



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
100 PEARL STREET, SUITE 20-100
NEW YORK, NY 10004-2616

March 23, 2022

VIA ECF

Hon. Sarah Netburn
United States Magistrate Judge
Southern District of New York
40 Foley Square, Courtroom 219
New York, N.Y. 10007

Re: *SEC v. Ripple Labs, Inc.*, et al., No. 20 Civ. 10832 (AT) (SN) (S.D.N.Y.)

Dear Judge Netburn:

Pursuant to the Court's Opinion and Order of January 13, 2022, (Dkt. 413, the "Order"), Plaintiff Securities and Exchange Commission (the "SEC") respectfully requests leave to redact portions of the handwritten notes taken by SEC staff who attended certain meetings between the SEC and third parties because these portions are protected by the deliberative process privilege ("DPP"). The handwritten portions in question expressly reflect either (1) the authors' thoughts regarding subject matters discussed during meetings and/or (2) deliberations among SEC staff during meetings.¹

I. Background

The Court's Order granted in part and denied in part Defendants' motion to compel, which challenged the SEC's assertion of the DPP, among other privileges, as to the documents referenced in Appendix A of Defendants' motion. (Dkt. 289). Of relevance here, the Court held that the DPP did not shield from production certain sets of notes of meetings between SEC staff and third parties unrelated to Ripple. (Dkt. 413). However, the Court also ruled that the SEC may seek leave to redact "any portions of the notes [which] expressly reflect the authors' own thinking or reflect deliberations or communications among SEC staff during the meeting." (*Id.*). Based upon the Court's Order, the SEC seeks leave to redact the four sets of notes described below.

¹Although the notes are not relevant for the reasons set forth in the SEC's letter of March 14, 2022 (Dkt. 445), the SEC does not plan to move for reconsideration of this narrow issue in order to conserve the Court's and the parties' resources. The SEC therefore respectfully seeks leave to redact the portions of the notes reflecting the authors' thoughts or deliberations among SEC Staff during meetings before producing them to Defendants and is prepared to submit the notes in camera if the Court so requests.

II. Proposed Redactions

Valerie Szczepanik's Notes of a February 2014 Meeting. Ms. Szczepanik headed the SEC's Distributed Ledger Technology Working Group ("DLTWG") from 2013 to June 2018. Among other things, the DLTWG coordinated efforts among the SEC's divisions and offices in the digital asset space. On February 14, 2014, Ms. Szczepanik attended a meeting with Stanford Law School Professor Joseph Grundfest, then-SEC Commissioner Daniel Gallagher, and others. Professor Grundfest had requested the meeting to discuss his views regarding the legal characterization of Bitcoin. The SEC seeks permission to redact portions of Ms. Szczepanik's handwritten notes reflecting her personal reactions to information contained in a Power Point presentation entitled, "Bitcoin: A Context Contingent Security," which Professor Grundfest submitted to SEC staff prior to the meeting. *See* Declaration of Valerie Szczepanik ("Szczepanik Decl.") at ¶¶ 3-4.

Ms. Szczepanik's Notes of a June 2018 Meeting. From approximately June 2018 through December 2020, Ms. Szczepanik headed the SEC's Strategic Hub for Innovation and Financial Technology Office ("FinHub") while it was housed in the Division of Corporation Finance ("Corp Fin"). During this period, she was the Senior Advisor for Digital Assets and Innovation and an Associate Director in Corp Fin. On June 20, 2018, Ms. Szczepanik attended a telephonic meeting with representatives from Coin Center, which purports to be a non-profit research and advocacy center focused on cryptocurrencies. Coin Center had requested the meeting to share its insights concerning "Initial Coin Offerings" and related matters with the SEC. Ms. Szczepanik took handwritten notes during the meeting. The SEC seeks permission to redact a personal notation Ms. Szczepanik made in her notes regarding other information contained in her notes. *See* Szczepanik Decl. at ¶¶ 1-2, 5-6.

Michael Seaman's Notes of an April 2018 Meeting. Mr. Seaman was the Senior Special Counsel to the Director of Corp Fin from May 2016 to May 2021. On April 6, 2018, Mr. Seaman attended a telephonic meeting with Massachusetts Institute of Technology Professor Christian Catalini and several SEC staff regarding a digital asset. Mr. Seaman attended the meeting to obtain factual information about the digital asset in order to assist Corp Fin in formulating its position regarding the status of the digital asset. The SEC seeks permission to redact portions of Mr. Seaman's handwritten notes that include internal communications among SEC staff during the meeting that Professor Catalini was not a party to. *See* Declaration of Michael Seaman at ¶¶ 2-6.

Jonathan Ingram's Notes of the Same Meeting. Mr. Ingram has been the Deputy Chief Counsel in Corp Fin's Office of Chief Counsel from 2004 through October 2018 and from December 2020 through the present. On April 6, 2018, Mr. Ingram also attended the telephonic meeting with Professor Catalini and several SEC staff. The SEC seeks permission to redact portions of Mr. Ingram's handwritten notes that reflect his personal observations regarding matters discussed during the meetings. The SEC also seeks permission to redact portions of the notes that reflect communications and deliberations among SEC staff during the meeting. *See* Declaration of Jonathan Ingram at ¶¶ 1-6.

For the reasons stated, the SEC respectfully requests that the Court permit the proposed redactions.

Respectfully submitted,

/s/ Pascale Guerrier
Pascale Guerrier

cc: All parties (via ECF)

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

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SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

- against -

**RIPPLE LABS, INC., BRADLEY GARLINGHOUSE,
and CHRISTIAN A. LARSEN,**

Defendants.
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ECF Case

DECLARATION OF VALERIE SZCZEPANIK

I, Valerie Szczepanik, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am the Director of the Strategic Hub for Innovation and Financial Technology Office (“FinHub”) at the Securities and Exchange Commission (“Commission” or “SEC”). FinHub coordinates the agency’s oversight and response regarding emerging technologies in financial, regulatory, and supervisory systems, including in the areas of distributed ledger technology and digital assets. From approximately June 2018 through December 2020, FinHub was housed in the SEC’s Division of Corporation Finance and, throughout that time period, I was the head of FinHub and held the titles of Senior Advisor for Digital Assets and Innovation and Associate Director in the SEC’s Division of Corporation Finance.

2. From August 14, 2011 to June 9, 2018, I served in the role of Assistant Director in the SEC’s Division of Enforcement and, as of approximately October 2017, I was an Assistant Director in the Division of Enforcement’s Cyber Unit. My primary responsibilities included managing a docket of investigations and litigations relating to

violations of the federal securities laws, including by supervising staff attorneys, industry specialists and paralegals.

3. In November 2013, I founded the SEC's Distributed Ledger Working Group ("DLTWG") and led it until June 2018. The DLTWG was formed to build expertise, identify emerging risk areas for potential regulatory, examination, and enforcement action, and coordinate efforts among the Commission's divisions and offices in the digital asset space. In many respects, the DLTWG was a precursor to the SEC's FinHub.

4. On February 14, 2014, I attended a meeting with Professor Joseph Grundfest, a faculty member of Stanford Law School, SEC Commissioner Daniel Gallagher and others. I believe Professor Grundfest had requested the meeting to discuss his views on the legal characterization of Bitcoin and that I was invited because I was heading the SEC's DLTWG. Prior to the meeting, Professor Grundfest submitted to the SEC staff a Power Point presentation entitled, "Bitcoin: A Context Contingent Security." I received the presentation on February 13, 2014, reviewed it, and made handwritten notes to myself reflecting my reactions to information in the presentation for discussion with my SEC colleague prior to the meeting with Professor Grundfest. True and accurate copies of my handwritten notes are attached as Exhibit A. My notes in Exhibit A reflect my personal observations and commentary regarding the content of the document.

5. On June 20, 2018, I attended a telephonic meeting with representatives from Coin Center, which purports to be a non-profit research and advocacy center focused on cryptocurrencies. The meeting had been requested by Coin Center so that they could share their insights concerning "Initial Coin Offerings" and related matters with me. True and accurate copies of my handwritten notes from the June 20, 2018 meeting are attached as

Exhibit B.

6. When taking notes, it is my practice to add notations next to information that I intend to revisit after the conclusion of a meeting. The highlighted portions of the notes in Exhibit B reflect a notation I made to myself concerning the information in my notes. *See* Ex. B at p. 5.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 10th, 2022 in New York, New York.



Valerie Szczepanik

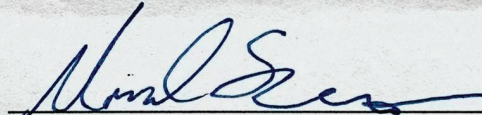
- UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

5. That meeting concerned a digital asset and provided me with factual information about the digital asset so that I could assist staff within Corp Fin in formulating its position regarding the status of the digital asset under the federal securities laws.

6. During the April 6 meeting, several Commission staff gathered in a conference room at our office and Professor Catalini and at least one Commission staff participated via telephone. *See* Ex. A at p. 1. To the best of my knowledge, the highlighted portions of the notes in Exhibit A reflect internal communications among Commission staff that Professor Catalini was not a party to.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 18, 2022 in, Chevy Chase, Maryland.

A handwritten signature in blue ink, appearing to read "Michael Seaman", is written over a horizontal line.

Michael Seaman

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

3. When taking notes, it is my practice to add notations next to information that I observe to be important.

4. On April 6, 2018, I attended a telephonic conference with Professor Christian Catalini, a faculty member at Massachusetts Institute of Technology, and several Commission staff. True and accurate copies of my handwritten notes from this meeting are attached hereto as Exhibit A.

5. I attended the meeting to assist Commission staff within Corp Fin in formulating its position regarding the status of a digital asset under the federal securities laws.

6. To the best of my knowledge, the highlighted portions of the notes attached hereto as Exhibit A reflect my either own observations, or communications, observations and deliberations among Commission staff members after Professor Catalini left the meeting and was no longer on the line. They do not reflect any such communications, observations and deliberations among Commission staff members while Professor Catalini was at the meeting. *See Ex. A at pp. 1-2.*

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 19, 2022 in, Arlington, Virginia.


Jonathan Ingram