

Second Circuit Reverses Dismissal of Claims in Coinbase Class Action

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In a victory on behalf of a putative class of crypto-investors who traded on Coinbase, the U.S. Court of Appeals for the Second Circuit reversed a district court judgment to dismiss certain claims made in *Underwood, et al. v. Coinbase Global Inc., et al.* This suit contends that Coinbase, a significant cryptocurrency exchange platform, illegally facilitated the transactions of digital tokens that the plaintiffs assert are unregistered securities.

In reversing the dismissal of alleged Securities Act violations, the Second Circuit ruled that the district court improperly relied on the plaintiffs' initial complaint and Coinbase's user agreement, instead of looking solely to the allegations in the amended complaint. The Second Circuit also reversed the dismissal of state law claims, holding that the amended complaint properly pled original diversity jurisdiction.

The team at Selendy Gay is led by partner Jordan Goldstein. This is the third victory in recent weeks by Selendy Gay on behalf of crypto-investors, following wins in [Messieh v. HDR Global Trading Limited](#) (involving the BitMEX exchange) and [Lee v. Binance](#).

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

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