

*Welcome to Morgan Creek Digital's weekly digital asset update. We are using this week's update to share some exciting news about Morgan Creek Digital.*

*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](#).*

## **Welcome Ledger**

Morgan Creek Digital is excited to welcome its second investment, Ledger. Morgan Creek participated with several other top investors in a Series C round led by 10T (our Figure Series D co-lead). Ledger raised \$380M to improve its scale and growth into new products, valuing the company at \$1.5 billion. Ledger is the global crypto wallet leader allowing users to easily and securely store their crypto on an encrypted device. Ledger currently secures an estimated 15% of global cryptocurrencies and has sold over three million hardware wallets in 190 countries.<sup>1</sup>

Ledger provides critical blockchain infrastructure that continues to proliferate despite overall market volatility. With this Series C investment round, Ledger, which is rapidly growing and profitable, will expand services to provide a secure gateway for the digital asset ecosystem. New transactional services via Ledger Live, such as Decentralized Finance solutions, can significantly expand its enterprise capabilities. These plans aim to pin Ledger's products and services as the backbone for retail investors, financial institutions, and other industries investing in and managing digital assets.

Ledger's market strategy has whispers of Apple in the early 2000s with the launch of the iPod, an ultimate revolution for the music industry. Apple did not create the mp3 player, but they made an attractive product that was simple to use, much like the Ledger Nano, that quickly became a market leader. Once Apple achieved critical mass, the proprietary software native to the iPod, iTunes, was decoupled from the device and became device agnostic, allowing it to grow freely with the overall market and ultimately becoming a new revenue sharing marketplace for entertainment. Ledger envisions creating software for a network of DeFi services anchored by their hardware. Ledger hardware can already be paired with smartphones allowing semi-remote access to cold storage crypto. Once the broader ecosystem of exchanges and OTC solutions grow in their cold-storage needs, demand for accessing remote services and products is expected to increase.

Today, we believe Ledger still has plenty of low hanging fruit that they can take advantage of by continuing to penetrate the growing exchanges and OTC

relationships where most consumers purchase their crypto. A critical aspect of DeFi assets is enabling the individual to skip banks or other institutions and maintain custody of their assets. Ledger provides physical as well as digital tools to empower the customer to do that safely. They can also pave the way for the eventual shift of banks and other financial institutions that will tokenize their assets and bring them on-chain, which will require hardware and, ultimately, software to do so effectively. With only an estimated 1% of the global population owning cryptocurrencies at this time, Ledger is well-positioned for growth as demands for secure infrastructure and services will undoubtedly continue.

## RUNDOWN

**Crypto.com Joins With Circle to Enable USD Deposits for USDC:** Crypto.com is introducing a way for clients to use fiat currency to buy crypto on its platform in partnership with Circle, the developer of the USDC stablecoin. Users will be able to wire transfer their funds to Circle and receive USDC at a 1:1 conversion rate in their Crypto.com app. The facility, which will be available in 30 countries, is the only way for clients to use fiat to buy crypto on the exchange. [Read more.](#)

**Fed Vice Chair: ‘We Should Be Saying Yes’ to Stablecoins** Federal Reserve Vice Chair Randal Quarles said at a bankers’ conference in Utah the U.S. should find ways to say “yes” to stablecoins. The speech was in sharp contrast to recent comments from other Fed officials, such as Federal Reserve Governor Lael Brainard, who have warned stablecoins could pose a risk to consumers and businesses. Speaking at the 21 Utah Bankers Association Annual Convention, Quarles added that the U.S. central bank has a “strong regulatory interest” in stablecoins but also said there is no need to fear them. [Read more.](#)

**Coinbase Receives Crypto Custody License From German Regulator BaFin:** Coinbase has received a crypto custody license from Germany’s Financial Supervisory Authority, allowing Coinbase to continue serving the German market. BaFin announced the news recently. Coinbase is the first company to receive the license, BaFin said in a press release. In November 2019, Germany’s parliament – the Bundestag – passed a law that required firms custodying crypto for Germans to apply for a crypto custody license or leave Germany. Companies that were already operating in the country on January 1, 2020, were required to announce their intent to apply by March 31 of that year and apply by November 30. [Read more.](#)

**CEO Brian Armstrong Flags Self-Custody, DeFi Access As Coinbase Priorities:** Decentralized finance is “the future of where the industry is going,” according to Coinbase CEO Brian Armstrong. In a recent blog post he delineated how his cryptocurrency exchange will serve the growing demand for DeFi products and services. “We’re seeing crypto quickly mature ... to the trading of thousands of new assets, and the adoption of new use cases” including DeFi, non-fungible tokens, smart contracts, decentralized autonomous organizations and more, Armstrong wrote. [Read more.](#)

**Coinbase Debuts Savings Product With 4% APY on USDC**

**Deposits:** Coinbase is rolling out a crypto savings account that lets you earn 4% annual percentage yield by lending out your USDC. The account isn't FDIC- or SIPC-insured and functions much like other products at crypto lenders and other exchanges that regularly offer yields around 8%. The reason why Coinbase is offering a comparatively lower yield is because it doesn't lend to "unidentified third parties," said Thorsten Jaeckel, senior product manager at Coinbase. [Read more.](#)

**Startup Looks to Distribute Crypto to Everyone on Earth by Scanning Their Eyeballs:** Worldcoin, a startup founded by former Y Combinator head Sam Altman, wants to distribute crypto to everyone on the planet by scanning their eyeballs. The company has designed an orb-shaped unit that can produce a unique personal identifier from an iris scan, Bloomberg reported. Altman, former president of startup accelerator Y Combinator, devised the concept in 2019 around experimentation on universal basic income and how money could be distributed to people in a way that circumvents the role of government. [Read more.](#)

<sup>1</sup> All round and investment information was sourced and is available from Ledger's company press release available at: <https://www.businesswire.com/news/home/20210609005985/en/Ledger-completes-a-380-million-Series-C-fundraising-Valuing-the-company-at-more-than-1.5-billion-to-strengthen-its-position-as-the-leading-secure-gateway-to-digital-assets>

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