

# Second Circuit Rules Class Action Against Binance May Proceed

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In a victory on behalf of a putative class of investors who traded on Binance, one of the world’s largest crypto-asset exchanges, a Second Circuit panel unanimously reversed the district court’s decision granting Binance’s motion to dismiss in *Lee v. Binance*. Selendy Gay initially filed the class action against Binance, which allegedly offered and sold billions of dollars of unregistered digital tokens to investors in violation of federal and state securities laws, in the Southern District of New York in the spring of 2020.

The Second Circuit’s decision addresses novel questions regarding the application of traditional securities law principles developed over the past century to the emerging technology of crypto-assets and crypto-asset exchanges. In reversing the district court’s dismissal, the Second Circuit ruled that plaintiffs successfully alleged domestic securities transactions on multiple independent grounds, and that plaintiffs’ federal law claims arising from purchases made during the year before filing suit are timely. The court further concluded that the district court improperly dismissed state “Blue Sky” law claims brought on behalf of absent class members.

Jordan Goldstein, who leads the team at Selendy Gay, states, “On behalf of investors who traded on Binance, we are pleased that a Second Circuit panel has unanimously acknowledged the strength of our claims and permitted this action to proceed. We look forward to prosecuting this class action against Binance and its founder Changpeng Zhao.”

The team at Selendy Gay is led by partners Jordan Goldstein and David Coon.

Read the court’s decision [here](#).

## Attorneys

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