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## sec commissioner hester peirce's provocative crypto proposal

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In an unusual and courageous move last week, SEC Commissioner Hester Peirce (aka "Crypto Mom") urged the Securities and Exchange Commission to adopt a rule that would exempt the sale of tokens or cryptocurrencies from most provisions of the federal securities laws. It's courageous in its scope and unusual because she (and her staff) drafted the proposed rule leaving the SEC few excuses to avoid considering it.

If adopted by the SEC, the rule will allow anyone to conduct initial coin offerings (ICOs) of tokens intended to be used to develop a decentralized or functional network, *provided*, that "Network Maturity" occurs within three-years. "Network Maturity" is defined by the proposed rule as when the network is either (i) no longer controlled by a single group or (ii) is functional, as demonstrated by the ability of token holders to use tokens for the transmission and storage of value, to prove control over the tokens, to participate in an application running on the network or in a manner consistent with the utility of the network...

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