



## Ripple Gets Serious, Demands SEC Be SANCTIONED!

### Description

Last week, a new development occurred in the SEC vs **Ripple Labs** lawsuit, when the defendant drafted a motion to have the SEC sanctioned for “gamesmanship.”

Here’s the background story:

The SEC recently got a witness, Dr. Albert Metz, to write an opinion on whether Ripple Labs had been manipulating **XRP’s** ([CRYPTO:XRP](#)) price. Dr. Metz, a former U.S. Department of Justice official, concluded that Ripple’s public statements had [“influenced” XRP’s price](#). While Metz’ conclusion would not be a “smoking gun” proving that XRP is a security, it would perhaps lend some corroborating evidence to the SEC’s case if permitted in court.

Ripple is having none of that. In a sharply worded letter, it filed to have the Metz report excluded from the trial. The letter argues that the SEC *“failed to make a necessary disclosure under Federal Rule of Civil Procedure 26(a).”* Therefore, Ripple argues, the evidence within it is not admissible. If Ripple wins this motion then it will have racked up yet another procedural win that could give it leverage to settle with favourable terms.

### Ripple accuses SEC of “gamesmanship”

Ripple has long taken a hostile stance toward the plaintiffs in the SEC lawsuit. Accusing them of being biased, it has argued that the entire case is based on false premises. Ripple continued its harsh words with its latest motion. In its letter it said, *“a continuance [of the SEC’s motion] would reward the SEC for its gamesmanship, and further prejudice Defendants.”* Tough words that indicate Ripple plans to fight this one all the way to the end.

### Will this benefit XRP holders?

As we've seen, Ripple Labs is aggressively fighting the SEC in court. The question is whether this is relevant to XRP holders.

It is. In fact, it's potentially material important for the entire cryptocurrency industry.

While cryptocurrencies are decentralized, they do in fact depend on support from organizations. Ripple Labs is responsible for maintaining Ripple's blockchain, developing RippleNet, and publicizing XRP. All of these behind-the-scenes tasks help [drive demand for the XRP token](#). For example, when Ripple Labs recruits a company to accept XRP as a payment option, that can drive more XRP transactions than would otherwise occur. That in turn can drive demand for the XRP token. It can also lead to good publicity. All of these factors can ultimately drive XRP's price higher.

A loss in the SEC lawsuit would put all this in jeopardy. The plaintiffs want Ripple Labs to pay out \$1.3 billion plus interest. Such a massive financial liability could create a drain on the organization, impeding its ability to focus on tasks that support XRP. If Ripple wins, it won't have to worry about that liability, nor about complying with securities regulations. So, it will be more free to make XRP the best token it can be.

The same goes for the entire crypto market. If the SEC wins, it will establish case law forcing the **Ethereum Foundation** and others to register their tokens as securities. That would impose severe financial and administrative burdens on them. So, if Ripple wins, **Ether** investors and others would likely indirectly benefit.

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