



XRP Lawsuit: Ripple Holds Winning Hand

Description

As the SEC vs **Ripple Labs** lawsuit rolls on, it's becoming obvious that the defendants hold the winning hand. Not only has Ripple Labs racked up one procedural victory after another, it also has evidence of SEC officials making statements that undermine their own case. It looks like Ripple will be allowed to use these statements in court, should things get to that point. So, Ripple has all the assets it needs to either win at trial, or negotiate an extremely favourable settlement. In this article I will explore two big reasons why Ripple Labs is indeed holding the winning hand in the **XRP** ([CRYPTO:XRP](#)) lawsuit, and what this means for investors.

SEC undermines own case

The biggest reason to think that Ripple will win the SEC lawsuit is the fact that it has written statements by SEC officials that undermine their own case. One big piece of evidence that Ripple wants admitted to trial is a transcript of SEC official William Hinman [saying that cryptocurrencies aren't securities](#). The SEC is trying to prove that Ripple Labs conducted an unregistered securities offering. If XRP isn't a security, then there is no way that Ripple labs could have done what is being claimed. And we've got written records of SEC bigwigs saying that cryptocurrencies aren't securities. The SEC wanted the statements to this effect excluded from trial. Unfortunately for them, Ripple's lawyers moved to strike those motions, and the judge agreed. So now Ripple gets to use the SEC official's statements against the SEC in court.

Ripple racks up procedural wins

Another big factor that Ripple has going for it in the lawsuit is the fact that it has racked up a series of [procedural wins](#). In addition to the just-mentioned motion on Hinman's statements, Ripple has also won on:

- Deposing a judge who ruled that **Ethereum** isn't a security
- Getting various documents admitted to trial
- Having several SEC motions overruled

These might not seem like much. But together, they indicate that Ripple has momentum. They also may indicate that the judge is sympathetic to Ripple Labs—although that point is more speculative.

Possible impact on the XRP token

Having explored the good news for Ripple Labs, it's time to turn to the possible effect on the XRP token. Obviously, if Ripple wins the lawsuit, that will be good for it as an organization. But will it be good for XRP itself?

Possibly, yes. There are three ways in which a Ripple win could benefit XRP holders in the short term:

1. It would create good publicity that might stir up interest in (and demand for) XRP
2. It would spare Ripple Labs the burden of paying out \$1.3 billion plus interest and filing securities registrations, leaving them free to support the community
3. It would remove the incentive for Ripple insiders to sell XRP tokens in order to come up with money to pay out the \$1.3 billion

Taking these three points together, it appears that a Ripple Labs win could indeed move XRP's price upward. Of course, it remains to be seen whether this effect will materialize. But at a distance, it certainly looks possible.

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