# Good Morning News

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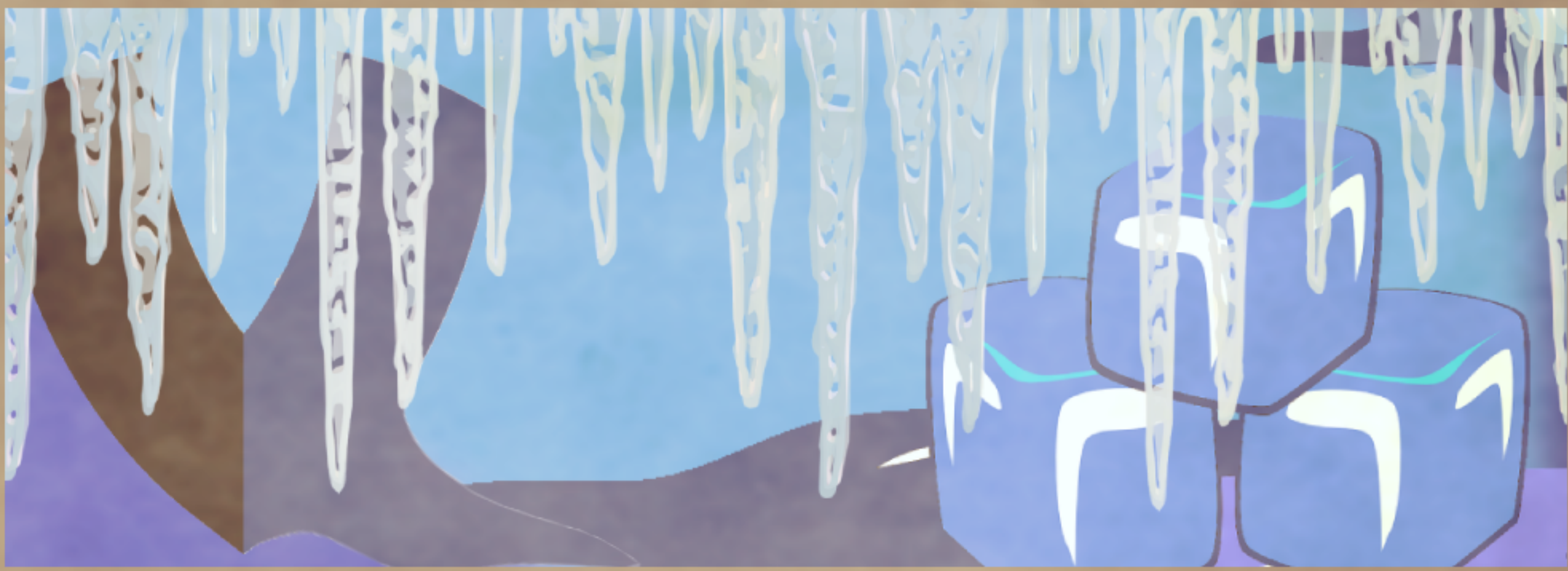
# WINTER BITES



This winter is cold, especially for the formerly hot market of crypto lending. Celsius went way below zero and still has customer withdrawals frozen solid. Only a lifeline from FTX is keeping BlockFi from turning into an ice block. Major lending and borrowing protocols have been warming the ice and liquidating customer accounts. And this week, another lender has suspended customer withdrawals as it too skates on thin ice.

Crypto lender Vauld announced yesterday that it was halting most account activity on its platform. Based in Singapore, Vauld indicated it would seek protection under that nation's insolvency laws as it seeks to work with its customers and backers to find a way forward.

Like Celsius and BlockFi, Vauld is a centralized lending platform backed by the likes of Coinbase and Valar, the latter being the investment firm owned by Paypal co-founder Peter Theil.

Vauld points to the 200 million USD in customer withdrawals post-Terra collapse as the reason for its actions, although those of us following the crypto news closely may wonder about how it used its deposited funds to increase yield for its clients (answer: leverage!).

Today, it appears Nexo, which is also a crypto lending platform, is working on a deal with Vauld to buy it in an all-equity offer. The potential purchase price is unknown, although Nexo has 60 days to close the deal. Recently, Vauld assured its users it would not limit withdrawals, but now it's clear that was all show, an act to stem the flow of withdrawals. While Nexo awaits to pull back the curtain on Vauld's books, let's hope for its user's sake that they don't reveal more holes in the ice.

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