



HYPERION DECIMUS

CRYPTO NEWSLETTER

POWERED BY WEEKLY CRYPTO BRIEF

25th May 2025

BITCOIN-RELATED



NYDIG: Bitcoin surged 7.8% this week, reaching new all-time highs amid heightened volatility in traditional financial markets. Stocks declined, bonds sold off, the US dollar fell, and gold rallied—moves that echoed the “US hegemony risk-off” trade seen after “Liberation Day” and the announcement of “reciprocal tariffs.” Given the price action, bitcoin seems to be increasingly part of the “haven trade,” which includes gold and the Swiss franc.

Bitcoin transaction fees reached their highest levels this year as the original digital asset’s price surged to challenge and briefly top \$106,800 on May 18. The seven-day moving average for Bitcoin transaction fees rose to \$2.40, the highest value recorded this year. Meanwhile, the average number of transactions dropped off significantly from an April peak above 500,000 to around 330,000 as of May 17.

At JPMorgan’s Investor Day, CEO Jamie Dimon said they are going to allow clients to buy Bitcoin, but they won’t custody it.

Standard Chartered says government entities, including France, Saudi Arabia, and US state pensions, boosted their Strategy share holdings in Q1, signaling rising sovereign interest in indirect Bitcoin exposure. The bank's Head of Digital Assets Research Geoffrey Kendrick argues this growing MSTR adoption, expanding institutional access, and falling volatility support its bold \$500,000 Bitcoin price target by 2029, before President Trump leaves office.

According to Bernstein analysts, Bitcoin is expected to double by the end of 2025, driven by a new institutional era. Institutions now hold \$60 billion worth of Bitcoin, a five-fold increase from September 2022. The top cryptocurrency has both macro tailwinds and Wall Street interest.

Bitcoin call options expiring at the end of June at the strike price of \$300,000 are now the second most popular call option on the Deribit exchange behind \$110,000, according to crypto analytics company Amberdata.

El Salvador's Bitcoin holdings have increased by over \$137 million in the past 30 days (a/o May 18). The country's Bitcoin stash totaled 6,181 coins and reached a peak portfolio value of more than \$650 million, according to Bukele, as Bitcoin surged above \$106,000 on May 19.

Bitcoin Network Ireland (BNI) released of “A Sound Punt: The Case for Ireland’s Interest in Bitcoin.” The paper lays out a clear, accessible case for why Bitcoin deserves serious consideration in Irish homes, boardrooms, and government.

Texas lawmakers advanced a bill on May 20 to establish a state-managed Bitcoin reserve in a 105-23 vote. SB 21 now goes to Governor Greg Abbott’s desk for final approval – potentially making Texas the second US state after New Hampshire to use digital assets as an inflation hedge and fiscal buffer.

Michigan House introduced four new crypto bills, including HB 4510 allowing the state treasurer to invest in crypto with a \$250 billion market cap requirement. HB 4511 opposes a US CBDC, while HB 4512 and HB 4513 focus on Bitcoin mining and tax deductions.

Strategy bought another 7,390 BTC for ~\$765 million, bringing its total holdings to a 576,230 BTC – worth over \$59 billion. (Strategy also launched a \$2.1 billion At-The-Market (ATM) equity program for its Strife (STRF) preferred stock, marking another step in the firm’s long-term strategy to build a Bitcoin-backed financial architecture.)

Tokyo-based Metaplanet said it acquired an additional 1,004 BTC for just over \$104 million. Its stash has grown to 7,800 BTC, valued at over \$800 million.

Medical equipment provider Semler Scientific bought 455 Bitcoin for \$50 million. The acquisition brings its total Bitcoin holdings to 4,264 BTC. (Bragar Eagel & Squire, PC is investigating potential legal claims against Semler Scientific for possible violations of federal securities laws. The DOJ has been looking into Semler's reimbursement claims since 2017, with recent failed attempts to settle the matter.)

KindlyMD secured shareholder approval for its proposed merger with Nakamoto Holdings, marking a major step toward becoming one of the biggest Bitcoin treasury companies on the market. The deal is set to close in Q3 2025.

KULR Technology Group, a publicly traded energy company based in Houston, purchased an additional \$9 million worth of Bitcoin for its corporate treasury, bringing its total holdings to 800.3 tokens valued at ~\$85 million.

H100 Group AB announced it has become Sweden’s first publicly listed health technology company to adopt Bitcoin as a treasury reserve asset, announcing the purchase of 4.39 BTC for 5 million NOK (~\$475,000) as part of its long-term Bitcoin Treasury Strategy.

Publicly traded DigiAsia adopted a Bitcoin treasury strategy and plans to raise up to \$100 million and potentially commit half of future profits to Bitcoin reserves.

Strive Enterprises, an asset manager co-founded by Vivek Ramaswamy, is targeting 75,000 BTC (\$8 billion) in distressed Mt. Gox claims as part of a push to build a discounted Bitcoin treasury. In an SEC filing, the firm said it has partnered with 117 Castell Advisory Group to scout legally confirmed claims. (Strive plans to merge with Nasdaq-listed Asset Entities to form the first publicly traded Bitcoin-focused asset manager, pending shareholder approval.)

Fold, a leading Bitcoin financial services company, announced the launch of its Bitcoin Gift Card, marking the first step in integrating Bitcoin into the \$300 billion US retail gift card market. This product enables consumers to purchase and gift Bitcoin through familiar retail channels and is available now at Fold’s website and is expected to expand to major retailers nationwide throughout the year.

IXS announced the launch of BTC Real Yield, the world’s first product offered by a regulated and licensed platform that enables Bitcoin holders to earn yield from real-world assets, such as tokenized US Treasuries, money market funds, and other fixed-income assets, without selling their BTC. (BTC Real Yield is issued through IXS, which is licensed under the Bahamas DARE Act and regulated by the Securities Commission of The Bahamas.)

A proposal to rebrand Bitcoin's base unit, supported by Jack Dorsey, suggests shifting from Satoshis to Bitcoin itself. The Bitcoin Improvement Proposal aims to simplify quantities by removing decimal points and leading zeroes, potentially making Bitcoin more user-friendly and appealing for spending.

Magic Eden is integrating with Spark to improve Bitcoin trading by addressing issues like slow transaction times, high fees, and poor user experience. The integration will reportedly introduce a native settlement system aimed at making transactions faster and more cost-effective, without using bridges or synthetic assets.

INDUSTRY ADVANCES



South Korean crypto exchange Bithumb has captured roughly 25% of the country's crypto trading volume, up from a single-digit share just two years ago, after aggressive marketing helped it claw back share from Upbit ahead of its planned IPO by year-end.

Bybit launched USDT-paired stock trading for 78 global companies, including Coinbase and the “Magnificent 7,” as part of its expanded gold, commodities, and FX suite.

Kraken is set to launch 24/7 tokenized stock and ETF trading for non-US users, starting with 55+ assets, including Apple, Nvidia, and Tesla, through a partnership with Backed. The new “xStocks” product will also be integrated with certain Solana DeFi apps and be available to Kraken customers in Europe, Latin America, Africa, and Asia.

Kraken introduced regulated crypto derivatives trading in Europe, following the acquisition of Greenfield Wealth and a license from CySEC.

XRP futures contracts launched on the CME Group on May 19 with over \$19 million in trading volume on their first day.

HSBC Holdings said it launched Hong Kong's first blockchain-based settlement service, marking a step forward for fintech development in the city that will allow for secure and quick payments. Its tokenized deposit program can convert traditional bank deposits into digital tokens on a blockchain platform. As a result, payments through the service have the potential to cost less and take less time than traditional banking systems.

Over the next 12–24 months, major crypto wallets like Phantom and Trust Wallet are expected to roll out integrated crypto cards, streamlining onchain-to-real-world spending.

Brave became the first browser to launch its own on-chain top-level domain. With an assist from Unstoppable Domains, the new .brave domain is now available to Brave's over 85 million monthly active users – offering a seamless way to own digital identity, send crypto, and navigate Web3.

Microsoft has teamed up with crypto startup Space and Time to offer real-time, verifiable blockchain data feeds on Bitcoin, Ethereum, and Sui directly within its Azure-powered Fabric analytics platform.

Solana Labs' mobile team shared on May 21 that it plans to launch its Seeker phone on August 4. The Solana Mobile team also said that in addition to the phone coming soon, it is launching the SKR token as well as introducing a TEEPIN architecture.

MetaMask will integrate native support for Solana in 2025, marking a major expansion beyond EVM-compatible chains.

Solana Labs offshoot Anza unveiled a proposal for a new consensus protocol that it describes as the “biggest change to Solana's core protocol” since the network was set up. The proposed protocol, named

Alpenglow, aims to overhaul Solana's foundational consensus mechanisms, replacing both TowerBFT and the proof-of-history system, with the goal of making Solana's blockchain performance rival that of mainstream internet infrastructure.

TokenFi is set to tokenize the Floki Minibot M1, the first tokenization of a consumer AI robot. The tokenization coincides with the introduction of TokenFi's RWA tokenization module on May 23, with a presale for the Minibot M1's token.

Pharos Network, a high-performance blockchain built for RWAs, announced the launch of its Testnet.

Designed for institutional-grade RWAs and enterprise-scale DeFi, Pharos offers a next-generation, modular infrastructure that addresses the key bottlenecks preventing institutions from entering Web3.

Succinct Labs' Hypercube zkVM prototype proved 93% of Ethereum mainnet blocks in roughly 10 seconds using Jagged Polynomial Commitments, a breakthrough that could enable real-time proofs, boost gas limits up to 100x, and drastically reduce trust assumptions for rollups, light clients, and cross-chain messaging.

Dune launched SIM, a new language that makes onchain data analysis easier by replacing complex SQL with a more intuitive, spreadsheet-like syntax. It's designed to help users build modular, transparent data models without deep technical expertise.

Hedera announced the launch of AI Studio – an open-source, modular toolkit for building trusted, intelligent AI applications on the Hedera network. The toolkit enables task automation, AI-driven token creation, and auditable inter-agent communication using natural language or simple commands with no blockchain experience required.

Gate, a global crypto trading platform, officially adopted the new international domain Gate.com and unveiled a redesigned brand logo, marking a significant milestone in the platform's evolution. This strategic move aims to unify brand identity, strengthen global presence, and enhance user trust, heralding a new chapter in Gate's development.

Singapore-based Porolis Technologies developed a way to modernize how colored gemstones are graded, authenticated, and tracked by combining AI, blockchain technology, and photomicrography to deliver faster, more consistent, and affordable gemstone assessments.



The Russian Ministry of Energy is considering offering its now strictly regulated Bitcoin mining industry incentives to move to the north of the country. (The potential move follows Russia slapping a Bitcoin mining ban on ten regions (mainly in the south) in January of this year: Dagestan, Ingushetia, Kabardino-Balkaria, Karachay-Cherkessia, North Ossetia, Chechnya, Donetsk, Lugansk, Zaporizhzhia, and Kherson.)

Bitcoin miner MARA is deploying 500 BTC to broker Two Prime for yield generation, expanding an existing partnership centered on Bitcoin-backed loans as public miners face liquidity stress, having sold 115% of April production.

Auradine, a US-based Bitcoin miner manufacturer, is unveiling a broadened portfolio of mining products, featuring high-performance ASIC chips, specialized cooling systems, and fully integrated modular containers engineered for scalable, megawatt-class mining operations.

Sangha Renewables officially broke ground on a 19.9-MW Bitcoin mining facility in West Texas, marking a notable step in its mission to merge sustainable power with digital asset infrastructure. (Sangha also announced it has raised \$14 million toward its \$17 million target.)

ETPS (EXCHANGE-TRADED PRODUCTS), FUNDS & INDEXES

US spot Bitcoin and Ethereum ETFs attracted a combined \$1.05 billion on May 22 – the highest daily figure since January. The spot Bitcoin ETFs brought in \$934.8 million on May 22, while spot Ethereum ETFs registered \$110.5 million worth of net inflows the same day.

The SEC on May 19 extended its review period for proposed Solana ETFs from 21Shares, Bitwise, VanEck, and Canary Capital (and a proposed Dogecoin ETF from Grayscale), citing unresolved legal and policy questions amid a surge in filings following signs of crypto-friendly reforms under the Trump administration.

The SEC acknowledged Canary Capital's proposal for a staked Tron (TRX) ETF on May 22, marking the first public step in the review process. The SEC simultaneously delayed decisions on several other crypto ETFs, including proposals for Bitwise's spot XRP ETF, Coinshares' spot XRP and Litecoin ETFs, and Fidelity's in-kind Bitcoin ETF filing.

VanEck plans to launch the PurposeBuilt fund focusing on Avalanche, managed by the Digital Assets Alpha Fund. The fund will invest in liquid tokens and projects across various sectors, with a long-term outcomes strategy.

BlackRock's nearly \$3 billion tokenized Treasury fund launched its “first direct DeFi protocol integration” with Euler on Avalanche. The launch builds on the sToken framework developed by Securitize (sBUIDL, a composable ERC-20 token, is fully redeemable for BlackRock's BUIDL), which enables tokenized products like BUIDL to expand further onchain.

RWA investment firm BounceBit announced a boosted yield strategy (called “CeDeFi Reimagined”) leveraging a 3-month Bitcoin basis and options trade, while using BUIDL as collateral. The proof-of-concept trade is “achieving approx. 24% APY,” per BounceBit.

Kamino Finance and Steakhouse Financial are bringing Securitize's tokenized credit fund (ACRED) to the fast-growing Solana DeFi ecosystem.

FUNDRAISING & OTHER FUNDING (\$5 MILLION OR MORE)

Theta Capital secured \$175 million for a crypto-focused fund-of-funds targeting early-stage blockchain VCs, adding to its \$1.2 billion in AUM.

Sam Altman's crypto project Worldcoin raised \$115 million, led by Blockchain Capital. Other investors included a16z, Bain Capital Crypto, and Distributed Global.

Challenger bank Slash announced a \$41 million Series B round, led by Goodwater Capital. The startup enables crypto-native businesses to swap between fiat currency and crypto holdings, as well as manage all their various crypto holdings.

Catena Labs, the company led by Circle co-founder Sean Neville that's building an "AI-native financial institution," secured \$18 million in a funding round led by a16z Crypto.

True Markets raised \$11 million and is launching a trading app targeted at retail customers, which will allow users to buy and sell tokens based on the popular Solana blockchain, and soon other top cryptocurrencies, such as Bitcoin and Ethereum.

TrendX, a next-generation on-chain asset trading platform that leverages AI and DePIN technologies to provide premium, one-click trading and investment solutions across multiple blockchain ecosystems, raised \$5.6 million in a funding round – led by Animoca Brands.

Giza – a DeFi project building infrastructure for Xenocognitive Finance, using AI-driven autonomous agents – raised \$5.2 million in a funding round, led by CoinFund.

Crypto gaming startup VOYA Games secured \$5 million to develop Craft World, a pixelated game (with NFT items) set in a post-apocalyptic world where humans coexist with dinosaurs.

XSY, a DeFi capital management platform that leverages advanced strategies to optimize liquidity and capital efficiency, raised \$5 million in a Series A – led by Borderless Capital.

IPOS, M&A, PARTNERSHIPS & DEALS

Global Emerging Markets, a US alternative investment group, signed an investment agreement with Meey Group, a Vietnamese proptech firm integrating emerging technologies – including AI, blockchain infrastructure, and 3D visualization – into real estate operations. Under the agreement, GEM has committed to invest up to \$80 million to support Meey Group's expansion and strategic goals, including its pathway toward a potential IPO in the US.

Circle Internet Financial, the issuer of USDC stablecoin, is considering an IPO or a sale to Coinbase or Ripple for at least \$5 billion (and had informal talks), according to Fortune.

Fund administration firm Apex Group will acquire 100% of Luxembourg fund tokenization startup Tokeny over a three-year period.

Alchemy expanded its multi-chain infrastructure beyond Ethereum by acquiring DexterLab, a Solana infrastructure provider used by the likes of Google and the Solana Foundation.

BlockFills, a digital asset trading and market technology platform leveraged by institutions and professional traders, and Definitive Finance, an institutional-grade on-chain trading platform, announced that BlockFills has deployed Definitive's advanced on-chain execution platform to enhance its automated trade execution capabilities on behalf of institutional and VC clients and expand the variety of tokens BlockFills can trade on behalf of its clients.

Sonic Labs partnered with crypto capital markets firm GSR to provide deep liquidity, strategic guidance, and ecosystem support for the S token and broader DeFi network.

Polyhedra, the zero-knowledge infrastructure company behind EXPchain, and Aethir, a provider of decentralized GPU cloud compute, announced the launch of a joint incubator program designed to fast-track the development of verifiable AI applications.

DEFI



Lending protocol Aave now accounts for 20% of the total value locked (TVL) across the entire DeFi ecosystem. According to DeFiLlama, Aave's TVL has surged past \$24 billion, making it the largest DeFi protocol by TVL.

Solana now has over 50 million SOL in liquid staking tokens, representing 12.8% of all staked SOL (up from 6.7% a year ago).

Jupiter, the top decentralized exchange aggregator on Solana, announced the launch of a new lending protocol. The protocol, named Jupiter Lend, will provide loan-to-value ratios of up to 90%, higher than the 75% typically offered on other crypto lending platforms.

Circles v2, launched by Gnosis co-founder Martin Köppelmann, introduced a decentralized universal basic income model in which every user mints personal ERC-20 tokens at a fixed hourly rate and must build social trust networks for their tokens to hold value.

Bancor developers filed a lawsuit against Uniswap Labs and the Uniswap Foundation, accusing them of infringing on decentralized exchange patents tied to its 2017 invention of the constant product automated market maker model.

BitGo, an infrastructure provider of digital asset solutions, announced that it's teaming up with GlobalStake to deliver a next-generation institutional staking solution combining best-in-class security, sustainability, and scalability.

Marinade Labs announced the launch of Marinade Select on May 21 – a new staking marketplace built for institutional clients interested in staking on the Solana network.

CBDOS & STABLECOINS



Some of Wall Street's biggest banks – including JPMorgan Chase, Bank of America, Citi and Wells Fargo, among unnamed others – are working on a joint venture that would see them launch their own stablecoin to rival Tether's USDT and Circle's USDC, according to a report in the Wall Street Journal. The banks are hoping to “fend off escalating competition from the cryptocurrency industry.”

Banco Industrial, Guatemala's biggest lender, integrated SukuPay's USDC stablecoin rails via the Polygon network to enable US remittances for under \$1 using just a phone number in its Zigi app.

Squads launched Grid, a suite of developer-friendly APIs designed to replace legacy banking middleware with stablecoin-native infrastructure on Solana. Grid enables fintech teams to spin up global USD accounts, send cross-border payments, integrate yield, trade tokenized assets, and issue virtual cards, all without touching complex blockchain tooling or sponsor banks.

NFTS, BLOCKCHAIN GAMING & METaverse



In a recent speech, SEC Commissioner Hester Peirce stated that NFTs with royalty mechanisms may not be considered securities under federal laws. She clarified that NFTs allowing creators to earn resale revenue do not automatically qualify as securities, as they function similarly to streaming platforms compensating artists.

FIFA is moving its FIFA Collect NFT platform from Algorand to its own Avalanche L1 blockchain for better performance, scalability, and customization. The migration will enhance fan experiences with faster transactions and seamless integration with popular wallets.

MRKT, a new TON-based NFT marketplace, launched inside Telegram as a native mini app. It lets users buy, sell, and trade digital collectibles such as gifts and stickers directly within Telegram chats.

Ponke, a top 25 Solana memecoin, has partnered with 223 to create adult-focused collectibles and apparel, including blind box collectibles and NFC-tagged products. The partnership aims to expand Ponke's offerings and reach new markets through physical and digital products.

Yield Guild Games launched YGG Play, a game publishing unit focusing on games catering to the “casual degen” vibe of crypto-native players. The new game, LOL Land, offers rewards like streaks, badges, and collectibles, to serve the market segment of crypto enthusiasts.

CLAPS, a blockchain-based iGaming platform, launched a new crypto-native sportsbook, enabling users to place sports bets using digital assets. The sportsbook supports multiple betting types, including singles, parlays, and system bets, and offers pre-match and live betting with odds presented in a variety of international formats.

Pengu Clash kicked off its launch on May 19 by letting in a portion of its waitlist ahead of a full public release. The new Telegram game featuring the Pudgy Penguins NFT collection's cutesy seabirds is a 1v1 multiplayer battler. Players can dress up their penguins and fight each other at different types of minigames, whether it's curling, darts, football, or something else.

Ember Sword, a popular Ethereum game, has ceased operations due to insufficient funding, despite attracting \$203 million in NFT land sales.

JOB MOVEMENT



CFTC member Kristin Johnson became the fourth top official to announce her resignation, completing a full leadership exodus that will require Senate-confirmed replacements under President Donald Trump.

Chainwire BTCC, one of the world's longest-serving cryptocurrency exchanges, appointed Dan Liu as its new CEO.

The Aleo Network Foundation, a platform for building private, secure, scalable, and programmable Web3 applications, announced the appointment of Josh Hawkins as Executive Vice President of Strategy, Policy & Communications.

REGULATIONS, RULINGS & COMMENTARY



Trump-backed World Liberty Financial on Friday pushed back against inquiries by US Senator Richard

Blumenthal, the top Democrat on a panel tasked with investigating corruption and mismanagement, denying ties to Fight Fight Fight, the firm behind the TRUMP memecoin, and defending its operations as lawful and transparent in a formal letter to the Senate panel.

The Senate advanced the GENIUS Act stablecoin regulation bill on a bipartisan vote, just two weeks after

Senate Democrats united to block it, though lawmakers remain divided. The bill, led by Texas Republican Bill Hagerty, would create the first-ever US regulatory framework for stablecoins and is being fast-tracked through Congress by the Trump administration, winning 66 to 32 support among senators in a cloture vote that advances it to a full floor vote.

White House crypto czar David Sacks said the GENIUS Act could unlock trillions of dollars for the US

Treasury by legitimizing stablecoins, expecting the bill to pass with bipartisan support.

Legislation introduced by Rep. Maxine Waters, the “Stop TRUMP in Crypto Act of 2025,” aims to prevent the president, vice president, and members of Congress from owning crypto assets while in office.

New York City Mayor Eric Adams said on May 20 that he would create a “digital assets advisory council” that will help the city attract investment and jobs in fintech and integrate blockchain technology into city services.

Outgoing CFTC Commissioner Summer Mersinger hinted at the imminent approval of crypto perpetual futures products in the US, emphasizing their potential benefits.

Starting next year, crypto firms serving UK customers must report full user and transaction records or face penalties of up to £300 (\$398) per customer under the country’s adoption of the global Cryptoasset Reporting Framework.

Hong Kong passed a new law requiring fiat-pegged stablecoin issuers to obtain licenses and comply with reserve, redemption, AML, and risk controls, marking a major regulatory shift aimed at restoring trust post-JPEX scandal while competing with the US in shaping global crypto policy.

India’s Supreme Court this week criticized the central government for failing to finalize long-promised crypto regulation, warning that unregulated trading poses risks similar to informal underground hawala funds transfer networks.

South Korea's Financial Services Commission (FSC) will allow nonprofits and crypto exchanges to sell their crypto holdings starting in June, following new rules to enhance oversight and operational flexibility. Nonprofits must meet strict conditions, including audited operations and vetting donations, while exchanges can sell to raise capital with daily limits.

Dubai's Virtual Asset Regulatory Authority (VARA) updated its rulebook for digital asset trading. This will help VARA's rules to align with global risk standards. VARA also introduced sections of its rulebook to properly oversee areas of the crypto industry that were previously lightly regulated, such as broker-dealers and wallets.

Argentina's government shut down the LIBRA memecoin task force just days after a judge ordered President Javier Milei and his sister’s bank accounts unsealed, according to a statement issued by the country's Justice Minister. (The move follows Milei’s public promotion of the Solana-based LIBRA token on social media, which surged to a \$2 billion market cap before crashing over 90% amid his retraction.)

Zimbabwe launched a blockchain-based carbon credit market initiative to introduce transparency into the ecosystem. The African nation is keen on overhauling the existing system in favor of a Web3-based initiative for transparent and efficient carbon credit exchanges. The government has minted a new regulatory body dubbed the Carbon Market Management Authority (ZCMA) to oversee the new system.

Crypto.com secured a MiFID licence, allowing the exchange to offer a variety of financial instruments, including securities, across Europe. This acquisition follows their previous MiCA license, expanding their product offerings in the EEA.

Robinhood submitted a 42-page proposal to the SEC advocating for a federal framework that legally equates RWA tokens to their underlying assets and enables off-chain matching with on-chain settlement.

Bitcoin Suisse, a Swiss crypto financial service provider, announced that its subsidiary BTCS (Middle East) Ltd. received an In-Principle Approval from the Financial Services Regulatory Authority of ADGM.

The Australian Securities and Investments Commission is seeking special leave from the High Court to appeal a ruling in favor of crypto firm Block Earner, aiming to clarify the treatment of interest-earning and asset conversion products under the Corporations Act.

BUGS, OUTAGES, HACKS, SCAMS, ALLEGATIONS, INVESTIGATIONS, ENFORCEMENTS & WRONGDOINGS

Genesis Global filed two lawsuits against Digital Currency Group, accusing the firm of orchestrating fraudulent transfers and misleading creditors as the company neared collapse. The lawsuits seek over \$3.1 billion, including improper transfers made in crypto assets valued at up to \$2.1 billion.

The SEC charged Unicoi for allegedly offering fraud certificates for its token and stock with misrepresented value. Unicoi claimed to have sold over \$3 billion worth of certificates, when in fact it raised no more than \$110 million, the SEC said.

Binance filed a motion to dismiss a \$1.76 billion lawsuit by the FTX estate, claiming the complaint is legally deficient and cannot link Binance or its former CEO to FTX's collapse. The lawsuit seeks to recover crypto transferred to Binance in 2021.

An exploit on the Cetus decentralized exchange within the Sui ecosystem resulted in \$223 million stolen from liquidity pools. The attacker manipulated smart contracts to extract assets from multiple pools. Cetus Protocol offered the hacker a \$6 million white hat bounty to return stolen funds.

Operation RapTor, a global law enforcement initiative, led to the arrest of 270 individuals and the seizure of \$200 million in cash and digital assets across 10 countries. The operation targeted darknet drug networks involved in the trafficking of opioids and marked the largest seizure under the J-CODE initiative.

A clandestine banking network laundered over \$23 million using crypto from organized crime groups in Europe. Europol arrested 17 individuals in Spain, Austria, and Belgium for illegal banking activities involving cash, cryptocurrencies, luxury items, and more.

Coinbase disclosed the recent data breach affected 69,461 customers, with personal and financial information stolen by a hacker who demanded a \$20 million ransom. The breach, lasting from December 26, 2024, involved customer support workers being bribed for access to data. The company said on May 19 that it's working with the DoJ to investigate the hack.

Hwang Jung-eum was removed from the final episode of 'Because I'm Single' after admitting to embezzling \$3.1 million to invest in crypto. Her VCR segments were cut, and her MC comments were minimized due to the scandal.

A Queensland man surrendered assets worth over \$2.9 million, including a mansion, a Mercedes-Benz, and nearly 25 BTC valued at \$2.6 million, following a court order.

Jeremy Jordan-Jones, the alleged founder of Amalgam, faces charges of fraud for deceiving investors with false claims of partnerships and a non-existent crypto token. Prosecutors claim he misused over \$1 million to support a lavish lifestyle.

Trung Nguyen of Massachusetts operated an unlicensed money transmitting business, converting over \$1 million into crypto for scammers and a drug dealer. He used encrypted messaging apps and split cash deposits to conceal his illegal activities and received a six-year prison sentence.

Festo Ivaibi, founder of Mitroplus Labs, was abducted in Uganda by armed individuals posing as security operatives, who forced him to transfer \$500,000 in crypto to their controlled wallet.

A US tourist lost over \$123,000 in crypto in a suspected premeditated theft in London's West End after leaving a nightclub and getting into what he thought was an Uber. The driver, who offered a cigarette believed to contain a sedative, gained access to the victim's crypto accounts before abandoning him in an unfamiliar area.

The Iowa Supreme Court ruled that money deposited into a Bitcoin Depot ATM as part of scams must be returned to the company, not the victims, due to a contract between the victims and Bitcoin Depot. The victims were coerced into transferring Bitcoin worth \$14,000 in separate incidents, leading to a legal battle.

A group of investors filed a class action lawsuit against Strategy and its co-founder Michael Saylor, alleging they misled the market about the firm's profitability and Bitcoin-related risks, covering activity between April 2024 and April 2025. The suit claims that Strategy made overly positive projections after switching to fair value accounting under the FASB's new rules, while downplaying potential losses.

Binance and Kraken were recently targeted by sophisticated attacks similar to the one that led to a major data breach at Coinbase. The attackers reportedly attempted to bribe customer service representatives at the exchanges, mainly by contacting them on Telegram and requesting sensitive information such as account balances and home addresses. Both firms managed to prevent any compromise of customer data or funds by using advanced AI-driven security monitoring that detected and flagged the suspicious activity early.

LummaC2, a malware operation targeting millions worldwide, had key infrastructure seized by law enforcement agencies in a coordinated international effort involving the DOJ, Europol, and Microsoft. Microsoft identified over 394,000 infections on Windows systems globally between March and May 2025.

Argentinian President Javier Milei, under investigation for promoting the failed Libra token that wiped out investor funds, was subjected to an order for the central bank to unseal his and his sister's bank records while he skipped a court-ordered civil hearing.

Braden Karony, CEO of SafeMoon, was found guilty of fraud, conspiracy, wire fraud, and money laundering, facing up to 45 years in prison. The scheme involved misappropriating millions from investors through misleading claims about the SafeMoon token.

Attorneys for Roman Storm, one of the creators of Tornado Cash, have filed a motion alleging that US prosecutors withheld exculpatory evidence during his trial.

Vladimir Smerkis, co-founder of Telegram-based crypto project Blum and former general manager of Binance in Russia, has been arrested in Moscow on suspicion of large-scale fraud.

Haliey Welch, known as “Hawk Tuah Girl,” claims she was cleared by the FBI and SEC regarding the failed HAWK memecoin. Welch now distances herself from the project, stating she didn't understand cryptocurrency despite her initial enthusiasm.

MISCELLANEOUS

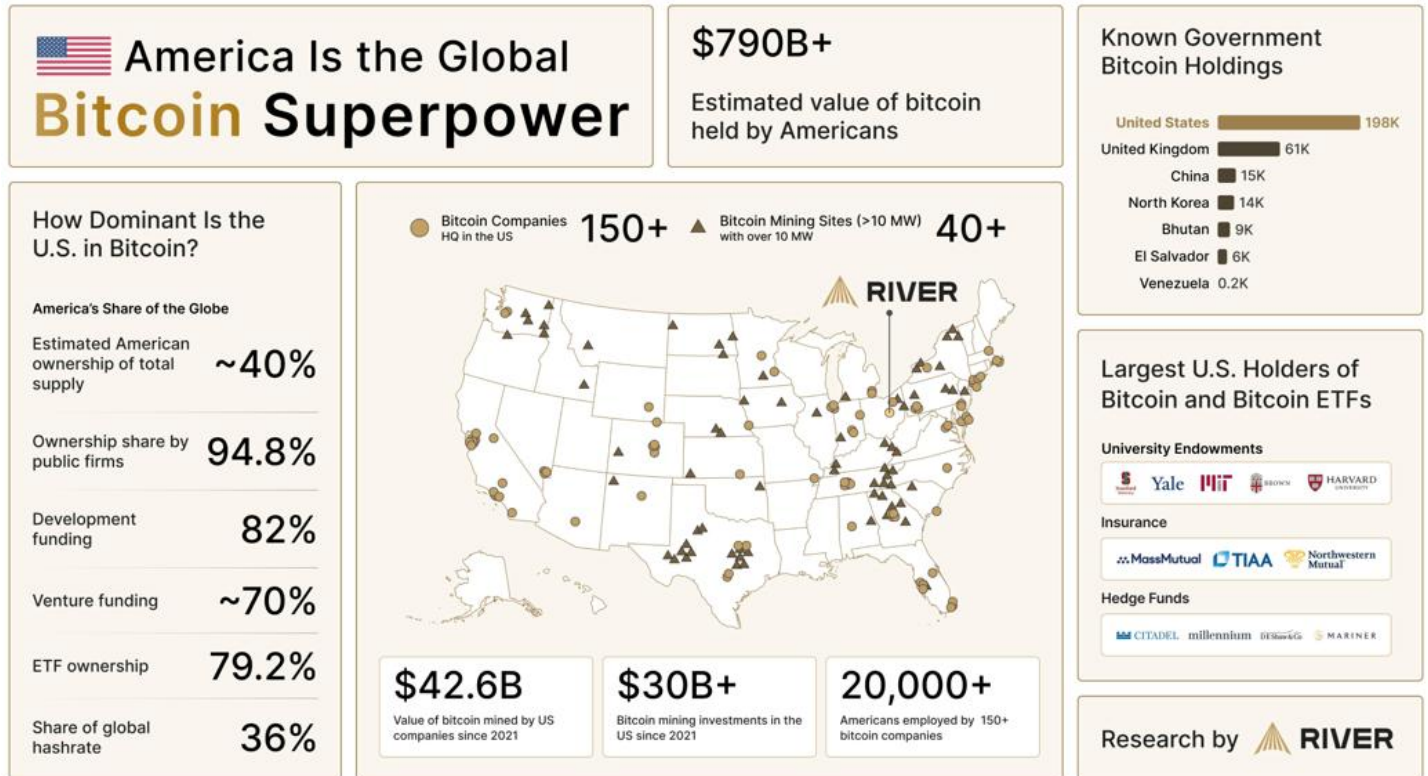


Trump held his gala dinner for the top 220 holders of his memecoin at the Trump National Golf Club outside Washington, DC. According to NBC News, the average attendee spent \$1.8 million on the cryptocurrency. The dinner menu featured filet mignon and pan-seared halibut, as well as a “Trump organic field green salad.” Trump failed to announce any new crypto policies during the controversial event. (~100 protesters confronted guests at the memecoin holder dinner.)

Vitalik Buterin aims to simplify running Ethereum nodes for average users by changing how they sync with the network, using regular consumer hardware. Instead of storing all blockchain data, nodes would only keep necessary portions, while older data gets distributed for shared storage. Buterin's proposal introduces a local-first model for Ethereum nodes.

CHARTS, TABLES, QUOTES, COMMENTARY & OTHER IMAGES

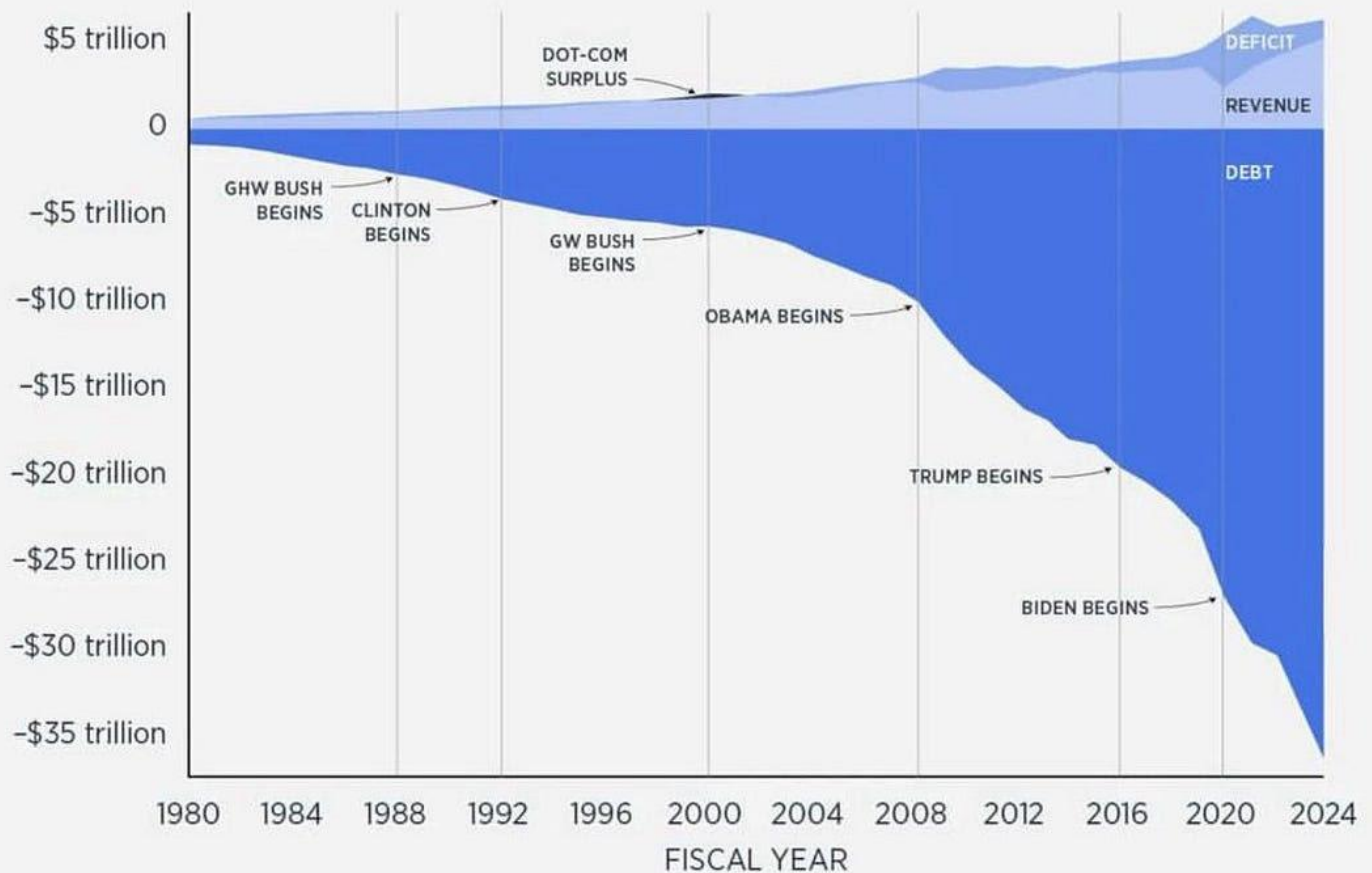
River: The United States is the global Bitcoin superpower. (See River's full 22-page report, [here](#).)



Anthony Pompliano: This chart opens your eyes to just how significant the US debt situation is. This is the best marketing campaign for Bitcoin you could ever have. The debt is not going to be balanced. The annual deficit seems to be getting worse and worse. And if the dollar is going to be debased, then Bitcoin is going to keep going up forever. Bitcoiners have been talking about this for a long time, but it seems like the rest of the world is finally realizing what the future looks like.

U.S. Deficit, Revenue and Debt Since 1981

The national debt has increased drastically under every recent president, regardless of political party.



SOURCE: THE BALANCE, "U.S. FEDERAL GOVERNMENT TAX REVENUE BY YEAR," MAY 15, 2024; FEDERAL RESERVE BANK OF ST. LOUIS, "FEDERAL SURPLUS OR DEFICIT (FYFSD)"; INVESTOPEDIA, "U.S. NATIONAL DEBT BY YEAR," NOV. 4, 2024.

DISCOURSE

Willy Woo takes a crack at updating/estimating BTC's future CAGR...

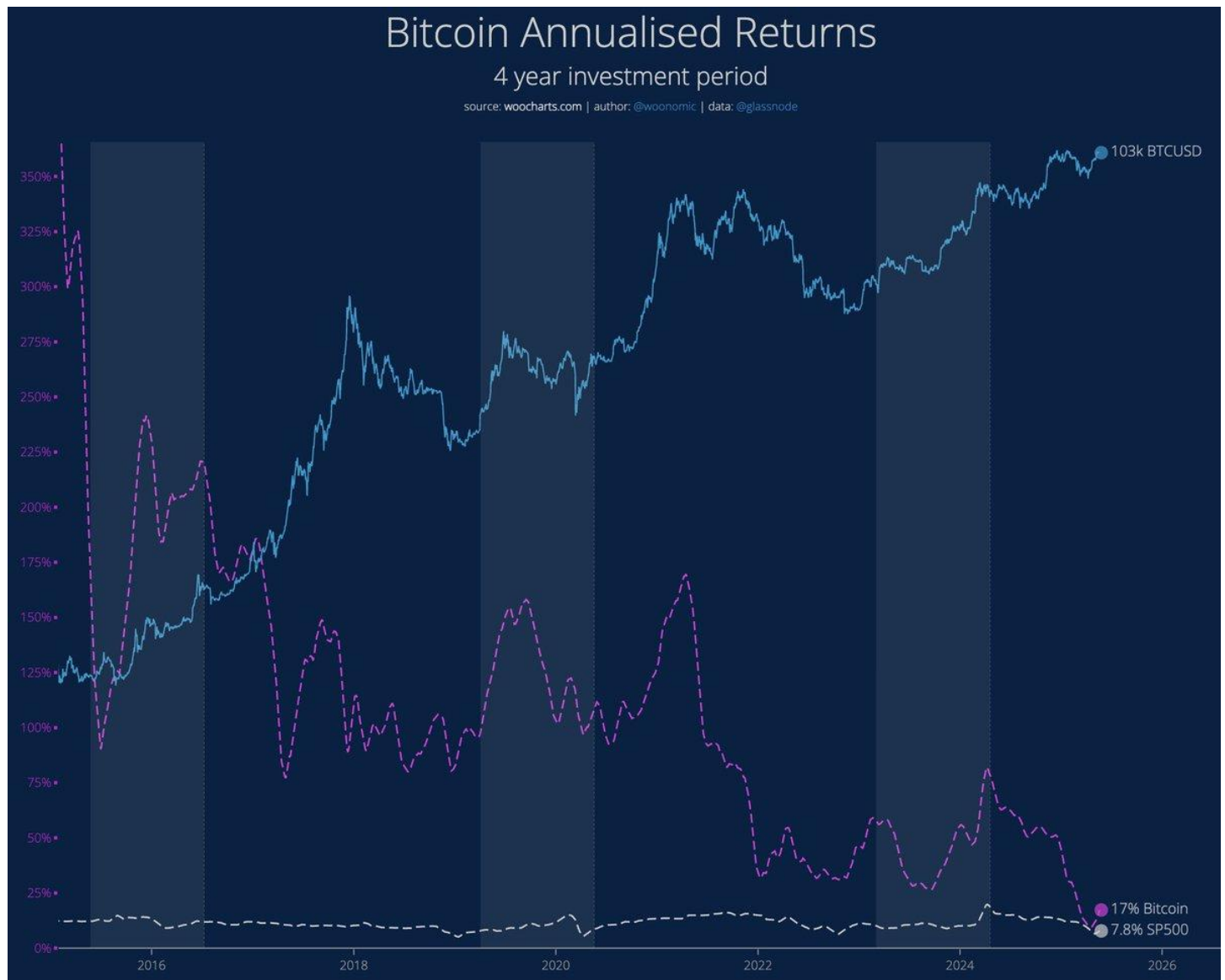
People think BTC is like a magical unicorn that climbs to infinity on moonbeams. Here's the actual CAGR chart. We are well past the 2017 year where we'd see many 100s of percent growth.

Now look at 2020, that was the year BTC got institutionalized, corporations and sovereigns started accumulating. Note there was a drop from >100% CAGR to 30-40% CAGR. And it's trending downwards as the network continues to store more capital.

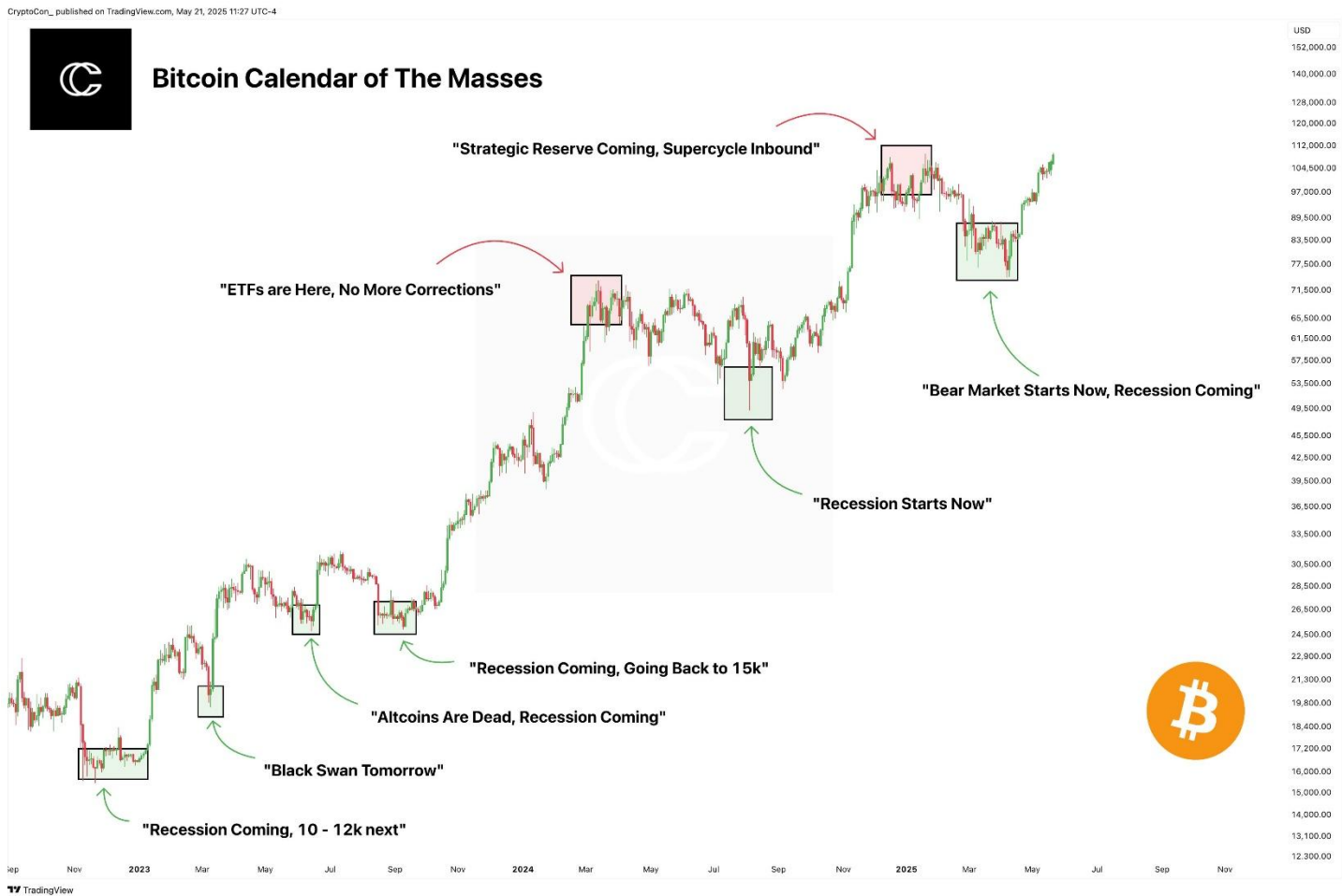
BTC is now traded as the newest macro asset in 150 years, it'll continue to absorb capital until it reaches its equilibrium.

Given long term monetary expansion is around 5% growth and GDP is 3% growth, I'd say 8% is where BTC CAGR will settle at.

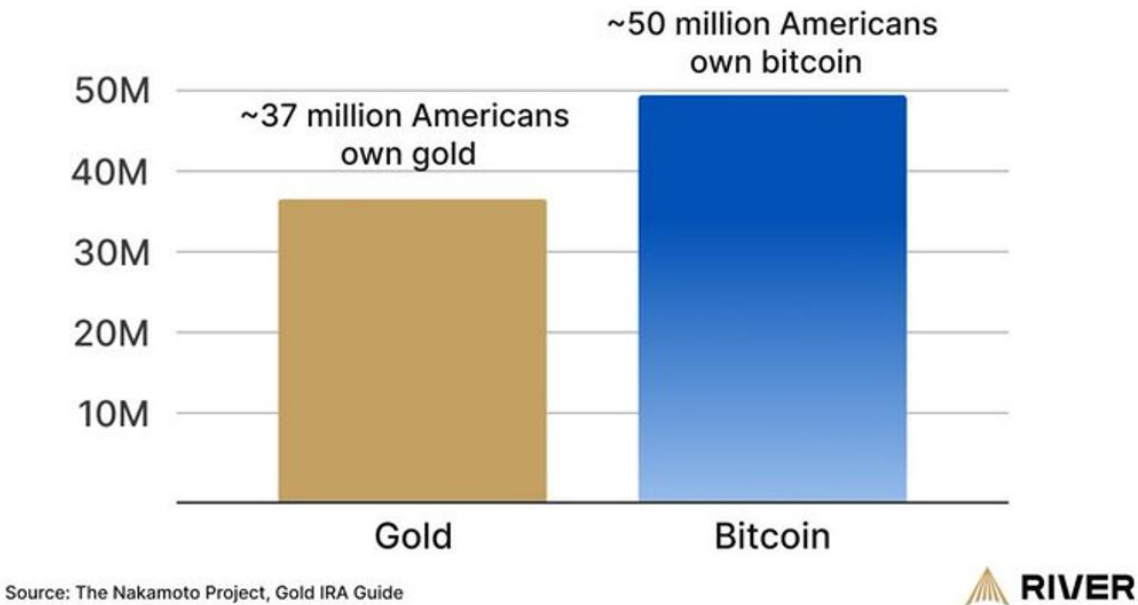
Until then, maybe 15-20 years away, enjoy the ride because almost no publicly investable product can match BTC performance long term, even as BTC's CAGR continues to erode.



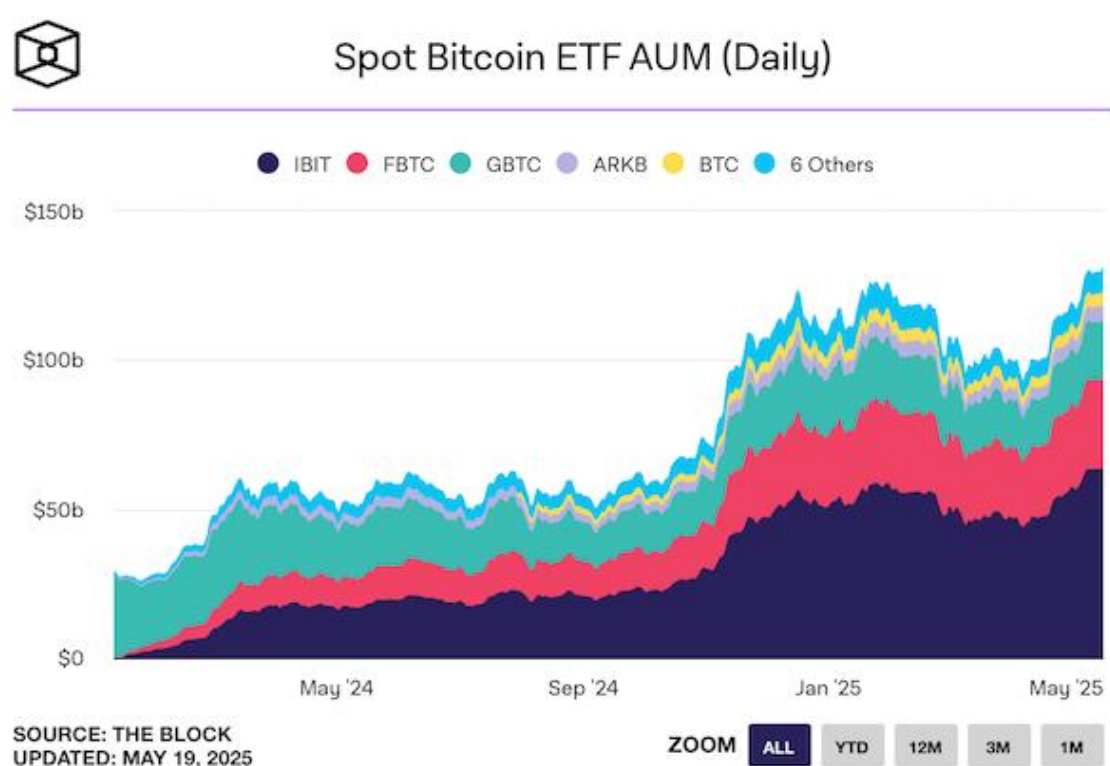
CryptoCon: Just a short while ago, the masses were guaranteeing to you that a bear market and recession were next. Hello new Bitcoin ATHs! The days will come again when the narrative reverses, “Bitcoin can never correct or will enter a super cycle because (X) reason.” The recession narratives will seem silly in hindsight, and people will forget how prevalent and real they felt. Many people have already sold portions, or all of their portfolio, at the lows because of the sheer magnitude of people predicting a black swan, recession, or bear market to come. Data and cycles were right yet again, it's not over, and the best is yet to come.



Bitcoin Is Becoming America’s Reserve Asset



The Block Pro Research: Bitcoin spot ETF assets under management have surged to a new all-time high of \$109 billion, demonstrating the remarkable success of these investment vehicles in broadening institutional access to digital assets. This milestone validates the long-held thesis that regulatory-compliant investment vehicles would unlock significant capital flows into Bitcoin from previously sidelined institutional investors. Prior to the ETFs, investors needed to navigate custody, a significant hurdle, as crypto asset custody differs significantly from equities or other investments.



Conclusion from Coin Metrics’ “State of The Network” weekly report from 5/20/25. (Read the full report, [here](#).)

With crypto gaining maturity, options are becoming an important cornerstone of the market's infrastructure, offering a familiar toolkit in this novel, growing asset class. In this issue, we explored how data on open interest, strike distributions and implied volatility can shed light on positioning, sentiment, and future expectations. While we focused on these metrics, tools like options Greeks and volatility surfaces can also provide deeper insight into how options react to price, time, and volatility. As adoption grows, options data will become an increasingly important guide to understanding and navigating crypto markets.

Summary and conclusion from Glassnode’s “The Week On-Chain” from 5/20/25. (Read the full report, [here](#).)

Strength in the digital asset market remains robust with Bitcoin continuing to consolidate just beneath its ATH of \$109k. The elevation in price has raised the profitability of the vast majority of market investors, with many seizing the opportunity to lock in profits. As a result, capital inflows have increased markedly, pushing the Realized Cap above \$900B for the first time, a historic milestone that underscores the depth of liquidity in the market.

For the Short-Term Holders, the improvement in their portfolio values has directly translated into a notable increase in spending activity, with the cohort realizing over \$11.4B of profit across the last month.

Ethereum has shown a strong response following the Pectra upgrade, with its spot price rallying from \$1,800 to a high of \$2,700. This recovery has returned the average ETH holder to a position of unrealized profit, offering meaningful financial relief. Notably, the \$2,400–\$2,900 range remains a key zone of interest, serving as both a resistance band and a potential breakout region critical for sustaining further upward momentum.

Blockworks updated key metrics...

Total Crypto Market Cap	\$3.61 T
Bitcoin Market Cap	\$2.20 T
Ethereum Market Cap	\$320.01 B
ETH/BTC Ratio	0.02
Ethereum Gas Price	5.27 gwei
DeFi TVL	\$210.63 B
Fear and Greed Index	72 (Greed)

Matt Hougan's (Bitwise) Weekly CIO Memo: "Wall Street and Crypto Are Getting Married – Progress on the Stablecoin Bill Could Pave the Way for a Multi-Year Bull Market in Crypto."

Politicians in Washington did the right thing.

It's been a while since I've had the chance to write that sentence, but I get to today.

On Monday, the US Senate voted 66-32 to advance the GENIUS Act to a final vote, with sixteen Democrats crossing party lines to vote "yes." The bill provides a firm regulatory framework for stablecoins in America.

I don't want to count my chickens before they hatch, but it looks like we will have our first full-fledged piece of crypto legislation passed in the US by the summer.

This is a big deal.

Outside of the January 2024 approval of spot Bitcoin ETFs, this is the most important regulatory development in the history of crypto. It may even be bigger.

I believe it sets the stage for a long-term, sustained rally in crypto assets beyond Bitcoin. The largest beneficiaries are Ethereum (ETH), Solana (SOL), and various DeFi assets like Uniswap (UNI) and Aave (AAVE).

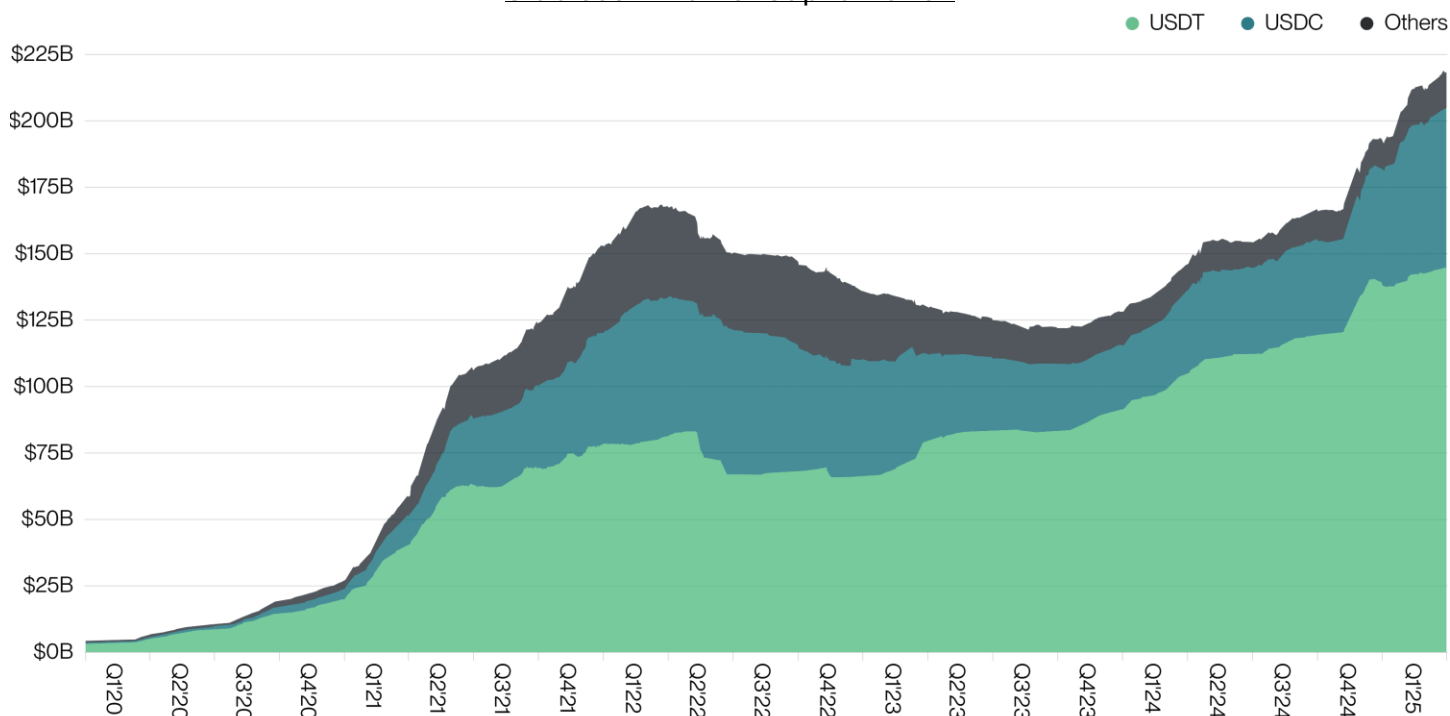
Before I explain why, let's take a quick detour to discuss what this is all about.

What Is the GENIUS Act?

Stablecoins are one of the killer apps of crypto. They are digital representations of the US dollar that move over blockchains like Ethereum. While bank wires take 24 hours, stablecoins settle in seconds – like a text or email.

Stablecoins were virtually nonexistent in 2019; today their global market cap is more than \$200 billion.

Stablecoin Market Capitalization



Source: Bitwise Asset Management with data from The Block, Coin Metrics, and CoinGecko. Data from Q1 2020 to Q1 2025. Note: “Others” includes BUSD, crvUSD, DAI, FDUSD, FEI, FRAX, GHO, GUSD, HUSD, LUSD, MIM, PYUSD, TUSD, USDD, USDP, and USDS.

But stablecoins have long existed in a regulatory gray zone. Stablecoin issuers like Circle have to follow many regulations, but there is no overarching federal framework. The GENIUS Act provides that framework.

The bill guarantees that:

- Stablecoins will be backed 1-to-1 by US Treasuries and dollar equivalents;
- Large stablecoin issuers will register with federal banking regulators;
- Those issuers will be audited regularly to ensure soundness; and
- Stablecoin issuers will apply anti-money laundering restrictions to their tokens.

In other words, the bill puts federal weight behind stablecoins and allows big banks to issue stablecoins and merchants to accept them.

It's pretty amazing to me that stablecoins grew to well over \$200 billion in assets without any participation by the largest financial institutions in the world, and without consumers having an easy way to separate “good stablecoins” like USDC from “bad stablecoins” like TerraUSD.

With those protections in place, I expect this will be a \$2.5 trillion market in no time. Close your eyes and imagine a world where JPMorgan and Bank of America issue stablecoins, where Amazon gives you a 2% discount if you buy using stablecoins instead of Visa, and where it's as common to accept stablecoins as it is to accept Venmo or PayPal.

That's the world we're going to be living in soon.

Only the Beginning

As excited as I am for stablecoins themselves, I think this is only the beginning. Once we normalize moving dollars over blockchain networks – and the largest financial institutions in the world are participating in that effort – it's a relatively small step to moving stocks, bonds, and other financial assets over the same rails.

This is the fundamental thesis for investing in non-Bitcoin crypto assets like Ethereum, Solana, and the like: that \$100+ trillion of financial assets will eventually move over blockchains. Passage of this bill starts that ball rolling downhill.

I suspect the impact here will be similar to the impact of Bitcoin ETFs.

The approval of spot Bitcoin ETFs normalized crypto as an investment, and now some of the largest institutions in the world issue Bitcoin ETFs and own them in their portfolios. I see the approval of stablecoin regulations normalizing crypto as a financial tool, paving the way for the largest institutions in the world to issue stablecoins and use them for payments.

A genius act indeed.

Arca: Confidence Crisis in the US = Confidence Boost in Bitcoin...

Bitcoin Should Love a Moody's Downgrade of the USA

On Friday, Moody's downgraded the United States' long-term credit rating from AAA to AA1, marking the first time the US has lost its top-tier rating from all three major credit agencies. S&P downgraded the US in August 2011, and Fitch downgraded the US in August 2023.

The August 2011 downgrade was due to political brinkmanship over the debt ceiling and doubts about the ability of US policymakers to manage long-term fiscal issues. The S&P 500 dropped nearly 7% the following Monday (Aug 8), and paradoxically, US Treasury yields actually fell because investors still viewed US debt as a safe haven, even from itself. The VIX spiked, and gold prices surged. Bitcoin, of course, was still in its infancy, so its behavior was not super relevant. But during this period, Bitcoin's price experienced a sharp decline from \$13.43 on August 1, 2011, to \$10 on August 8th, to \$6.55 a week later. This decline was part of a broader correction following its first major rally earlier in 2011 and reflected the natural volatility and market dynamics of an emerging asset class, and likely was not directly linked to the US credit rating downgrade.

In 2023, Fitch cited "expected fiscal deterioration," high and growing government debt, and repeated political standoffs over the debt ceiling. The S&P 500 once again declined over the next few trading days, but this time, US Treasury yields rose. Bitcoin went sideways that week, but ultimately fell 10% over the next few weeks, before ultimately rising over 200% over the next 6 months.

Last week, Moody's cited several key factors in its decision, including the rising debt-to-GDP ratio, persistent deficits, and lack of political will to enact fiscal reform. US equity futures dropped only modestly, falling 1% Sunday night ahead of the Monday open. Meanwhile, the dollar weakened, and gold prices rose by 1.4% as Treasury yields climbed back above 4.50%. Bitcoin was volatile over the weekend, but ultimately little changed.

Outside of a few investors and counterparties that require a AAA-rating, most of this is just semantics. Treasury Secretary Scott Bessent spent the weekend discussing how the US is going to grow its way out of debt, rather than administer any sort of austerity. Ironically, the Republicans had just released their 1,116-page 'One Big Beautiful Bill Act', which accelerates America's upwardly sloping trajectory for both deficits and debt.

Despite the muted reaction to Bitcoin and the initial dip with the equity futures open, I'd be shocked if Bitcoin does not hit all-time highs this week, post the Moody's downgrade. If we've learned anything over the past decade, it's that Bitcoin DOES NOT act like gold as a safe haven when markets are in disarray caused by wars, or leveraged unwinds, or fear trades. But Bitcoin absolutely DOES act as a hedge against loss of confidence in banks and local governments. In some ways, Bitcoin is just sovereign and bank CDS. And Moody's downgrade of the US is an explicit symbol of this decreased confidence. Bitcoin loves that and should rally as a result.

Publicly Traded Companies and Crypto

The hottest trend in digital assets is.... stocks. From Robinhood (HOOD) going parabolic on crypto growth, to Coinbase (COIN) entering the S&P 500, to Galaxy Digital (GLXY) finally getting listed on the Nasdaq (previously only on the TSX)... investors can't get enough of digital asset proxies. But of course, these real companies pale in comparison to Strategy (MSTR) and its numerous copycats. MSTR has

Source: Bloomberg, Arca Internal Calculations

Jim Chanos agrees, as he is the latest to try the arbitrage trade of selling the high premium shares and buying the underlying asset (BTC). It likely won't work though. For a few reasons.

The first is that MSTR is more appealing to volatility traders than BTC traders. The high volatility in the stock is exactly what convertible bond and preferred holders want to see, as they constantly delta hedge their position.

The second, and perhaps more important, answer is that the capital markets don't care about the premium. They care only about the "BTC per share." This means that as long as the number of BTC (or SOL or TAO) in the pot grows, they don't care if the premium to NAV falls because the absolute value of the stock will still go up. Take this simple example. Let's say a new shell company owns \$100 million of Bitcoin, and the stock has a \$500 million market cap (5x NAV). SHELLCO then issues \$200 million of convertible bonds and buys \$200 million of BTC with the proceeds. The price of BTC doesn't move, but now the underlying BTC is \$300 million. Let's say the NAV compresses to 2x from 5x, so the stock now trades at \$600 million. The stock still went up 20% (from \$500M market cap to \$600M market cap) even though BTC was flat, and the NAV collapsed. And therein lies the problem with the long/short trade. The value of the stock has nothing to do with the price of BTC itself, but rather, it has to do with whether or not the capital markets stay open for these trades.

Further, and this is WAY down the line, but you could argue that a premium to NAV actually makes sense. If Bitcoin truly does become a scarce asset, couldn't these BTC shell companies become the "Berkshire Hathaway" of crypto? In this scenario, a company can buy any company they want at a lower price (and thus create a higher ROI), simply because they can pay in BTC while other suitors would have to pay in lousy old worthless fiat cash? That's likely the end game for all of these companies. Fake it until you make it and then use the most sought-after asset on earth to become a real portfolio of companies.

Almost 5 years ago, I wrote about why Bitcoin was possibly the best Treasury asset to own.

"So this brings about an interesting paradox. Why does a company have cash in the first place? If they just want the flexibility and fungibility, clearly there are better options now than holding cash in banks or brokerages that are closed more than half of the time. Further, if they plan to spend that cash, but everything that they might spend the cash on is going up in price due to inflation (stocks, capex, salaries), they'd presumably need to generate an ROI on that cash to keep pace. But then again, if they expect everything to go higher, why not just buy back their stock before it too goes higher. Of course, if they buy back stock, that money would then be gone when they might need it most (ahem, March 2020). Right now, perhaps purchasing Bitcoin really is the best solution to this conundrum – Bitcoin increases transaction flexibility, keeps pace with inflation, keeps activist investors at bay, and provides a cushion during the next crisis."

While it is undoubtedly bad for the rest of digital assets, as money continues to flow into publicly traded stocks that are loosely connected to crypto rather than crypto itself, it is undoubtedly good for the price of BTC itself (and any other asset being held on these balance sheets).

Good luck to your Mr. Chanos, but I think this will play out a lot like shorting Tether – a failed effort to pretend you're involved in crypto, when you're really just out of touch.