

September 2024 Investor Update

ProChain Capital increased in value **+8.09%** in September.

Year-to-date, ProChain has gained **+21.65%**.

ProChain in the News

[Trump vs. Harris: What the Election Results Mean for Crypto](#); *CoinDesk*, Sept 25

[US port strikes could have 'substantial' impact on markets, consumers](#); *Fox Business News*, Sept 27

You can hear David Tawil (@DavidDTawil) on X (Twitter) daily at **8am ET**.

He is the co-host of **#FinanceDaily**, the most listened-to live daily finance program on X.

1. Adoption

Investment.

- The SEC [approved Nasdaq's application to list spot Bitcoin ETF options](#)—specifically BlackRock's IBIT
 - *ProChain*- In summary, this is very important because:
 - Bitcoin ETF options will set free Bitcoin-based and Bitcoin-denominated products, which will no longer be absolutely tethered to the constraints of Bitcoin's capped supply. Think, fractional reserve banking.
 - With protection from the Office of the Comptroller of the Currency (OCC), previously skittish investors will have their concerns about counterparty risk solved.
 - Investors will be able to speculate on the long-term price of Bitcoin without having to hold a cash position for a long time and sustain considerable volatility along the way.
- Tokenized shares in money-market funds, such as those issued by **BlackRock** and **Franklin Templeton**, are getting closer to being [approved for use as collateral in trading](#).
 - *ProChain*- This added use, which is *de facto* for non-tokenized funds, would add to the reasons for increased use of securities' tokenization.

Currency and Use.

- **PayPal (PYPL)** [used its proprietary stablecoin \(PYUSD\) to pay an invoice](#) from Ernst & Young via the payment platform, SAP. Proof of concept.
- In contrast to BlackRock's use of the Ethereum blockchain for tokenization of its money-market fund BUIDL, **Franklin Templeton** is [building its own tokenized fund using the Solana blockchain](#), prioritizing transaction speed.
- **Guggenheim Capital** has [issued digital commercial paper using Ethereum](#).
- After years of research, the **Bank of Canada** has [decided against an immediate initiative for a Central Bank Digital Currency \(CBDC\)](#).

- *ProChain*- We continue to believe that no country that holds sacred personal freedoms of speech and privacy will ever adopt a CBDC, which would be seen as a direct attack on those freedoms, to say nothing about the security concerns.
- An **Ohio** State senator has proposed allowing **Bitcoin** to be [used to pay state and local taxes](#).

2. **Regulation and Legal**

- Despite recent progress for the crypto industry in Congress and in courts, the air with **the SEC** seems to have never been more polluted
 - The **SEC** has [appealed its loss in the Ripple \(XRP\) securities case](#), which held that Ripple's programmatic sales to retail exchanges did not constitute a "securities" violation.
 - The SEC's head of enforcement, Gurbir Grewal, [has stepped down](#).
 - The **Third Circuit Court of Appeals**, in the SEC's case against **Coinbase (COIN)**, [was flummoxed when the SEC's attorney refused to clarify the SEC's views Bitcoin and Ethereum as commodities](#). The attorney insisted that such determinations still had to be made on a case-by-case basis.
 - **Crypto.com** has gone on the offensive and [sued the SEC](#), after previously receiving a Wells notice.
- **Telegram** announced that it had [changed its terms of service](#) in order to deter criminals from using the service.
 - Previously, **Pavel Durov**, the CEO of Telegram, issuer of the **TON** token, was arrested in France over allegations that the app facilitated criminal activities.
- Newly uncovered information suggests that the **Biden Administration** targeted **Silvergate Bank** in March 2023 over its ties to the crypto industry and [sought to shut it down](#), regardless of the required pressure or tactics.

3. **Public Companies**

- **MicroStrategy (MSTR)** [continued its Bitcoin purchases](#), holding a total of \$14B of Bitcoin.
- **PayPal (PYPL)** has [enabled business/corporate accounts for crypto buying and selling](#).
- **Visa (V)** is launching [a platform that will equip banks to issue their won USD-backed stablecoin](#).
 - *ProChain*- The impact of the initiatives from PayPal and Visa could be massive. **PayPal** is making small-business treasury crypto investment/holding simple, which could grease the crypto-wheels even more and encourage small businesses to invest in crypto. **Visa's** platform could bolster the on-ramps for crypto markets; stablecoins facilitate the entry of fiat currency into the crypto market.



David D. Tawil

President

+1-646-479-9387

david@prochaincap.com