



XRP News: What Investors Should Expect From the SEC on Thursday

Description

Cryptocurrency investors continue to watch **XRP** ([CRYPTO:XRP](#)) for news about the ruling in a lawsuit involving the Securities and Exchange Commission (SEC). Shares of XRP rose on Sunday but have remained steady around \$1, as the world awaits a ruling.

What happened?

The SEC has been going after cryptocurrency companies such as XRP this year. The goal is to make sure the crypto companies weren't offering up tokens and insider information before they were legally allowed to do so.

In the case of XRP, the SEC sued the company stating a few things. First, the SEC states that XRP is a security and not a currency. This could place it under securities laws in a similar fashion to other publicly traded companies. This comes from Ripple Labs generating and distributing the tokens rather than financial institutions adopting the [currency](#).

Furthermore, the SEC alleged the company sold these XRP tokens as [unregistered](#) securities. The SEC alleged Ripple executives sold 14.6 billion units of XRP for more than US\$1.38 billion. This was to fund the company and to pay themselves.

Ripple's response

Ripple executives came back stating XRP is indeed a digital asset, like all other cryptocurrencies. It is therefore not a security. There also seems to be plans to unseal documents from 2012, showing that the cryptocurrency company was not offering an investment contract.

These documents are set to be unsealed on Feb. 17, and Ripple executives and counsel remain confident it will demonstrate the flaw in the SEC case. If what the company says is true, then this could be a catalyst for major growth for cryptocurrency investors.

Now what?

So, what should investors interested in the cryptocurrency market do about XRP for now? It seems that since the unsealed documents came into light, there was a boost in share price. However, the volatile market remains risky. And that's a huge hurdle that many would mentally have to get over. And it's not an easy one to jump.

While there might be short-term gains in XRP with this SEC ruling, the long term is still [questionable](#). Not only is Ripple one of many cryptocurrency companies, but it's certainly not the largest. It could be faced with a long uphill battle that its larger, more seasoned peers are already climbing.

That being said, XRP is *crazy* cheap. It's jumped 43% in the last year from \$0.69 to \$1.03 as of writing. So, a large investment could in fact make you a millionaire with great news. But the reverse of course could also happen. Shares plummeted in the beginning of 2022, as the tech and cryptocurrency sectors plummeted. And that could always happen again.

Foolish takeaway

The unsealed documents could tell us a lot or nothing we didn't know already. But what we're still waiting on is the SEC ruling. And who knows how long that will take?

So, it's time to question whether your portfolio can stand this bit of risk or if you need to sideline it for now. True, you might miss out, or you might miss a crash. Only time will tell. At the very least, when it comes to XRP, interested investors may not have to wait much longer.

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