



## Ripple Lawsuit: 3 Ways it Could End

### Description

The SEC's lawsuit against **XRP's** ([CRYPTO:XRP](#)) developers is still underway. Recently, Ripple Labs made a number of requests of the judge presiding over the case:

- Dismiss the action
- Enter judgment in favour of the defendants
- Have the plaintiffs pay the defendants' legal fees

The SEC, perhaps sensing that the judge is not favouring its case, is demanding that the case go to trial by jury.

If the SEC vs. Ripple Labs lawsuit goes to trial, then it should be over by November of this year. That would be an end to the drawn-out legal soap opera, which has far-reaching implications for the crypto universe. In this article, I will explore three ways the XRP lawsuit could end and attempt to ascertain how likely each of them is.

### Outcome #1: Settlement

A [settlement](#) is one possible outcome for the SEC vs. Ripple lawsuit. While the plaintiffs and defendants are gearing up for a trial, many lawsuits like this ultimately end with settlements. It's unclear how likely such an outcome is in this case. Ripple has signaled that it wants the SEC's lawsuit thrown out of court and to have the SEC pay its legal bills. That doesn't look like the behaviour of a party that wants to compromise.

Nevertheless, a settlement could occur, particularly if the SEC is the party that decides to make concessions. If that happens then the SEC and Ripple Labs will decide on a small amount for Ripple to pay and end the case without going to trial.

### Outcome #2: Ripple win at trial

A second possible outcome in the SEC vs. Ripple lawsuit is a [win for Ripple](#) at trial. The term “win” in this case is somewhat ambiguous. Basically, if the judge/jury decides that Ripple doesn’t have to pay anything out, then it “wins” in the financial sense. It also avoids having XRP regulated as a security, which is another “win.” If it gets the SEC to pay its legal bills, that’s icing on the cake, but it isn’t necessary for the trial to go in Ripple’s direction overall.

There’s also the matter of caselaw. When judges rule on cases, their decisions become a kind of “law” that governs similar cases in the future. If Ripple wins then the entire crypto market dodges a regulatory bullet. That would be a big win for the crypto economy as a whole.

## Outcome #3: SEC win at trial

A final possible outcome for the XRP lawsuit is an SEC win. In this scenario, the judge sides with the SEC, and Ripple is forced to pay out \$1.3 billion plus interest. This would put an enormous financial strain on Ripple Labs. It would also cause XRP to be regulated a security going forward, which would impose an administrative burden.

This is by far the worst outcome for XRP holders. If the SEC wins, then Ripple Labs will have to spend time coming up with money to pay the amount awarded. Its efforts with RippleNet and its blockchain will likely suffer. In this scenario, it’s not hard to picture XRP going down in price. So, an SEC win is the “worst-case scenario” that XRP investors want to watch out for.

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