

Crypto lending company Celsius Network has filed for bankruptcy

The crypto crash has claimed another corporate victim: Celsius Network has filed for Chapter 11 bankruptcy protection. The crypto lending company's future has been in question ever since it abruptly halted all withdrawals and transfers exactly one month ago. It now hopes to continue operating with its remaining \$167 million in cash while bankruptcy courts restructure the company.

According to Celsius Network's filing, the company has between \$1 billion and \$10 billion in assets but owes a similar amount. The five largest claims range between \$20 million and \$80 million each. The company was valued at \$3.25 billion last year, according to *Fortune*, and managed as much as \$24 billion worth of assets before this year's sell-off. That had reportedly dipped to around \$12 billion before it locked withdrawals, but the bankruptcy filing suggests it has less now.

There have been... questions, to say the least, about Celsius' business model and operations. We describe some of those here.

Celsius now says it halted withdrawals last month to avoid a bank run: "Without a pause, the acceleration of withdrawals would have allowed certain customers—those who were first to act—to be paid in full while leaving others behind to wait for Celsius to harvest value from illiquid or longer-term asset deployment activities before they receive a recovery," reads a portion of the company's press release today.

Crypto hedge fund Three Arrows was also forced to file for bankruptcy earlier this month.

<https://www.theverge.com/2022/7/13/23212156/celsius-network-chapter-11-bankruptcy-crypto>