



CRYPTO BRIEF



March 20, 2025

Lowenstein Crypto advises leading digital asset and cryptocurrency projects, exchanges, and trading firms. Our practice covers regulatory advice, transactions and structuring advice, investigations, and adversarial matters including commercial disputes, bankruptcy, and related litigation. As these markets continue their rapid growth and market participants continue to evolve and mature their businesses, we are providing this weekly digest as a resource that highlights and summarizes a selection of key recent legal regulatory developments.

Ripple CEO Announces SEC Intends To Drop Appeal

On March 19, Brad Garlinghouse, the CEO of Ripple Labs, announced that the Securities and Exchange Commission (SEC) intends to drop its appeal before the U.S. Court of Appeals for the Second Circuit. The SEC originally filed its lawsuit in 2020, alleging that Ripple sold approximately \$1.3 billion XRP tokens via an unregistered securities offering. On July 13, 2023, Judge Analisa Torres, district judge for the United States District Court for the Southern District of New York, held, among other things, that XRP is not in and of itself a security. Torres clarified that whether a digital asset is a security depends on how and to whom it is sold or distributed. Still pending before the Second Circuit is Ripple's cross-appeal of Torres' final judgment, entered on August 7, 2024, which requires the company to pay \$125 million for its unregistered securities offering to institutional investors. See *Brad Garlinghouse's X post* [here](#).

Kraken Set To Acquire Futures Commission Merchant NinjaTrader For \$1.5 Billion

On March 20, Kraken, one of the largest digital asset exchanges in the world, announced a landmark deal to acquire NinjaTrader, a leading U.S. retail futures trading platform, for \$1.5 billion. NinjaTrader is a CFTC-registered Futures Commission Merchant (FCM) that provides futures and derivatives trading tools and services to nearly 2 million traders. By acquiring an FCM, Kraken will be able to offer crypto futures and derivatives products in the U.S. and utilize its existing licenses in the UK, EU, and Australia to help expand NinjaTrader's reach in these jurisdictions. The acquisition represents a significant integration of traditional finance and crypto markets, and positions Kraken as a prominent leader in providing professional traders with a multi-asset class platform supporting crypto and traditional assets with efficient, real-time, and 24-hour services. See *Kraken's blog post announcing the acquisition* [here](#).

U.S. Department of Treasury Requests Stay To Provide Time To Delist Tornado Cash

On March 17, the U.S. Department of the Treasury (Treasury) filed its response (in connection with *Van Loon v. Department of the Treasury*) to the plaintiff's motion for entry of judgment or, in the alternative, motion for stay. In 2022, the Office of Foreign Assets Control (OFAC) added Tornado Cash to the Specially Designated National and Blocked Persons (SDN) list in connection with its alleged assistance in laundering virtual currency by bad actors. The district court held in favor of the Treasury; however, the U.S. Court of Appeals for the Fifth Circuit reversed the decision, holding that

Tornado Cash's immutable smart contracts were not the property of an entity and therefore could not be blocked under the International Emergency Economic Powers Act. However, the Treasury argues in its motion for stay that vacating the SDN designation for Tornado Cash in its entirety could have "disruptive consequences" for national security and law enforcement. Notably, however, the Treasury does not elaborate what the concerns are.

Senate Banking Committee Approves the GENIUS Act

On March 13, the U.S. Senate Committee on Banking, Housing, and Urban Affairs voted to advance the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act. The GENIUS Act provides a regulatory framework for stablecoins and is the first digital asset legislation in the new Congress. The GENIUS Act will now move to the full Senate for consideration. *See the press release from the U.S. Senate Committee on Banking, Housing, and Urban Affairs [here](#) and the GENIUS Act [here](#).*

House Passes Ways and Means Legislation To Roll Back the Biden Administration's Midnight Crypto Rule

On March 12, the House of Representatives voted overwhelmingly to overturn H.J.Res.25, the "DeFi Broker Rule" (Rule), that was introduced by the House Ways and Means Committee. The rule was introduced by the Department of the Treasury under the Biden administration and places heavy reporting requirements on decentralized finance exchanges. The rule would have required participants to collect and report sensitive taxpayer information. The House's overwhelming vote overturning the rule illustrates the significant pushback against regulatory measures that are perceived as burdening the digital asset sector. *See the House Ways and Means Committee Report [here](#) and the House Ways and Means Committee announcement [here](#).*

Events and Industry Gatherings

Digital Asset Summit 2025

The Digital Asset Summit is being held in New York City from March 18 to March 20. The summit will host panels covering a variety of topics related to digital assets, including but not limited to the institutionalization of crypto, innovations in global banking, and the future of crypto. *See a link to information on the Digital Asset Summit [here](#).*

D.C. Blockchain Summit 2025

The Digital Chamber, a crypto advocacy group, will be hosting the D.C. Blockchain Summit in Washington D.C. on March 26. The summit will bring together leaders in the blockchain and digital asset spheres to speak on key issues within the digital asset industry and the future of digital assets. *See a link to the event page [here](#).*

Spring Sprint Toward Crypto Clarity

The SEC Crypto Task Force will host a roundtable on March 21 from 1 p.m. to 5 p.m. EDT to discuss crypto regulation. The event is open to the public and will also be recorded on the SEC's website. *See a link for the roundtable details [here](#).*

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