

## SEC Enforcement Case Summary Q2 Crypto Enforcement Developments

The Securities and Exchange Commission (**SEC**) is actively focused on understanding and determining an appropriate regulatory framework for the crypto industry. As the debate continues regarding what this should look like, during Q2 2025, the SEC both dismissed multiple crypto-related enforcement cases and also brought new cases. Final judgement was obtained in one notable case. Further complex developments played out in a long-standing legal dispute between the SEC and Ripple Labs regarding the sale of the XRP token. Following is a summary of such developments.

Dismissed cases included:

- Binance Holdings Limited, et al (06/05/23) - Crypto asset trading platform charged with operating unregistered exchanges
- Ian Balina (09/19/22) - Crypto asset promotor charged for touting tokens without disclosing compensation
- Dragonchain, Inc., et al (08/16/22) - Three entities and their founder charged with unregistered crypto asset securities offering

New cases included:

- Ramil Ventura Palafox (04/29/25) - Founder of purported crypto asset and foreign exchange trading company PGI Global charged with fraudulent multi-level marketing scheme that raised \$198 million from investors and for misappropriating more than \$57 million of investor funds
- Richard T. Kim (05/07/25) - Founder and former CEO charged with fraud for misappropriating approximately \$3.7 million of investor funds raised to build a blockchain-based online casino
- Unicoi, Inc., et al (05/27/25) - Unicoi and top executives charged with raising more than \$100 million through extensive public marketing and promotional efforts in unregistered offer of rights to receive crypto assets that falsely claimed to be registered with the SEC

Other case developments included:

- CLS Global FZC LLC (04/17/25) - Received final judgment in an October 2024 case involving a so-called market maker providing "market-manipulation-as-a-service" and a market manipulation scheme involving NexFund AI
- Ripple Labs, Inc., et al (05/08/25) - The SEC originally charged Ripple Labs in December 2020 with conducting a \$1.3 billion unregistered securities offering and sought a \$125 million civil penalty. In August 2024, Judge Analisa Torres of the Southern District of New York subsequently found that Ripple's sales of XRP to institutional investors were investment contracts and thus securities, requiring registration, while sales of XRP on public exchanges to retail investors were not deemed to be securities transactions. Both Ripple and the SEC appealed aspects of the ruling. In a May 2025 settlement agreement, the SEC and Ripple agreed to jointly request the district court to dissolve the final judgment, with Ripple agreeing to a lesser \$50 million penalty. However, in a June 2025 ruling, Judge Torres refused, suggesting that the parties could drop the case or pursue appeals.

The dismissed cases each noted that SEC's decision does not necessarily reflect its position on any other litigation or proceeding. The new cases all include egregious facts and circumstances involving other fraudulent activities. The market manipulation details of the CLS Global case set it apart from crypto cases solely involving unregistered securities offerings or unregistered broker-dealer activities. The still unresolved saga in the Ripple case leaves limited options for both parties with potentially significant implications for the future of crypto regulation.

Standish Compliance will continue to follow developments related to crypto regulation and enforcement including [legislative developments](#) in the United States Congress that may significantly alter the regulatory landscape for crypto assets.

**See SEC Summaries:**

**Binance Holdings** - <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26316/> / <https://www.sec.gov/newsroom/press-releases/2023-101>

**Ian Balina** - <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26302/> / <https://www.sec.gov/newsroom/press-releases/2022-167>

**Dragonchain** - <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26299/> / <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-25468>

**Ramil Ventura Palafox** - <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26295>

**Richard T. Kim** - <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26304>

**Unicoin, Inc.** - <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26314>

**CLS Global** - <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26287/> / <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26154>

**Ripple Labs** - <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26306/> / <https://www.sec.gov/newsroom/press-releases/2020-338>