

## A Sudden Wave of Crypto-Related Litigation Hits the SDNY

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Seemingly out of nowhere, a sudden wave of crypto-related shareholder lawsuits has hit the Southern District of New York. Eleven such actions were filed on Friday, April 3. That single-day volume would be surprising for any type of shareholder lawsuit, but for all those cases to be crypto-related is unprecedented. Also noteworthy is that all 11 actions were initiated jointly by just two law firms, Roche Cyrulnik Freedman LLP and Selendy & Gay PLLC.

The complaints allege generally that the defendants – comprised of exchanges and issuers - were engaged in the sale of unregistered digital tokens and other instruments in violation of applicable federal and state securities laws. Representative of these lawsuits is the action filed against [Binance](#), purportedly the largest cryptocurrency exchange in the world by trading volume. The Binance action was filed on behalf of a class of investors who purchased twelve digital tokens that Binance had sold through its online exchange since July 1, 2017, allegedly without registering under applicable federal and state securities laws as an exchange or broker-dealer, and without an effective registration statement. Defendants in the other ten crypto-related actions are: [Tron Foundation](#), [HDR Global Trading Limited](#), [KuCoin](#), [Bibox Group Holdings Limited](#), [Block.One](#), [BProtocol Foundation](#), [Civic Technologies, Inc.](#), [KayDex Pte. Ltd.](#), [Quantstamp, Inc.](#), and [Status Research & Development GmbH](#).

Crypto-related shareholder litigation was an emerging trend even before these actions were filed. To date, plaintiffs have filed [33 crypto-related securities class actions](#) in federal court. It remains to be seen if this sudden one-day volume will remain just an anomaly or portends a wave of such cases hitting courts across the country.

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