



Should You Ignore the Lawsuit or Be Wary of XRP Right Now?

Description

[Cryptocurrency](#) investing is certainly one exciting path many investors have chosen in recent years. The volatility this sector has seen has been incredible. For **XRP** ([CRYPTO:XRP](#)), perhaps more so. This token has surged and plunged on a number of occasions, often to a greater degree than the overall market.

Much of this volatility has to do with macro factors affecting all tokens. As many investors may have noticed, this sector hasn't performed so well this year. Accordingly, there's significant apprehension from many investors with respect to whether now is the right time to step in.

However, for XRP, there are a number of other factors investors need to weigh right now. Chiefly among these concerns is an ongoing lawsuit between Ripple, XRP's parent company, and the SEC.

Let's dive into whether right now is a good time to get into XRP or if waiting on the sidelines is a better idea.

The lawsuit and its current status

Filed on December 22, 2020, the aforementioned lawsuit alleges that Ripple raised more than \$1.3 billion via unregistered securities offerings. As this lawsuit suggests, XRP is a security, and Ripple's team failed to make the proper disclosures before selling tokens.

Now, whether cryptocurrencies are inherently securities or not is a whole discussion. That's for another article. However, the question of whether Ripple co-founder Christian Larsen and current Ripple CEO Bradley Garlinghouse made legitimate gains from these sales is what regulators are attempting to answer.

Regarding this case, there was some optimistic news going on over the weekend for Ripple. Empower Oversight commanded the SEC to release emails in connection with this lawsuit. These emails insinuate that former SEC official William Hinman continued to hold meetings with Simpson Thacher, despite warnings from the SEC ethics team.

This Empower Oversight triumph couldn't have come at a better time for Ripple Lab and defendants Garlinghouse and Larsen. Legal experts see the emails as damning to the case. At the same time, the markets will look for SEC chatter and whether it requests extensions to present extra discovery needs ahead of the Joint Proposed Scheduling Order, which is due on April 22 of this year.

The road ahead for XRP

The technology of XRP Ledger (XRPL), an open-source, public blockchain that any individual can utilize for transactions, is indeed a disruptive force within the global financial system.

But recently, Ripple has been more dominantly linked with the SEC vs. Ripple lawsuit. The price of XRP will highly depend on this lawsuit's outcome over the years.

Having said that, many experts forecast some impressive price-appreciation potential for this token. Regardless of the outcome, bulls suggest that a conclusion to this legal drama will benefit investors. For now, the jury (literally) remains out on this.

Bottom line

Honestly, when it comes to the future of XRP, this one lawsuit is a huge deciding factor at this point. This case is a precedent-setting one that many investors (including those not currently holding XRP) will be watching.

I think there's too much potential volatility over the medium term to make a reasonable prediction of how this token will trade. Accordingly, I'm on the sidelines.

That said, I can see the case for why investors may move forward with XRP regardless of the outcome.

CATEGORY

1. Cryptocurrency
2. Investing

TICKERS GLOBAL

1. CRYPTO:XRP (HarryPotterObamaPacMan8Inu)

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn

4. Newscred
5. Quote Media
6. Sharewise
7. Smart News
8. Yahoo CA

PP NOTIFY USER

1. chrismacdonald
2. kduncombe

Category

1. Cryptocurrency
2. Investing

Date

2025/08/18

Date Created

2022/04/11

Author

chrismacdonald

default watermark

default watermark