



EMERALD ADVISERS, LLC "ON DA BLOCK"

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

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Networks

1. A large lending position on Solana-based lending platform Solend is now underwater, but infrastructure issues are preventing it from being properly liquidated. As a result, the protocol faces the risk of accruing bad debt.

<https://www.theblock.co/post/184646/solend-struggling-to-liquidate-sol-loan-due-to-congestion>

2. ETH, the native coin of the Ethereum network, turned deflationary 55 days after The Merge, its transition from proof-of-work to proof-of-stake. <https://www.theblock.co/post/184649/ether-officially-turns-deflationary-amid-intense-crypto-market-fear>

3. Crypto startup Aptos has entered into a partnership with Google Cloud. The news comes as Google deepens its footprint in the web3 world with a number of crypto projects. <https://www.theblock.co/post/184241/aptos-and-google-cloud-unveil-partnership-plan-for-accelerator-program>

Stablecoins

1. Circle, a global digital financial technology firm and the issuer of USD Coin (USDC) and Euro Coin, announced plans to expand native support of Euro Coin and access to their new permissionless cross-chain infrastructure, Cross-Chain Transfer Protocol, on Solana in the first half of 2023. <https://www.circle.com/en/pressroom/circle-to-bring-euro-coin-and-cross-chain-transfer-protocol-to-solana-in-early-2023>

2. Tether's USDT falls 1% below dollar peg amid market uncertainty. https://www.theblock.co/post/184653/tethers-usdt-falls-1-below-dollar-peg-amid-market-uncertainty?_s=zc8psui11b95debv0u6&utm_source=drip&utm_medium=email&utm_campaign=We%27re%20all%20going%20to

Regulation

1. The EU's Markets in Crypto Assets (MiCA) legislation looks set to be delayed by several months, with plans for the European Parliament to vote on the law in December now abandoned. <https://www.pymnts.com/cryptocurrency/2022/report-european-parliament-delays-vote-on-mica/>
2. LBRY loses SEC case, calls ruling a 'Dangerous Precedent' for Crypto. According to LBRY, the language in the court's ruling could make "every cryptocurrency in the U.S. a security, including Ethereum." <https://decrypt.co/113754/lbry-loses-sec-case-dangerous-precedent-crypto>
3. Russia's central bank suggested it may establish a detailed framework for trading digital assets, including NFT and smart contract regulation. <https://www.coindesk.com/policy/2022/11/08/bank-of-russia-suggests-nft-smart-contract-regulation/>
4. The U.S. Treasury Department updated its sanctions on the Ethereum coin mixer Tornado Cash, citing its role in North Korea's nuclear weapons program. <https://decrypt.co/113927/feds-redesignate-tornado-cash-cite-north-koreas-weapons-of-mass-destruction-program>

General News

1. The U.S. Department of Justice has seized roughly \$1 billion worth of bitcoin (BTC) from a man who "unlawfully obtained" more than 50,000 bitcoins from the Silk Road dark web internet marketplace in 2012. The whereabouts of the stolen 50,000 BTC remained unknown for more than 10 years, according to Damian Williams, U.S. attorney for the southern district of New York. <https://blockworks.co/us-government-now-has-more-btc-than-largest-crypto-holders/>
2. Fears over another meltdown similar to the crypto fund Three Arrows Capital's troubles earlier this year – but this time tied to billionaire Sam Bankman-Fried's FTX exchange and his trading firm, Alameda Research – gripped digital-asset markets Tuesday morning Asia time, driving prices for token FTT down nearly 20%. <https://www.coindesk.com/markets/2022/11/08/ftt-plummets-as-market-fears-possible-alameda-contagion/>
3. Amid concerns about the health of FTX, investors have withdrawn bitcoin (BTC) en masse, bringing the crypto exchange's balance to essentially zero. <https://www.coindesk.com/business/2022/11/08/ftx-bitcoin-balance-plunges-to-just-one/>
4. Speculation surrounding Sam Bankman Fried's crypto exchange FTX grew so intense that the firm agreed to sell itself to bigger rival Binance. Blockchain data offers a fresh perspective on FTX's liquidity crunch, illustrating how the drama escalated so quickly. <https://www.coindesk.com/markets/2022/11/09/these-four-key-charts-shed-light-on-the-ftx-exchanges-spectacular-collapse/>
5. With Celsius and Voyager's bankruptcies fresh in mind, crypto retail investors have reacted sharply to Binance buying FTX. <https://blockworks.co/ftx-falls-to-binance-retail-crypto-investors-rush-for-the-exits/>

6. Binance agreed to buy rival cryptocurrency exchange FTX, a stunning outcome that followed days of speculation – spurred by a CoinDesk article on November 2 – that FTX and corporate sibling Alameda Research faced a liquidity crisis.
<https://www.coindesk.com/business/2022/11/08/ftx-reaches-deal-with-binance-amid-liquidity-scare-sam-bankman-fried-says/>
7. Binance has scrapped its letter of intent to buy rival crypto exchange FTX, according to a Binance spokesperson.
<https://www.coindesk.com/business/2022/11/09/binance-walks-away-from-ftx-deal-wsj/>
8. SBF tells investors FTX needs \$8B in emergency funding. <https://cointelegraph.com/news/sbf-tells-investors-ftx-needs-8b-in-emergency-funding-wsj>
9. Embattled crypto proprietary trading and venture capital firm Alameda Research has gone dark and stopped trading with at least one regular counterparty, according to a source familiar with the matter. <https://blockworks.co/news/alameda-halts-trading-source-says/>
10. FTX founder Sam Bankman-Fried transferred at least \$4 billion to prop up sister company Alameda Research, according to Reuters. <https://www.theblock.co/post/185176/ftx-used-4-billion-including-customer-funds-to-keep-alameda-aflloat-reuters>
11. European crypto asset trading and investment group CoinShares disclosed a \$30.3 million holding currently stuck on embattled cryptocurrency exchange FTX. <https://www.theblock.co/post/185309/coinshares-discloses-30-3-million-exposure-to-ftx-none-to-alameda>
12. Singapore-based crypto lender Hodlnaut held assets worth \$13.1 million (18.4 million Singapore Dollar) on FTX.
<https://www.theblock.co/post/185218/embattled-crypto-lender-hodlnaut-held-13-million-on-ftx-before-withdrawal-freeze>
13. UBS has launched a CHF375 million digital bond that is publicly traded and settled on both traditional and blockchain-based exchanges. <https://www.finextra.com/newsarticle/41281/ubs-launches-bond-traded-on-blockchain-based-exchange>
14. Galaxy Digital is teaming up with Itaú Asset Management to launch a physically backed bitcoin ETF in Brazil, which lists on Thursday. https://blockworks.co/news/galaxy-brings-bitcoin-etf-to-brazil-with-tradfi-giant/?__s=zc8psui11b95debv0u6&utm_source=drip&utm_medium=email&utm_campaign=We%27re+all+going+to+make+it%2C+except+FTX+and+Alameda
15. Crypto exchange Bitmex said that it would continue with plans to launch its native token, BMEX, on Friday, regardless of market volatility. https://www.theblock.co/post/184955/bitmex-to-proceed-with-token-launch-says-no-exposure-to-ftx?__s=zc8psui11b95debv0u6&utm_source=drip&utm_medium=email&utm_campaign=We%27re%20all%20going%20to%20make%20it,%20except%20FTX%20and%20Alameda

16. Crypto custody firm Copper has arranged \$500 million of insurance cover for digital assets in cold storage, one of the biggest arrangements in the industry, the company said in a statement. <https://www.coindesk.com/business/2022/11/09/crypto-custody-firm-copper-inks-500m-insurance-deal-with-uk-giant-aon/>
17. Pre-production versions of the Solana phone will be sent out to developers in December. <https://www.theblock.co/post/183429/pre-production-solana-phone-to-ship-to-developers-in-december>
18. A crypto-focused association launched within Abu Dhabi's free economic zone to further the development of blockchain and crypto ecosystems across the Middle Eastern, North Africa, and Asian (MENA) regions. <https://cointelegraph.com/news/middle-east-asia-and-africa-blockchain-association-launches-in-abu-dhabi>
19. Crypto wallet Zerion has launched an in-browser extension – currently in beta – as it hopes to compete with MetaMask. The wallet lets users see all of their tokens across multiple blockchains in one place. <https://www.theblock.co/post/183304/zerion-prepares-to-take-on-metamask-with-in-browser-wallet>
20. Sports betting exchange BetDEX will open on November 17. <https://www.theblock.co/post/183538/betdex-to-go-live-on-solana-mainnet-before-world-cup-in-qatar-exclusive>

NFTs

1. Bored Ape Yacht Club (BAYC) co-founder Wylie Aronow said they regard creator royalties as "the single most important factor that brought them [creators and artists] into the ecosystem." Thus, BAYC founders want an NFT creator royalties model that ensures transferring NFTs between wallets remains free and encourages creators to stay within the NFT ecosystem. <https://gordongoner.substack.com/p/on-marketplaces-and-creator-royalties?sd=p>

Hacks

1. The SEC is suing Trade Coin Club, an alleged Ponzi scheme that netted 82,000 bitcoin from 2016 to 2018. <https://www.theblock.co/post/183226/sec-charges-trade-coin-club-in-alleged-295-million-bitcoin-ponzi-scheme>

CBDCs

1. The central bank's New York branch is developing a framework for a potential wholesale central bank digital currency (CBDC) and exploring design choices. The research project, dubbed Project Cedar, revealed the results of its first phase, which was a 12-week experiment to test how blockchain and distributed ledger technology (DLT) could enhance wholesale cross-border payments. <https://blockworks.co/project-cedar-ny-fed-closer-to-wholesale-central-bank-digital-currency/>

2. The European Commission will soon propose legislation on a central bank digital currency.

<https://www.theblock.co/post/183632/eu-commission-propose-legislation-digital-euro>

3. Central bank digital currencies (CBDCs) may require a network of international deals to stop state-backed money from infringing on other countries' sovereignty, European Union Commissioner Paolo Gentiloni said on Monday.

<https://www.coindesk.com/policy/2022/11/07/cbdcs-could-need-global-regulation-eu-commissioner-says/>

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