BLOCKCHAIN ASSOCIATION

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December 9, 2024

The Honorable Gary Gensler
Chairman
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Dear Chairman Gensler,

The 2024 election will soon result in new leadership of the Securities and Exchange Commission (the "Commission") with the recent nomination announcement of Paul Atkins. To preserve staff time, taxpayer dollars, and its integrity, the Commission should immediately pause work on digital asset enforcement efforts until the transition occurs.

The Commission's hostility towards digital asset firms is no secret. At the expense of U.S. economic growth, it has rejected its mission to protect investors, maintain fair, orderly, and efficient markets, and facilitate capital formation in favor of a "rule by enforcement" approach. This strategy has proven costly and inefficient for U.S. businesses, the U.S. government, and American investors. U.S. digital asset firms have paid at least 429 million dollars on defensive litigation since 2021.[1] The staff time and associated costs of defending the Commission in court are also likely high, with an increasing number of taxpayer dollars being funneled toward digital asset enforcement each year.

Any enforcement action the Commission takes against a digital asset firm between now and the transition will appear partisan and retaliatory, risking the Commission's integrity and wasting staff time and taxpayer dollars. To preserve the public's confidence in the Commission and future efforts by its staff, the Commission must stop working on digital asset enforcement efforts until the transition occurs so that the incoming SEC chair may appropriately audit them.

Sincerely,

Kristin Smith
CEO, Blockchain Association

[1] https://theblockchainassociation.org/regulation-by-enforcement/