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March 3, 2021

## **SPILMAN WEBINAR - Data Privacy and Security 101: Six Questions to Ask Yourself**

Joseph Schaeffer of our Pittsburgh office and Risa Katz-Albert of the Roanoke office discuss some basic introductory data privacy concepts, such as who has access to your data; what laws apply to your company and your company's data; when to start thinking about how you collect, store, use, and discard data; where you store your data; and why you should be considering these issues now. This webinar is a great jumping off point for anyone with curiosity on the subject, concern about their compliance with applicable laws, or questions about where to start and what to consider in designing a data privacy plan for their company. Join Joseph and Risa for a conversation about data privacy's application to your world.

Click [here](#) to watch it now.

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## **Jones Day Hit by Data Breach as Vendor Accellion Hack Widens**

*"Jones Day is the second major law firm in two weeks to have private data exposed as a result of a breach at Accellion, which provides file transfer and other services for a number of firms."*

**Why this is important:** International law firm Jones Day has come under scrutiny this month when the Clop ransomware group posted data reportedly stolen from the firm on the dark web. The group claims that it stole the information directly from Jones Day servers and that they notified the firm on February 3, 2021, and that the firm has not responded. Jones Day has publicly denied that the data was taken from their servers and is instead pointing to the cyberattack on Accellion, the file sharing service, which was reported in December 2020. Regardless of where the data was taken from, this report highlights the critical importance of having a comprehensive privacy policy in place -- one that not only controls internal company practices, but that also ensures compliance by all external contractors that have access to sensitive data. --- [Risa S. Katz-Albert](#)

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## **Why is Everyone Investing in NFTs?**

*"If you're wondering why everyone has suddenly forgotten how to take a simple screenshot, or are otherwise baffled by this—you're not alone."*

**Why this is important?** Although they've been around for a while, non-fungible tokens ("NFTs") have exploded in popularity in the past few weeks. In fact, more NFTs were sold in the past week than in all of 2020. So, what are they? NFTs essentially are digital art, music, video clips, sports highlights, or similar digital files that use blockchain technology to designate one file as the original and then record the owner of that file and all subsequent transfers of it on a blockchain. Think of it this way: I can take a photo of a landscape scene and sell you a hard copy of it. You can frame it, hang it on your wall, put it in your safe, and/or sell it to someone else. I also can take that same photo, create a digital version of it, create an NFT of it (recording that specific digital file as the original of my photo), and sell that to you. You can keep it, safeguard it, or sell it to someone else just like the hard copy. Popular brands already have gotten into this space. Nike, Louis Vuitton, and the NBA already have begun creating NFT-based assets. Mark Cuban, the owner of the Dallas Mavericks, also recently has promoted his NFT portfolio. Even William Shatner has gotten into the game with his own NFT trading cards. (If you're interested, you can get them [here](#).) --- [Nicholas P. Mooney II](#)

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## **Biomarker Identifies High-Risk COVID-19 Patients**

*"The findings of virologists headed by Elisabeth Puchhammer-Stöckl from the Medical University Vienna may pave the way to early identification of high-risk patients and better disease management."*

**Why this is important:** Austrian researchers have identified a genetic marker (a specific variant of the KLRC2 gene) that correlates with a high percentage of patients who have life threatening reactions to COVID. Researchers hope to develop a test for that gene. This will help pre-identify admitting patients that should receive aggressive treatment immediately upon diagnosis. --- [Hugh B. Wellons](#)

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## **Kia Motors America Suffers a \$20 Million Suspected DoppelPaymer Ransomware Attack**

*"The ransomware gang claimed responsibility for the attack and demands \$20 million worth of Bitcoin to decrypt files and not leak the sensitive data online."*

**Why this is important:** Ransomware attacks are not particularly new; they unfortunately happen with some regularity. There are two things, however, that make this alleged attack interesting. (Kia and Hyundai deny having suffered an attack.) The first is that the ransomware group has demanded payment in bitcoin, an increasingly common demand that only serves to increase governmental concerns about cryptocurrency's potential criminal uses. The second is that the ransomware attack has reportedly delayed customer vehicle deliveries and disabled certain vehicle functions, such as remote start from vehicle-connected mobile applications. This latter consequence, in particular, is a reminder of how intertwined technology has become in basic parts of daily life. But, it also is a reminder that internet-enabled devices are not just a selling point, they are also a potential liability risk for their producers. Indeed, it would not be surprising if Hyundai and Kia owners asserted claims based on the temporary loss of these internet-enabled features in addition to the likely inevitable claims based on disclosure of personal information. --- [Joseph V. Schaeffer](#)

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## **Russell Okung Possibly Made an Extra \$18.2M This Last Season by Getting "Paid" in Bitcoin**

*"No team was willing to do this, naturally, but he did partner with a company that accepts direct deposits and converts it into Bitcoin for you."*

**Why this is important:** Russell Okung, a football player in the NFL, has been asking to be paid in bitcoin for the past couple years, but he's been unable to get his team's agreement. Instead, despite being mocked for this decision, he's now partnered with Zap, which allows people to direct deposit their paychecks to Zap, who then converts the money into bitcoin and sends that bitcoin to the person's

cryptocurrency wallet. Okung has half of his base salary direct deposited to Zap for this purpose. The author does the math (proof-of-work style) to show that at prevailing prices Okung may have netted an additional \$18.2 million last season by doing this, which should silence his critics. --- [Nicholas P. Mooney II](#)

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## **How Nanotechnology has Improved the Auto Industry**

*"One of the most common applications of nanotechnology in the auto industry is in weight reduction."*

**Why this is important:** This is a good summary (with pictures!) of how nanotechnology is changing automobile design and manufacturing. It will change everything from the weight of the chassis to the hardness of the paint. If you love autos, you'll enjoy this article. In reality, it also is a model for how nanotechnology will enter every aspect of our lives. --- [Hugh B. Wellons](#)

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## **Kentucky Lawmaker Proposes Extending Clean Energy Incentives to Crypto Miners**

*"Proposed legislation in Kentucky would, if approved, make crypto mines in the state eligible for incentives awarded to clean-energy facilities."*

**Why this is important:** It might be obvious that the increasing popularity of cryptocurrency would spark concerns about its potential misuse for fraud and other criminal behavior. But another increasingly vocal criticism has been directed to a less obvious concern: the amount of energy needed to perform the complex calculations validating the transactions along the blockchains on which cryptocurrencies are based. Recent estimates place the global energy usage associated with cryptocurrency as equivalent to that of a mid-sized country, and though these estimates are subject to disagreement, there is little question that the energy requirements are significant. But while that causes consternation for some, Kentucky lawmakers have identified it as an opportunity to boost the Commonwealth's energy industry, while encouraging the significant capital investment associated with crypto mining. Under proposed legislation, qualified crypto mining investments would be eligible for the same incentives awarded to clean energy facilities. If this legislation is adopted and successfully spurs investment in the Commonwealth, expect other states to evaluate whether the new investment outweighs the cost of the incentives and, if so, consider following suit. --- [Joseph V. Schaeffer](#)

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## **Cryptocurrency Firms Tether and Bitfinex Agree to Pay \$18.5 Million Fine to End New York Probe**

*"New York's top law enforcement official had been investigating the firms over allegations that they tried to cover up \$850 million in losses."*

**Why this is important:** Cryptocurrency firms Tether and Bitfinex have settled a dispute against the two companies for \$18.5 million. The New York Attorney General brought claims against the companies alleging that Bitfinex used at least \$700 million of Tether's cash reserves to cover up "apparent losses of \$850 million of client and corporate funds." To accomplish this, the Attorney General alleges that Bitfinex gave the \$850 million to Crypto Capital, a Panama entity, without disclosing it to investors and then "engaged in a series of conflicted corporate transactions" in order to gain access to Tether's cash reserves. Tether is supposed to be backed by the U.S. dollar at a one-to-one ratio and the Attorney General further alleges, "Tether's claims that its virtual currency was fully backed by U.S. dollars at all times was a lie." As a result of the settlement, the companies will be required to submit quarterly transparency reports and to cease all trading in New York. With the recent increased interest in cryptocurrency, it will be interesting to see if other Attorneys General follow New York and push for more transparency in the cryptocurrency space. --- [Kellen M. Shearin](#)

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## **Remastered 'Nyan Cat' Art Sells for the Equivalent of \$605K**

*"A blockchain-powered NFT auction sold the original meme creator's artwork for 300 Ether."*

**Why this is important:** We report above on the increasing popularity of NFTs. Here's another example. In 2011, Chris Torres created Nyan Cat, the digital artwork of a flying gray cat with a Pop-Tart body and a rainbow streaming behind the cat. Now, Torres has turned Nyan Cat into an NFT. He recently sold it at auction for 300 Ether (the cryptocurrency that runs on the Ethereum blockchain), or the equivalent of approximately \$605,000. Some people are laughing at this and wondering why someone would pay this amount of money for a digital file. Regardless of your take on it, one aspect of NFTs that commentators praise is their ability to put control in the hands of those who create the art that is sold, and this sale is an example of that. Torres created this art digitally, authenticated it digitally (on a blockchain), auctioned it online, and was paid in cryptocurrency. --- [Nicholas P. Mooney II](#)

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## **After the Nobel, What Next for Crispr Gene-Editing Therapies?**

*"Some researchers hope we can use Crispr to boost our immune system so that it is better at destroying cancer cells."*

**Why this is important:** In another blurb in this edition of *Decoded*, we explain how a single gene variant identifies for high-risk COVID diagnosis. What if we can change that gene relatively easily? Will that save lives? What other implications are there from that? This intro-article into CRISPR-cas9 explores this potential. It could, for example, potentially eliminate sickle-cell disease. But many (most?) genes have more than one purpose. They often influence, or are influenced by, other genes with other purposes. We have to be extremely careful in substituting genes, to avoid horrible unintended consequences. But eliminating sickle-cell, Huntington's and other genetic predispositions will improve and extend the lives of millions. --- [Hugh B. Wellons](#)

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## **WV House Bill 2764 - Expanding the Sandox Act**

*"Allow the Division of Financial Institutions to enter into reciprocity agreements with other jurisdictions that operate similar programs to the West Virginia Fintech Sandbox Program."*

**Why this is important:** During its 2020 legislative session, the West Virginia Legislature passed the West Virginia Fintech Regulatory Sandbox Act, W. Va. Code § 31A-8G-1 et seq. Governor Justice then signed it into law. The purpose of the Sandbox Act is to encourage innovative financial products or services by giving approved applicants a 24-month exemption from certain licensure and regulatory requirements. Now, one year later, the West Virginia House of Delegates has proposed WV House Bill 2764 to expand the Sandbox Act by allowing the state to enter into reciprocity agreements with other state, federal, and foreign jurisdictions with similar programs. The effect of the legislation, if passed, would be to ease entry into the West Virginia market for outside companies, and to ease expansion into the external market for West Virginia companies. --- [Joseph V. Schaeffer](#)

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## **Coinbase Says the Entire Crypto Market Could be Destabilized If Bitcoin's Anonymous Creator is Ever Revealed or Sells Their \$30 Billion Stake**

*"The creator was the first entity to ever mine for bitcoins, and Nakamoto's stake in the digital currency accounts for nearly 5% of the entire bitcoin market, as there are only 21 million bitcoins that can be mined."*

**Why this is important:** Coinbase, one of the most popular trading platforms for cryptocurrency, recently debuted on the Nasdaq stock exchange. The crypto space has been abuzz with discussion about the information contained in Coinbase's public filing. This article discusses one nugget. Coinbase identifies Satoshi Nakamoto as a risk factor for investors. Satoshi Nakamoto is the pseudonym used by the person or group of people who created bitcoin and authored the bitcoin whitepaper more than a decade ago. Since that time, her/his/their real identity has not been revealed. Coinbase cautions investors that if Satoshi is unmasked, it could destabilize bitcoin. Also, Satoshi currently owns more than 1,000,000 bitcoins, which would destroy bitcoin's price if they were released into trading. --- [Nicholas P. Mooney II](#)

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## **Mobile Health Apps Leak Sensitive Data Through APIs**

*"We tested 30 mobile healthcare apps, and every one displayed API vulnerabilities that exposed personal healthcare data."*

**Why this is important:** Mobile health sites are very popular. They aid in monitoring exercise and important health markers. These are not used just to see if Johnny is reaching his "optimal" heart rate during a workout or if his biomass is reducing. Those sites also provide individuals and their doctors with important data on heart rate, blood pressure, blood sugar, and a host of other highly confidential health and personal information. A report was presented to chief security officers of 30 sites. It reported that different kinds of critical health data were easily accessible from 50 percent or more of these sites, and private personal information was accessible from all of them! --- [Hugh B. Wellons](#)



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