



XRP Lawsuit: A Huge Win Secured!

Description

Ripple Labs won a major victory in the **XRP** ([CRYPTO:XRP](#)) pre-trial hearings last week. The judge ruled for a second time that Ripple could use written statements by an SEC official that damage the SEC's own case. With this evidence permitted in trial, Ripple has increased its chances of winning. That, in turn, increases the chances of a settlement on favourable terms for XRP's developers.

Judge denies DPP motion

Last week, Judge Sarah Netburn ruled against the SEC, saying that she would not reconsider her prior ruling on the Hinman statements. Prior to the filing of the lawsuit, SEC official William Hinman publicly said that cryptocurrencies were not securities. The use of his words in court was a major battle in the pre-trial hearings; Ripple Labs wanted to use it, and the SEC wanted Ripple to be banned from using it.

Last week, Netburn decided that Ripple Labs could use the statement *for a second time*. So, now, Ripple can use evidence that will be extremely favourable to the claim it's trying to make: that XRP *is not* a security. That significantly increases the chances of Ripple winning should the matter go to trial.

Settlement coming?

Now that Ripple can use William Hinman's [statements](#) in court, its chances of victory have improved. In a trial, the more evidence you can bring that favours your side, the better. Ripple is permitted to use a statement by an SEC official contradicting the SEC's entire case. That's extremely damaging to the plaintiffs.

For this reason, we might expect a settlement in the SEC vs. Ripple Labs lawsuit pretty soon. It just isn't looking likely that the SEC will win if this thing goes to trial. Potentially, they may seek to settle to extract a minor concession from Ripple Labs. Legal experts following the XRP lawsuit have speculated that a settlement could come as soon as April. We still have about two weeks left in the month, so it's entirely possible that that could happen. If a settlement were reached, it would likely be for a small amount, since Ripple has said that it totally rejects the SEC's claims and wants the agency to pay its

legal bills.

What this means for XRP holders

If Ripple prevails in the XRP lawsuit, that will be a boon to XRP holders. It may not lift the token's value overnight (last week's procedural win certainly didn't), but it will improve the XRP ecosystem as a whole. Ripple Labs is involved in developing XRP, not only as a currency, but also as a payment service. It spends significant sums of money every year on projects such as these:

- Funding independent blockchain developers
- Building RippleNet
- Recruiting banks to use RippleNet for cross-border money transfers
- And more

All of these tasks take time and money. For example, the recent funding round for XRP developers cost [nearly \\$1 billion](#). If Ripple wins the lawsuit, it will not have to pay out \$1.3 billion and will therefore be able to continue working on projects like the ones just mentioned. That will probably be bullish for XRP.

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