



Ripple Lawsuit: Settlement by April?

Description

The Ripple Labs lawsuit is still ongoing. But now, an end may finally be within sight. Last month, high-profile attorney Jeremy Hogan took to **Twitter**, opining that a settlement was likely in [April or May](#). Although he made clear that this was just his “best guess,” he had valid grounds for his opinion. In an earlier tweet, he said that a settlement would have to occur between January 19 and summary judgment. A *Finance Feeds* article suggested that the lawsuit could end by August. Almost everyone commenting on the case agrees that it will end in one way or another by November of this year.

If that ends up being the case, then **XRP** ([CRYPTO:XRP](#)) investors have much to look forward to. XRP rallied earlier this week, as [talk of a settlement](#) began to pop up on social media. While a resolution to the lawsuit would not directly impact XRP’s price, it would have long term implications. Ripple Labs, the party being sued, is responsible for building and maintaining Ripple’s payments infrastructure. It’s also responsible for driving adoption; for example, by finding commercial users for the Ripple Payments network. If Ripple is sued into oblivion, then XRP’s ecosystem will receive less support going forward. However, if Ripple prevails, its projects will be able to proceed normally, which could be bullish for the XRP token.

What kind of settlement is likely?

It’s looking increasingly likely that the Ripple lawsuit will end in some kind of settlement this year. If it doesn’t, then it will go to summary judgment, where the judge will decide what Ripple owes (if anything). So, it is all but certain that we will see an end to the Ripple lawsuit this year.

The question is what the settlement will actually entail. There have been few signs on that front. We know that the SEC wants Ripple to pay out all of the proceeds it gained from selling XRP tokens, plus interest. So, if the SEC were to win in court, Ripple would be looking at \$1.3 billion plus interest. A settlement would likely be for much less than that — particularly given that the case doesn't seem to be going in the SEC's favour. When parties agree to settle, they try to work out a sum that they can both agree on. Likely, Ripple will want to pay a lot less than \$1.3 billion, though we can't say exactly what they will actually settle on.

What this means for investors

The SEC vs. Ripple Labs lawsuit has implications for XRP investors.

It also has implications for the broader cryptocurrency market.

The implications for XRP investors are the most direct. If Ripple is forced to pay out \$1.3 billion, then it will potentially become insolvent. It may cease to exist as an organization. In this scenario, the Ripple blockchain and payment platform would not be supported like it is today. If, however, Ripple wins, then the XRP/Ripple project could continue normally. That would be bullish for the XRP token.

The implications for the broader crypto market are more indirect. Legal decisions establish caselaw, or precedents that are binding on similar future cases. If XRP is considered a security, then so are **Ethereum** and **Solana**, among others. Pretty much any cryptocurrency that has an organization responsible for maintaining it would be subject to securities laws if the SEC won. That would be bearish for XRP, ETH, and others, because it would impose burdens on the organizations that work on their blockchains.

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