



XRP: Former SEC Lawyer Says Ripple Will Win Lawsuit!

Description

The Securities and Exchange Commission's (SEC) lawsuit against Ripple Labs is still ongoing. But it's looking more and more likely that the developers of **XRP** ([CRYPTO:XRP](#)) will emerge victorious.

In a recent interview, attorney Joseph Hall — formerly an SEC official himself — said that the SEC shouldn't have brought the case in the first place. Citing the Commission's lack of basis for bringing the suit, he strongly implied that Ripple would emerge victorious. He even went so far as to say that the commission's regulatory effort risked being "shut down." In this article, I'll explore Hall's comments on the SEC vs. Ripple lawsuit, and what they mean for crypto investors.

What's at stake?

Before jumping into Joseph Hall's comments on the SEC vs. [Ripple lawsuit](#), it helps to understand what's at stake here.

Currently, cryptocurrencies are not considered securities. This means that their developers do not have to

- File financial reports;
- Disclose their holdings; or
- Register securities with the SEC.

The lack of such burdens makes cryptocurrencies extremely easy to develop and release. Due to the unregulated nature of the cryptocurrency space, organizations can create and sell tokens quickly. Were cryptocurrencies subject to securities law, they would be much more of a hassle for the people responsible for them. Although cryptocurrencies are "decentralized," there are usually entities responsible for building and maintaining their blockchain infrastructure. Heavy costs could be imposed if they were subject to securities law.

Why Hall thinks Ripple will win

According to Joseph Hall, Ripple has an excellent defence in the fact that the SEC didn't notify the company of its investigation before the suit was filed. By law, the SEC has to notify organizations when it is investigating them. It did not notify Ripple labs. Therefore, based purely on procedure, the case appears likely to fail, Hall said. He also added that the timing of the case was peculiar. The SEC was aware of Ripple from 2012 onward, yet [only recently brought its lawsuit](#). This, Hall claimed, could damage its case.

What does this mean for investors?

A win by Ripple Labs over the SEC would be great news for crypto investors — not just investors in XRP, but also in other cryptocurrencies.

Securities regulation is generally very costly. Companies have to pay investment banks large sums of money to list their securities. They also have to pay accountants and lawyers to file reports for them. All of this costs money, adding to the strain on organizations that issue public securities.

If crypto is to be subjected to such regulations, it could be costly for the organizations that develop and sell crypto. They may have to pay fines and other penalties to regulators for “illegal registrations” conducted in the past. Potentially, such costs could be crippling. They could lead to various blockchain projects being abandoned by their developers. However, if crypto is not subjected to such regulations, then the crypto industry can continue to operate as it stands today. That would most likely be taken as a positive by the crypto community, which is generally not friendly to the idea of more regulation.

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