



Why Voyager Digital (TSX:VOYG) Stock Dived 15% Today

Description

What happened?

Shares of **Voyager Digital** ([TSX:VOYG](#)) tanked by over 15% on Wednesday morning to as low as \$7.06 per share. With this, VOYG stock fell to its lowest level in more than eight weeks, extending its year-to-date losses to well above 50%. By comparison, the **TSX Composite Index** has risen by around 4% this year so far, as it touched its record high at close yesterday.

So what?

Voyager Digital is a New York-based [cryptocurrency](#) platform provider with a market cap of around \$1.4 billion. Today's massive losses in Voyager stock came after the company [revealed](#) that it has "received cease and desist orders from the state securities divisions of Indiana, Kentucky, New Jersey and Oklahoma, and orders to show cause or similar orders from the state securities divisions of Alabama, Texas, Vermont and Washington." These orders allege that the company "was offering and selling securities or investment contracts in the form of Voyager Earn Accounts unregistered with the applicable state." These orders could prohibit the crypto platform provider from accepting more assets in Voyager Earn Accounts or offering new accounts.

Voyager, in its press statement, mentioned that it is communicating with these regulators to clarify certain statements in the orders that it finds inaccurate and "intends to demonstrate its position and defend." The news hurt investors' sentiments and drove a sharp selloff in Voyager stock on March 30.

Now what?

Voyager Digital has seen handsome operational growth in the last few quarters. In the December quarter, its revenue jumped to around US\$164.8 million from just US\$3.6 million a year ago. Similarly, total verified users on its platform rose by about 49% sequentially to over 3.2 million at the end of the quarter.

While its recent operational growth trend looks impressive, Voyager's legal battle to legally defend itself in the states mentioned above could potentially affect its business and drive its stock lower in the near term.

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