

MORGAN CREEK

D I G I T A L

ALTERNATIVE THINKING ABOUT INVESTMENTS

Welcome to Morgan Creek Digital's weekly digital asset update. It is comprised of a thought piece from our team followed by a summary of what we consider the most compelling digital asset news during the last week. We hope you find this content interesting. Please let us know if you have any comments or questions or if you would like to speak to a member of the [Morgan Creek Digital team](#).

MCD Notes

In the Western world, we have recently welcomed 2023 with much rejoicing and reflection. Similarly, the Chinese Lunar New Year celebration was last Sunday. The start of a New Year reminds us of the many cultural and superstitious traditions with a theme of self-cleansing and replacing the “old” with a “better new.”

In China, the explosion of firecrackers defeat the forces of darkness.

In Thailand, the firing of guns once scared off demons.

In Denmark, shattered plates and glasses banish bad spirits.

In Ireland, hurling bread against the wall drives away evil spirits.

In Ecuador, burnt effigies of renowned people banishes bad “juju”.

Among the countless other traditions, it is apparent that it is part of innate human nature to be drawn to renewal, progress, and evolution. In the spirit of renewal, we look forward to 2023 while reflecting on the bad actors of 2022. As a reminder, in 2022, the cryptocurrency Luna suffered a total collapse in value, causing collateral damage industry-wide, including being a catalyst for Bitcoin’s near 70% descent from its all-time highs. Most recently, Sam Bankman Fried had a meteoric fall from grace. The once darling of the crypto industry is now a disgraced fraudster guilty of many sins—including the embezzlement of client’s capital.

As we ward off these evils of yore, we look forward to 2023 with anticipation of both regulation and the innovation of the digital markets. We also rejoice in the many accomplishments in the blockchain, and digital asset markets, including the successful Ethereum Mainnet merge with a proof-of-stake blockchain called the Beacon Chain, the product reveal of Ledger’s hardware wallet, Stax, and the rapid growth of Web3 applications and investments. History reminds us that intelligent constraints drive creativity, and now builders are doing what they do best, build.

We enter 2023 with great optimism and would like to direct our readers to a blog post by Dara Albright; [Decentralization will Shape the Future](#). We believe the article captures some of the opportunities ahead for 2023 and the movement toward decentralization.

Digital Currents. Before we say Goodbye to 2022, Here's What you Need to Know About the State of Crypto



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THE RUNDOWN

Ava Labs and Amazon’s partnership could ‘expand the pie’ for blockchain : The collaboration will allow both individuals and institutions to launch subnets that can operate as self-sufficient blockchain systems. [Read More](#)

Ripple CEO: XRP lawsuit resolved by June, SEC conduct ‘embarrassing’ Ripple CEO Brad Garlinghouse said the firm’s XRP lawsuit could come to an end within “single-digit months.” [Read More](#)

FTX's Failure Highlights Need for Federally Mandated Insurance, Not More Regulation There is extensive precedent for requiring companies providing critical infrastructure to get special insurance. Why not require crypto companies to back themselves with a market-based product, say the founders of Evertas, a crypto insurance provider. [Read More](#)

US Authorities Are Pursuing Bitzlato's Creator : The crypto company Bitzlato was the target of a "significant worldwide cryptocurrency enforcement operation" that was announced by the United States Department of Justice. The action also resulted in the arrest of the company's creator, Anatoly Legkodymov. [Read More](#)

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