressive SEC regulatory overreach into sectors far beyond U.S. capital markets: the SEC has decided to regulate environmental policy and corporate governance (boards of directors), and now wants to regulate the technological evolution of the Internet.
- The SEC is currently reframing its authority, by redefining legal standards and even everyday language, in order to claim oversight of the Ethereum computer programming ecosystem.
- If the SEC has its way, then all the work that Congress and other agencies such as the Federal Reserve and Treasury have done on stablecoins is effectively dead, thereby destroying a well-established U.S. policy priority and giving the advantage in technological advancement to countries outside of the U.S.
- As of July 2023, the cryptocurrency industry includes 190,000 direct employees, with 29% of them based in the U.S. If the SEC succeeds in designating ether as a security, companies and developers would see years of work squandered and billions of dollars of economic value destroyed that could potentially lead to widespread layoffs of American workers.

About Consensys and Our Beliefs

- Consensys believes Ethereum is the strongest tool we have to create a decentralized, permissionless, and highly secure system upon which the future of technology industry – and of humanity – can develop and thrive.
- To achieve this, we want a properly regulated crypto ecosystem that is imbued with U.S. ingenuity, talent, and values – including the freedom to build something better than the systems we currently have in place.
- We are headquartered in Fort Worth and deeply value our home in Texas, a state that has welcomed the blockchain industry in its mission to innovate and disrupt for the better. We do not want to see the SEC's actions jeopardize the thriving tech community in the state.
- Our litigation against the SEC is intended to defend the entire Ethereum ecosystem, including intermediaries and developers, from overzealous interference with their software development work.
- Ether is, and should continue to be, available across a broad range of non-financial applications relevant to sectors such as media, entertainment, social media, healthcare, energy, transport, and agriculture, among others. It not only democratizes access to financial services through decentralized finance, but it shifts control back to the user by putting them in charge of their digital data and identity. For all these reasons and more, ether is not a security.
- Consensys is dedicated to ensuring a bright future for the crypto industry and the U.S., while supporting builders of the new web around the globe.