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## Pump.fun Token Rallies Amid Legal Pressure

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The token associated with Pump.fun, a Solana-based crypto project, has begun to recover after facing intense scrutiny and a high-profile lawsuit. The price of \$PUMP rose by approximately 5 to 7 percent in early August 2025, reaching around \$0.00326 following a sustained decline that began in late July. The rebound was supported by on-chain technical patterns and reports of institutional accumulation.

One of the key drivers of the recovery was the entry of GSR, a prominent quantitative trading firm. According to reports from AlInvest, GSR purchased approximately \$4.6 million worth of

\$PUMP on the open market. This move was interpreted by many traders as a show of confidence in the project's future viability, despite growing regulatory concerns.

The recovery also coincides with Pump.fun's announcement of a token buyback program. The platform committed 25 percent of its protocol revenue to repurchasing \$PUMP tokens from the market. AlInvest estimated the buyback amount at roughly \$31.3 million. In addition, the platform recently acquired Kolscan, a wallet-tracking tool aimed at improving transparency for token holders and regulators alike.

Open interest in \$PUMP derivatives also climbed, increasing around 6 percent to approximately \$743 million, according to AlInvest. Funding rates turned positive, suggesting increased demand for long positions. Technical analysts highlighted a short-term bullish breakout pattern, pointing to a triple-bottom formation on the hourly chart. Resistance was observed near \$0.00320, while support held around \$0.00304. Price briefly peaked at \$0.00338 before retreating slightly.

Despite the rebound, Pump.fun remains under serious legal pressure. A class-action lawsuit has been filed in the Southern District of New York by Burwick Law and Wolf Popper LLP. The complaint alleges that the platform operates as an unregistered securities exchange and an unlicensed gambling platform. The plaintiffs are seeking \$5.5 billion in damages. The case has drawn further attention due to the inclusion of civil RICO claims and newly added defendants.

While AlInvest reported that some smaller platforms such as LetsBonk.fun are attempting to attract similar users, there is limited publicly available data to assess their impact on Pump.fun's market share.

No public documentation has confirmed the details of Pump.fun's initial token offering or the claim that 15 percent of its supply was sold in an ICO. Likewise, reports of a 67 percent decline from peak prices vary depending on the data source and timeframe used.