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Allegations

Monday's settlement says she got \$250,000 for posting about EMAX tokens on her popular Instagram account.

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By Peter Sblendorio, New York Daily News (TNS)

It's a reality check for Kim Kardashian.

“The Kardashians” star has agreed to pay \$1.26 million in penalties and disgorgement after the Securities and Exchange Commission said she promoted a

cryptocurrency product without reporting her income for it.

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“Investors are entitled to know whether the publicity of a security is unbiased, and Ms. Kardashian failed to disclose this information.”

Kardashian, who boasts more than 330 million followers on Instagram, also agreed in the settlement not to promote any cryptocurrency products for the next three years.

She is cooperating with the SEC in its ongoing investigation, the agency said.

“Ms. Kardashian is pleased to have resolved this matter with the SEC,” a lawyer for Kardashian said. “Kardashian fully cooperated with the SEC from the very beginning and she remains willing to do whatever she can to assist the SEC in this matter. She wanted to get this matter behind her to avoid a protracted dispute. The agreement she reached with the SEC allows her to do that so that she can move forward with her many different business pursuits.”

Kardashian shared the post in June 2021. It included a link to the website for EthereumMax, which sells the EMAX tokens, the SEC said. The EthereumMax website gives instructions on how to purchase the digital tokens, according to the agency.

Her Instagram post violated a federal anti-touting provision, the SEC said. The \$1.26 million owed by Kardashian includes a \$1 million penalty for the violation, with the star also paying back the money she received for her promotion with interest.

“This case is a reminder that, when celebrities or influencers endorse investment opportunities, including crypto asset securities, it doesn’t mean that those investment products are right for all investors,” SEC Chair Gary Gensler said Monday. “We encourage investors to consider an investment’s potential risks and opportunities in light of their own financial goals.

“Ms. Kardashian’s case also serves as a reminder to celebrities and others that the law

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