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February 17, 2022

**Via ECF**

The Honorable Analisa Torres  
United States District Court  
Southern District of New York  
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Re: *SEC v. Ripple Labs, Inc. et al.*, No. 20-cv-10832 (AT) (S.D.N.Y.)

Dear Judge Torres:

We write on behalf of Defendants Ripple Labs Inc. ("Ripple") and Christian A. Larsen in response to the Court's February 3, 2022 Order (the "Order"). As we explain below, in light of the Order: (1) Ripple and Mr. Larsen do not oppose unsealing the Legal Memos in their entirety (ECF Nos. 108-1, 108-2, 130-1, 130-2); (2) Ripple and Mr. Larsen are submitting with this letter a version of Exhibit E (ECF No. 179-3) with one limited redaction for the public docket—a redaction to which the SEC does not object—and respectfully request that the unredacted Exhibit E remain under seal; (3) Ripple does not oppose the unsealing in full of the SEC Memo (ECF No. 131) and Ripple's Opposition (ECF No. 172); and (4) Mr. Larsen does not oppose the unsealing in full of the Larsen Memo (ECF No. 106), the SEC Opposition (ECF No. 183), and the Larsen Reply (ECF No. 222).

First, Ripple and Mr. Larsen are not proposing redactions to the Legal Memos (ECF Nos. 108-1, 108-2, 130-1, 130-2). Mr. Larsen believes that, if any part of

the Legal Memos is unsealed, then both documents should be unsealed in their entirety so that the public can review the SEC's characterizations of those documents in their full context. For the avoidance of doubt, Ripple's and Mr. Larsen's position on sealing is not intended to be a waiver of any evidentiary privilege or protection from disclosure with respect to the subject matter of the Legal Memos. We note that the SEC previously filed proposed redacted versions of these documents (*see* ECF Nos. 178, 178-1, 178-2); however, after conferring with the SEC, we understand that the SEC agrees to the unsealing of the Legal Memos in their entirety and is not requesting redactions.

Next, Ripple and Mr. Larsen are proposing one limited redaction to Exhibit E (ECF No. 179-3) to maintain the privacy of one of Ripple's equity investors. Exhibit E references the investor's name only in passing, and the investor's identity is not relevant to any of the issues before the Court. Moreover, Ripple's equity investors have invested in the company with the expectation that their identities would remain confidential. Accordingly, redacting the investor's name from the public docket is appropriate. *See, e.g., Whittaker v. MHR Fund Mgmt. LLC*, No. 20-cv-7599, 2021 WL 4441524, at \*2, \*3 (S.D.N.Y. Sept. 28, 2021) (Torres, J.) (upholding redaction of investor names to protect "the privacy interests of innocent third parties," and explaining that "courts in this Circuit have expressly recognized privacy interests in keeping investor names . . . confidential," "particularly where there is no evidence that the identities of investors directly affect the adjudication" (quotation marks omitted)). A copy of Exhibit E with the proposed redaction is attached to this letter. We have conferred with the SEC, and it does not object to the proposed redaction.

Finally, Ripple does not oppose the unsealing in their entirety of the SEC Memo (ECF No. 131) and the Ripple Opposition (ECF No. 172), and Mr. Larsen similarly does not oppose the unsealing in their entirety of the Larsen Memo (ECF No. 106), the SEC Opposition (ECF No. 183), or the Larsen Reply (ECF No. 222). The only redacted passages in these documents concern material drawn from the Legal Memos and Exhibit E, and they do not reference the name of the investor that Ripple and Mr. Larsen propose to redact from Exhibit E.

Dated: February 17, 2022  
New York, NY

Respectfully Submitted,

/s/ Martin Flumenbaum

Martin Flumenbaum

PAUL, WEISS, RIFKIND, WHARTON &  
GARRISON LLP

*Counsel for Defendant Christian A. Larsen*

/s/ Andrew J. Ceresney

Andrew J. Ceresney

DEBEVOISE & PLIMPTON LLP

*Counsel for Defendant Ripple Labs, Inc.*

cc: All Counsel (via ECF)

# Exhibit E

(Redacted)

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**From:** Chris Larsen <chris@ripple.com>  
**Sent:** Monday, May 26, 2014 1:43 PM  
**To:** Ryan Fugger  
**Subject:** Re: Jesse

Founders were issuers rather than RL so RL could be a user not an issuer. Founders assumed risk of bring issuers which persists today. This protected RL and was a key pt in our first convertible note w investors like [REDACTED]. 20% was comp for founders personally assuming this risk.

Also, analysis from Perkins Coie was that investors and employees could not receive XRP, could risk SEC designation of a security. Only founders could - Jed, Arthur and me.

Further - post march 2013 FinCEN guidance - the RL designation as a user rather than issuer is and continues to be key - reducing risk to RL holders like Jesse - increasing risk to founders/ issuers.

Further, the ledger was reset hundreds of times leading up to public launch in dec 2012 - nonetheless, the ledger simply reflects property ownership of XRP which was founders 20%, RL 80%.

Hope that helps.

Chris

Chris Larsen | CEO  
Ripple Labs, Inc.  
chris@ripple.com | ripple.com

> On May 26, 2014, at 12:50 PM, Ryan Fugger <arv@ryanfugger.com> wrote:

>

> So, just to get it straight -- what was the reason the founders kept 20% instead of giving it all to RL?