

# Crypto Securities Class Action Litigation 2024 Year Review

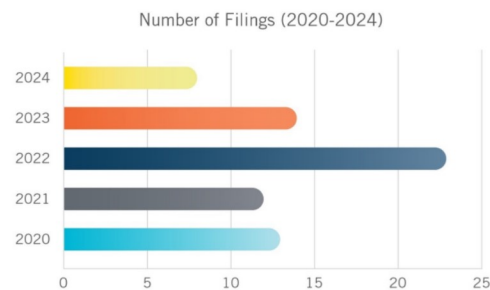
MARCH 24, 2025

The overall strength of the crypto asset markets in 2024 resulted in a year with significantly less crypto securities class action litigation than in recent years. Despite this decrease, the nature of the allegations made by class action plaintiffs in 2024 remains similar to those in previous years. This report explores the 2024 crypto securities class action litigation trends, including the decrease in the number of cases filed, the geographical distribution of the cases, the current stages of litigation, the types of defendant entities and allegations, and stock or asset price drops following company disclosures, short seller reports, or government announcements.

## 2024 Decrease in Cases Filed Correlates with Crypto Asset Markets Strength

There were only eight crypto-related securities class action litigation actions filed in 2024. This presents a stark decrease in the number of crypto-related securities class action cases as compared to 2023 (14 cases), 2022 (23 cases), 2021 (12 cases), and 2020 (13 cases).<sup>1</sup>

This decrease is likely a result of the dramatic recovery and resilience of the crypto asset markets in 2024.<sup>2</sup> Historical trends indicate that fewer lawsuits are filed during crypto bull runs, when investors are making profits.<sup>3</sup> Conversely, more lawsuits are filed as investors incur losses during “crypto winter,” a period characterized by low crypto asset prices.<sup>4</sup>



## Jurisdiction of First Filed Cases and Stages of Litigation

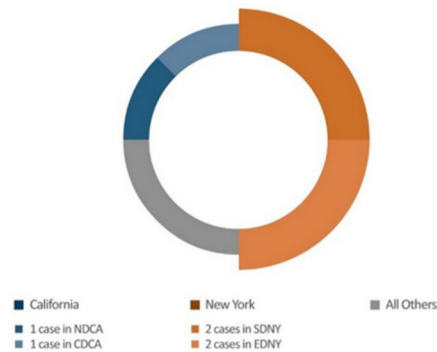
Given the relatively few crypto securities class action cases this past year, the 2024 class actions have not been as geographically widespread as in recent years.<sup>5</sup> The cases in 2024 have been filed in New York, California, New Jersey, and Pennsylvania: two in the Southern District of New York, two in the Eastern District of New York, one in the Northern District of California, one in the Central District of California, one in the

District of New Jersey, and one in the Eastern District of Pennsylvania.<sup>6</sup> Interestingly, New York and California continue to be the most favored forums, which may be indicative of the strong crypto business presence and/or recoveries in prior cases in those states.

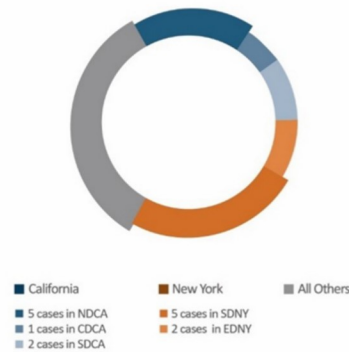
As in previous years, the majority of defendants in crypto class actions in 2024 were headquartered (or located) in the U.S. In 2021, 8 of 12 defendants were headquartered in the U.S.; in 2022, 21 of 23 defendants were headquartered in the U.S.; and in 2023, 9 of 14 defendants were headquartered in the U.S.<sup>7</sup> In 2024, half of the defendants central to the allegations were headquartered in the U.S., including Future FinTech Group Inc., Hut 8 Corp., Dolce & Gabbana USA Inc., and Midnight Hub. In addition, one case involves a high-profile celebrity defendant residing in the U.S., Caitlyn Jenner.<sup>8</sup> Exceptions to U.S. headquarters or individual locations include Iris Energy Limited, headquartered in Australia; overHere Limited, headquartered in Hong Kong; and Coinbase Global, Inc., which is remote-first and does not maintain a headquarters although its CEO, Brian Armstrong, is a resident in the U.S.

All eight cases filed in 2024 are unresolved and in the early stages of litigation, and it is likely that these cases will continue being litigated well into 2025 and beyond. It is unclear whether the U.S. Securities and Exchange Commission's ("SEC") reported decision to withdraw its ongoing litigation against Coinbase will have any impact on the class action against the company, or on any other crypto-related class action litigation.<sup>9</sup>

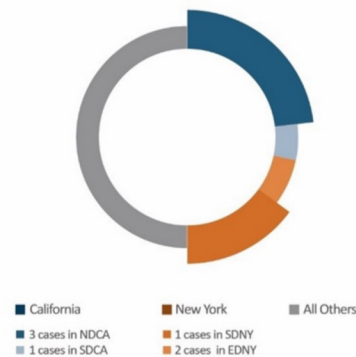
Forum State of First Filing (2024)



Forum State of First Filing (2022)



Forum State of First Filing (2023)



## Footnotes

<sup>1</sup> This report depends primarily on data from the Stanford Law School Securities Class Action Clearinghouse. *Current Trends in Securities Class Action Filings*, Stanford Law School Securities Class Action Clearinghouse (last accessed Feb. 10, 2025).

<sup>2</sup> See Nikita Tambe and Aashika Jain, *Why Is the Crypto Market Rising Today?*, Forbes Advisor (Oct. 25, 2024); Jamie Crawley & Omkar Godbole, *First Mover Americas: Bitcoin Bulls Eye \$70K After Return to \$66K*, CoinDesk (July 17, 2024).

<sup>3</sup> See Dechert LLP, *Cryptocurrency Securities Class Action Litigation 2023 Year Review* (Feb. 29, 2024).

<sup>4</sup> See Dechert LLP, *Cryptocurrency Securities Class Action Litigation 2022 Year Review* (Mar. 27, 2023); Farshad Ghodoosi, *Crypto Litigation: An Empirical View*, Yale Journal on Regulation (Nov. 28, 2022).

<sup>5</sup> According to data from 2021-2024 for filings of crypto securities class actions. *Current Trends in Securities Class Action Filings*, supra note 1.

<sup>6</sup> *Labelle, et al. v. Future Fintech Group Inc., et al.* (“Future FinTech Group Inc. Securities Litigation”), 2:24-CV-00247 (D.N.J. Jan. 16, 2024), CAC.

*In re Hut 8 Corp. Securities Litigation* (“Hut 8 Corp. Securities Litigation”), 1:24-CV-00904 (S.D.N.Y. June 14, 2024), CACAC

*Castle, et al. v. Coinbase Global, Inc., et al.* (“Coinbase Global, Inc. Securities Litigation”), 2:24-cv-04850 (E.D. Pa. Sept. 13, 2024), CAC.

*Brown, et al. v. Dolce & Gabbana USA Inc., et al.* (“Dolce & Gabbana USA Inc. NFTs Securities Litigation”), 1:24-CV-03807 (S.D.N.Y. Sept. 25, 2024), ACAC.

*Williams-Israel, et al. v. Iris Energy Limited, et al.* (“Iris Energy Limited Securities Litigation”), 1:24-CV-07046 (E.D.N.Y. Oct. 7, 2024), CAC.

*Hermann, et al. v. Midnight Hub, et al.* (“Midnight Hub Securities Litigation”), 3:24-cv-07704 (N.D. Cal. Nov. 5, 2024), CAC.

*Azad, et al. v. Caitlyn Jenner, et al.* (“Jenner Securities Litigation”), 2:24-cv-09768 (C.D. Cal. Nov. 13, 2024), CAC.

*Mena, et al. v. OverHere Limited, et al.* (“OverHere Limited Securities Litigation”), 1:24-CV-08695 (E.D. N.Y. Dec. 20, 2024), CAC.

Please note that herein “CAC” refers to the “Class Action Complaint,” “CACAC” refers to “Consolidated Amended Class Action Complaint,” and “ACAC” refers to “Amended Class Action Complaint” for the corresponding citations.

<sup>7</sup> Dechert LLP, *Cryptocurrency Securities Class Action Litigation 2023 Year Review* (Feb. 29, 2024).

<sup>8</sup> *Jenner Securities Litigation*, CAC at ¶ 13.

<sup>9</sup> Coinbase Global, Inc., *Form 8-K*, U.S. Securities and Exchange Commission (Feb. 21, 2025).

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