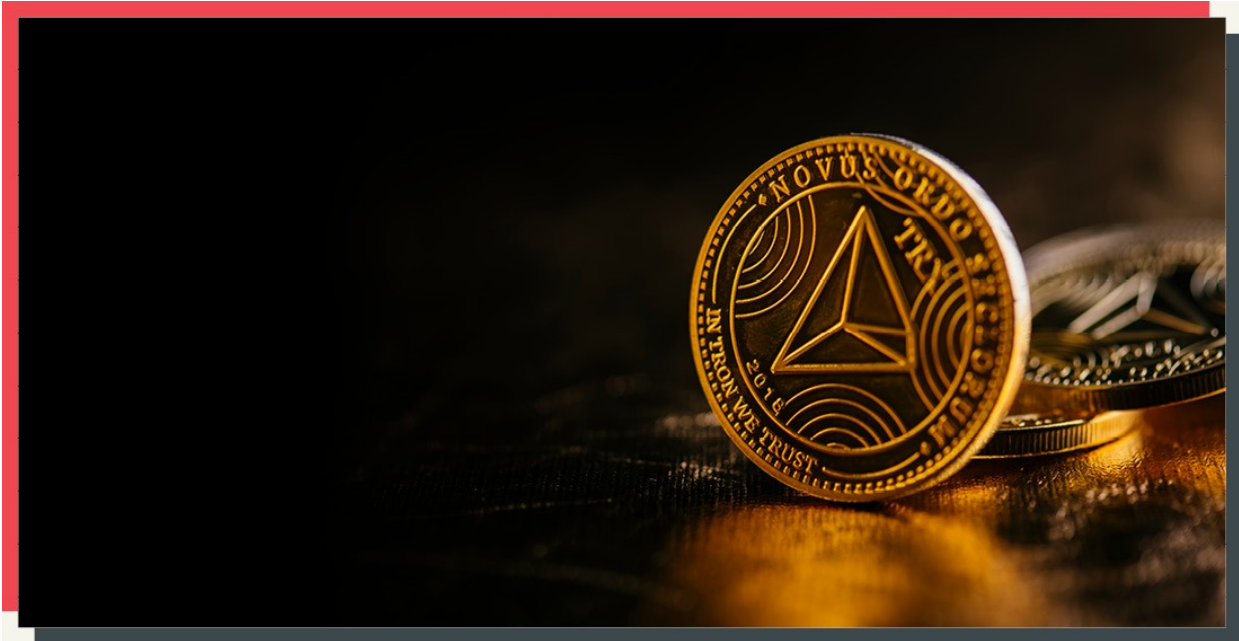


## District Court Allows TRX Investors to Proceed with Securities Class Action

10/24/24



In a victory on behalf of a proposed class of investors who traded TRX, a crypto-token created by the TRON Foundation, the U.S. District Court for the Southern District of New York denied a motion to dismiss claims alleging that TRON and its founder, Justin Sun, misled investors by promoting, offering, and selling TRX in violation of federal and state securities laws.

In the Court's ruling, the Hon. Vernon S. Broderick found that our clients plausibly alleged violations of Section 12(a)(1) of the Securities Act of 1933 through their claims that TRON and its founder engaged in the promotion, offering, and sale of unregistered securities. The Court also ruled that the Section 12(a)(1) claims are timely and agreed that the investors have standing to bring the claims for secondary market purchases.

The Court further rejected the defendants' arguments that personal jurisdiction did not exist and that New York would be an inconvenient forum in which to litigate the case.

This ruling allows the plaintiffs' federal and state law securities claims to proceed to discovery. It also provides strong authority for pending actions against other crypto-asset issuers and exchanges, including class actions brought by Selendy Gay.

The Selendy Gay team is led by partners Jordan Goldstein, Oscar Shine, and David Coon and associate Babak Ghafarzade.

Read the court's decision [here](#).

### Attorneys

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- Oscar Shine
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**Practice**

- Crypto-Assets