

## Hudson Cook Enforcement Alert: FTC Settlement Requires Tech Company To Return Millions Stolen by Hackers

January 5, 2026 | [Robert D. Tilley](#) and [J. Francesca Gross](#)

### Highlights:

- The Federal Trade Commission ("FTC") settled a case against a technology company (the "Company"), alleging that the Company failed to implement adequate data security measures.
- The alleged security breach resulted in hackers stealing approximately \$186 million from consumers.
- The Company was ordered to return to consumers funds recovered following the security breach that were not previously returned.

### Case Summary:

In December 2025, the Federal Trade Commission announced a settlement against the Company related to a security breach at a digital asset transfer platform. The settlement resolves claims that the Company failed to take reasonable security measures while claiming to prioritize security. The FTC states these failures contributed to a 2022 hack draining about \$186 million, with consumers losing over \$100 million. The FTC voted 2-0 to accept the complaint and consent order for public comment.

The complaint alleges the Company lied about its data security and lacked basic software and security controls. It claims the Company used inadequately tested code in mid-2022, creating a vulnerability exploited by hackers. The Company also failed to implement common safeguards like secure coding, incident response, transaction monitoring, and suspicious activity measures, and lacked staff and processes to detect risks promptly.

The order requires the Company to stop misrepresenting its security practices and enforce a comprehensive security program, evaluated every two years for ten years. It also mandates returning about \$37.5 million of recovered assets to affected consumers, if not already distributed.

### RESOURCES:

You can review all of the relevant administrative filings and press releases at the [FTC's Enforcement Page](#).

- [Press Release](#)
- [Complaint](#)
- [Proposed Order](#)

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