

Week commencing 7th August

Could FTX come back from the dead?



FTX bankruptcy draft plan hints at offshore exchange reboot, without FTT

Blockworks, Shalini Nagarajan

FTX has presented an initial bankruptcy blueprint, outlining a proposed strategy for repaying its creditors. Notably, the plan continues to leave open the potential revival of the primary FTX global exchange and charts a course that would grant creditors ownership stakes or shares in this prospective new entity. The plan also classifies \$FTT as akin to equity in FTX (equity often loses all value during bankruptcy proceedings), and thus, it's possible that \$FTT holders will not receive compensation for their tokens. Furthermore, creditor claims will be assessed in USD, using the token valuations from the date of the company's bankruptcy filing—an instance coinciding with a market trough for crypto prices. FTX creditors have expressed dissatisfaction with the proposal and have criticized the expenses associated with the restructuring procedure and asked for commitments to restart FTX operations and tokenize creditor claims.

Over \$70M Stolen From Multiple DeFi Protocols Due To Vyper Code Bug

The Defiant, Jeremy Nation and Samuel Haig

An exploit of the Curve decentralized exchange has wide-ranging implications for DeFi. Curve (which specializes in stablecoin trading) had over \$45m drained from its liquidity pools on July 30th; this attack directly impacted the assets of other DeFi protocols such as Alchemix, since many of these projects rely on Curve liquidity pools to help maintain the price of their synthetic assets. The hackers exploited a vulnerability in Vyper, the coding language used to write Curve's smart contracts, not a flaw in the actual smart contracts, which suggests that other protocols using Vyper written smart contracts could be at risk. Further complicating the situation: Curve's founder Michael Egorov recently took out a \$60m loan using his ~\$180m in Curve's governance token \$CRV as collateral. With confidence in Curve shaken and \$CRV's price tanking, Egorov's collateral was at risk of partial liquidation, which threatened to send \$CRV's price into a negative spiral and leave the DeFi lending protocols he took the loans out from (like Aave) with bad debt. Since the hack, Egorov has arranged OTC sales of unlocked \$CRV to help repay his debt without impacting the token's price. Generally speaking, Curve is viewed as a bluechip DeFi protocol, so this attack and its impact on the ecosystem could be a setback for institutional DeFi investment and adoption.

Meme Coin Mania Drives Degens to Base, the Ethereum Level-2 Chain Meme Coin Mania Drives Degens to Base, the Ethereum Level-2 Chain from Coinbase - Decryptfrom Coinbase

Decrypt, Andre Beganski

Coinbase's L2, Base, only recently launched a testnet, but that didn't stop degens from bridging \$60m+ onto the network, primarily to speculate on memecoins. One of the largest of these utility-free tokens, \$BALD (a thinly-veiled reference to Brian Armstrong), rugged after a few days and many of the new tokens being deployed are dubious in nature. Nevertheless, Coinbase has lined up mainstream brands such as Coca-Cola to offer NFTs as part of the mainnet launch this week, eager to cultivate an image of its new chain as mainstream friendly and accessible.

Other Headlines

Uniswap delists HEX token from interface after SEC alleges it's an unregistered security

The Block, Yogita Khatri

U.S. SEC Sues Richard Heart, Hex, PulseChain on Unregistered Securities, Fraud Allegations

CoinDesk, Nikhilesh De

'Let's just diversify and see' – Binance CEO on its stablecoin strategy

Cointelegraph, Tom Mitchelhill

Mixed signals: Binance denies reports of \$90B in crypto trades in China

Cointelegraph, Savannah Fortis

Binance CEO Changpeng Zhao Pushed to Shutter U.S. Exchange

The Information, Aidan Ryan

Coinbase Enlists Coca-Cola, Atari Ahead of Base Mainnet Launch Next Week

Decrypt, Stacy Elliott

Binance secures license in Dubai amid international pullback and mounting legal woes

Fortune, Ben Weiss

Coinbase earnings tell a surprising story: The push to services is working

Fortune, Jeff John Roberts

U.S. prosecutors worry Binance charges could cause run on exchange

Semafor, Reed Albergotti