



XRP Down Massively in 2022: Is the Lawsuit Related?

Description

A 54% loss wouldn't sit well with any investor, especially if the near-term recovery is unlikely. **Ripple's** ([CRYPTO:XRP](#)) native token is down massively in 2022, and its fate hinges on a court ruling. Besides the intensifying selloff in the [cryptocurrency market](#), the SEC lawsuit against Ripple Labs and its two senior executives weighs heavily on XRP.

Crypto giant **Bitcoin** hit an intraday bottom of US\$28,261.91 on May 26, 2022, and is losing by 38% year to date. **Ethereum** has widened its loss to 53% after falling below US\$1,800. XRP's predicament is double, as the legal tussle with the SEC might extend until 2023. As of this writing, the price is only US\$0.38335 from US\$0.863304 on March 28, 2022.

Case update

Legal expert and defense lawyer James K. Filan predicts the case won't be over in 2022. The summary judgment could come towards the end of Q1 2023. According to Filan, the magistrate judge has to decide on seven pending issues. The most prominent of them are the emails of William H. Hinman.

Hinman is the former director of SEC's Corporate Finance Division; he ruled in 2014 that Bitcoin and Ethereum are not securities. However, the SEC alleges that the defendants conducted an illegal or unregistered, ongoing digital asset securities offering through the sale of XRP (US\$1.3 billion).

Ripple believes that Hinman's testimony on the SEC's internal views and policy decision-making is crucial to turning the tide in its favour. But for the regulator or plaintiff, all documents related to Hinman's statements or speech eight years ago have attorney-client privilege protection. Thus, the SEC will most likely object to producing any documents.

Filan said the judge might decide on various issues at different time intervals. He predicts that the summary judgment, including decisions on expert motions, might come on or before March 31, 2023.

Mainstream adoption

Mainstream adoption of cryptocurrencies is growing, as evidenced by their institutional partnerships. XRP is among the cryptos accepted in **Nuvei's** transactions, despite the long-drawn case. The Canadian payment technology solutions company is a known supporter of cryptocurrencies. Its partner merchants can send or receive payments using XRP, Bitcoin, Ethereum, and **Dogecoin**, among other cryptos.

SBI Motor Japan, an automobile exporting company, also announced recently that XRP and Bitcoin are acceptable payment options in SBI VC Trade.

IPO plans

On May 25, 2022, Brad Garlinghouse, Ripple's CEO and co-defendant in the SEC lawsuit, disclosed that an initial public offering (IPO) is a possibility when the case is over. He said, "Our growth is almost all outside the United States. I think that'll probably persist until we get the clarity and certainty in the U.S. we've been seeking."

According to Garlinghouse, business growth is continuing. In Q1 2022, the volume for Ripple's cross-border payments product, On-Demand Liquidity, grew 700% to US\$8 billion versus Q1 2021. The said product uses XRP. He hopes the SEC will not slow the process of going public.

Competitive advantage

Some market observers say that the Ripple network or payment settlements system is better than Bitcoin. Besides the lower cost, XRP transactions are confirmed in seconds, not minutes. Unfortunately, the SEC lawsuit impedes the crypto's advance.

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