



# EMERALD ADVISERS, LLC “ON DA BLOCK”

## WEEKLY RECAP OF THE HAPPENINGS IN DEFI, DIGITAL ASSETS AND BLOCKCHAIN

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### The Market

1. Ether (ETH) rose to a two-month high early Thursday, outperforming bitcoin (BTC), after the Ethereum network ran the final dress rehearsal of its upgrade. The native token of the Ethereum blockchain rose to \$1,919, the highest point since June 1, extending Monday's rise of nearly 9%, CoinDesk data shows. The ether-bitcoin exchange rate or the ETH/BTC ratio rose to 0.078, a level last seen on Jan. 7, extending the recent bullish breakout.

### Networks

1. The third and final test environment network (testnet) merge before the Ethereum blockchain makes its long-awaited move to proof-of-stake from proof-of-work has successfully been completed. Goerli was the last of three public testnets to run through a “dress rehearsal” of the Merge. After this, the mainnet Merge is expected to occur sometime at the end of September.
2. Web3 infrastructure provider Ankr network has launched ANKR token staking, allowing its users to operate full archive nodes on blockchains through the Ankr network and earn a portion of the fees paid to node operators.

### Mining

1. Texas regulators have asked a U.S. bankruptcy court to deny Celsius' request to monetize its mined bitcoin, saying it is concerned about how the proceeds would be used.
2. Genesis Digital Assets secured 708 megawatts (MW) of power for bitcoin (BTC) mining in the first six months of the year. The firm said in a Wednesday press release the power capacity is spread across sites in west Texas, as well as North and South Carolina.

## Regulation

1. Several U.S. senators have sent a letter asking the Office of the Comptroller of the Currency (OCC) to cut back previous cryptocurrency guidance in favor of more comprehensive rules, a press release from Senator Elizabeth Warren said. Sens. Warren (D-Mass.), Dick Durbin (D-Ill.), Sheldon Whitehouse (D-R.I.), and Bernie Sanders (I-Vt.) signed the letter. They also wanted to know about how much banks have been engaging in crypto-related activities.
2. The Securities and Exchange Commission issued a proposal Wednesday that would require large hedge funds to report their crypto-currency exposure through a confidential filing known as Form PF. Created after the 2008 financial crisis, Form PF was designed to help regulators spot bubbles and other potential stability risks in the otherwise opaque ecosystem of private funds that manage money for wealthy individuals and institutions.
3. South Korea's financial watchdog wants to fast-track the review of proposals for new crypto laws, local media outlet Edaily reported Thursday. A task force made up of experts and staff from relevant ministries will quickly review proposed virtual asset legislation, Kim Joo-hyun, chairman of South Korea's Financial Services Commission (FSC), said at a meeting held at the Parliament complex in Seoul on Thursday, Edaily said. There are 13 proposals for new crypto legislation waiting, Kim said.

## General News

1. BlackRock Inc, the world's biggest asset manager, has launched a spot bitcoin private trust for institutional clients in the United States, according to a blog post on its website. The trust will track the performance of bitcoin, offering direct exposure to the price of the digital currency, BlackRock said.
2. San Francisco-based blockchain payments company Ripple Labs Inc, which is embroiled in a high-profile battle with the U.S. securities regulator, is interested in potentially purchasing assets of bankrupt crypto lender Celsius Network, according to a company spokesperson.
3. Over 70,000 Ripple (XRP) holders have joined John Deaton's class action lawsuit against the U.S. Securities and Exchange Commission (SEC). Deaton believes SEC's decision to file a lawsuit against Ripple and its executives for violation of securities law has affected the value of XRP.
4. The Treasury Department has banned all Americans from using decentralized crypto-mixing service Tornado Cash. The Office of Foreign Assets Control (OFAC), a watchdog agency tasked with preventing sanctions violations, on Monday added Tornado Cash to its Specially Designated Nationals list, a running tally of blacklisted people, entities and cryptocurrency addresses. As a result, all U.S. persons and entities are prohibited from interacting with Tornado Cash or any of the Ethereum wallet addresses tied to the protocol. Those who do may face criminal penalties.

5. Crypto data aggregator Dune Analytics said that, on Monday, Circle, the issuer of the USD Coin (USDC) stablecoin, froze over 75,000 USDC worth of funds linked to the 44 Tornado Cash addresses sanctioned by the U.S. Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons (SDN) list. Tornado Cash is a decentralized application, or DApp, used to obfuscate the trail of previous cryptocurrency transactions on the Ethereum blockchain.

6. Bankrupt crypto lender Celsius Network's CEL token jumped to \$1.63 on Monday, and is now trading at a higher price than before Celsius encountered financial difficulties and halted user withdrawals. The CEL token dropped to as low as 15 cents on June 12 when the embattled crypto lender announced that it was halting withdrawals. Its current price marks a tenfold rise in less than two months, and a 300% gain since July 13 when Celsius filed for bankruptcy protection, according to data on crypto intelligence platform Messari.

7. Digital asset exchange Crypto.com said on Monday it has acquired South Korean payment service firm PnLink Co. and virtual-asset exchange OK-BIT Co. The move has allowed Crypto.com to secure the Electronic Financial Transaction Act and Virtual Asset Service Provider registration licenses in Korea. These licenses are provided to trading and financial firms to conduct business legitimately within Korea and extend services to locals.

8. A proposal to switch up fees imposed by decentralized crypto exchange Uniswap passed with overwhelming support from Uniswap's community governance.

9. BitMEX, one of the longest running derivatives exchanges in the crypto market, is moving into traditional financial markets with the launch of perpetual swap contracts tied to foreign currencies.

10. Wall Street giant Morgan Stanley is looking to hire a product development manager to build new crypto products across business lines, according to a LinkedIn job posting seen by The Block.

11. Cryptocurrency exchange dYdX said it blocked user accounts with even a token link to Tornado Cash, the crypto-mixing service sanctioned Monday by the U.S. Treasury Department.

## NFTs

1. DotSama-based NFT infrastructure Unique Network will split the ownership of a Cryptopunk into more than 56,000 pieces, fractionalizing the NFT to reinstate accessibility for the average NFT owner.

2. Samsung Electronics made deals with several physical retailers based in Korea to promote the use of Samsung New Galaxy NFTs. Through these NFTs, Samsung hopes to offer customers a wide range of services, including rewards such as offline discounts in the partner stores.

## Hacks/Exploits

1. Polygon-Based web3 game Dragoma supporters fall victim to \$3.5M rug pull. The funds have been siphoned out of the project and into centralized exchanges.
2. Singapore-based crypto lender Hodlnaut announced that the firm is freezing withdrawals, deposits, and token swaps, citing "difficult market conditions" and a need to stabilize liquidity and preserve assets.

## CBDCs

1. A well-designed central bank digital currency may enhance rather than weaken financial stability, according to a working paper from the U.S. Treasury's Office of Financial Research.
2. A bipartisan group of lawmakers wants the Federal Reserve to speed efforts to issue a digital dollar and thus prevent countries like China from endangering the U.S. position as the world's reserve currency. As The Wall Street Journal reported Monday (Aug. 8), the group – which includes Rep. Maxine Waters (D-Calif.) and Rep. French Hill (R-Ark.) – want the U.S. to launch its own digital currency to counter other nations doing the same.
3. The Reserve Bank of Australia is to embark on a year-long research project to explore use cases for a central bank digital currency (CBDC). The project will involve the development of a limited-scale CBDC pilot that will operate in a ring-fenced environment for a period of time and is intended to involve a digital currency that is a real claim on the Reserve Bank.
4. The Bank of Thailand has said that it is starting a pilot study of a retail central bank digital currency (CBDC). According to Coindesk, the central bank said that it 'deems it necessary to extend the scope of retail CBDC development to a pilot phase'. However, it also underlined its stance that it does not have plans to issue a retail digital currency.
5. Nepal Rastra Bank (NRB) has drafted a revision of the Nepal Rastra Bank Act to enable the central bank to issue a central bank digital currency (CBDC), the Kathmandu Post reported. It aims to send the legislation to parliament for consideration.

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