

RIVEMONT

Rivemont - Weekly Update #263

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Rivemont is the portfolio manager responsible for the investment decisions of the Rivemont Crypto Fund.

Sam Bankman-Fried, the former CEO of the FTX exchange who was extradited to the U.S., has finally been released on a \$250 million bail. The man was allowed to await trial with his parents in a deal described by prosecutors as the "highest pre-trial bail ever". In short, he was temporarily set free with the money stolen from investors. This certainly leaves a bitter taste in the mouths of many people who were cheated. Judge Gorenstein justified this decision by arguing that "The defendant has attained sufficient notoriety to make it impossible for him to pursue financial transactions - this notoriety also goes to the flight risk. He would be recognized. I will therefore authorize the release... [...] He will surrender his passport - he has already surrendered it. Home

detention with local supervision, to be installed today. He is to live at his parents' house in Palo Alto. No new business without prior approval from pre-trial services."

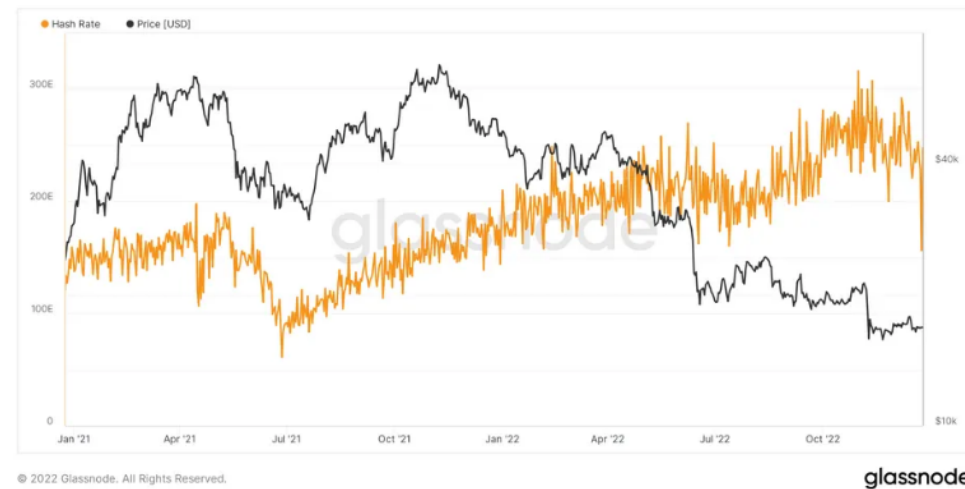
The 30-year-old will have his next hearing, presided over by Judge Ronnie Abrams, in New York on January 3rd, where he will plead his case and be arraigned. Two of his top aides at FTX and Alameda, Caroline Ellison and Gary Wang, have pleaded guilty to related fraud charges and are cooperating with law enforcement. Ellison, the former managing director of Alameda Research, said she agreed with Bankman-Fried to hide from FTX investors, lenders and clients that the hedge fund could borrow unlimited amounts of money on the exchange, according to a transcript of her Dec. 19 plea hearing that was made public Friday. "We prepared certain quarterly balance sheets that concealed the extent of Alameda's borrowings and the billions of dollars in loans that Alameda had made to FTX executives and related parties," Ellison told Manhattan federal court Judge Ronnie Abrams. At a separate hearing, also on Dec. 19, Wang said he was ordered to make changes to FTX's code to give Alameda special privileges on the trading platform, even though he knew that others were telling investors and customers that Alameda had no such privileges.

According to the same court documents collected, it is learned that the former FTX director borrowed hundreds of millions of dollars from Alameda Research to purchase its equity stake in the Robinhood Markets (HOOD) trading app. Bankman-Fried said he and FTX co-founder Gary Wang together borrowed more than \$546 million from Alameda through notes in April and May. They used the money to capitalize Emergent Fidelity Technologies Ltd, the shell company that in May bought a 7.6 percent stake in Robinhood. In short, the more the details behind FTX's operations emerge, the more it becomes clear that the operation was not just a particularly poorly run business, but rather an outright fraud.

What had the biggest impact on the bitcoin network this week? Nothing but the weather! While extreme weather conditions left more than a million people

without power on Friday, several U.S.-based bitcoin miners halted operations. Bitcoin's hash rate dropped by about 38 percent as the holiday weekend approached. According to Glassnode's data, the network's hash rate dropped from 252.98 EH/s on Dec. 21 to 156.36 EH/s on Dec. 24, the largest daily drop since early June.

Bitcoin: Mean Hash Rate



Bitcoin mining company Argo Blockchain requested that trading in its shares and unsecured bills on the NASDAQ exchange be suspended until today's trading session. It was finally learned it will sell its Helios mining facility for \$65 million and refinance a new asset-backed loan to avoid bankruptcy. Argo, which has fallen 92% year-to-date, is up 120% in early trading after the sale and refinancing deal with cryptocurrency investor Galaxy Digital Holdings, listed here in Canada. That's good news for the Quebec economy, while Argo's other mines are located in Mirabel and Baie-Comeau. The CEO pointed out that despite the sale of Helios by Argo, the company has not sold any of its mining machines. "These will continue to be operated in Helios' facilities."

Billionaire Mark Cuban has reiterated his confidence in bitcoin, flaying gold as an investment in the process. He says he'd like to see the price continue to fall, simply because he's using it to increase his personal reserves. The owner of the

NBA's Dallas Mavericks said investing in gold isn't worth it, adding that he much prefers digital assets. "Gold is a store of value and so is bitcoin," he said. "If everything went to hell and you had a gold bar, you know what would happen? Someone would beat you up or kill you and take your bar. It's useless." The investor added that owning gold today is just owning a digital transaction anyway, so he would much rather invest in bitcoin.

Speaking of industry players who don't lose a beat, let's note that Michael Saylor is ending the year by announcing a new purchase of bitcoins by MicroStrategy. The company purchased 2,500 BTC, bringing the total holdings to 132,500 BTC purchased at an average price of \$30,397. This new purchase should calm rumors that it was at risk of a margin call at current price levels.

The fund remains in a very defensive position as the year ends, with about two out of every three dollars currently in cash.

The entire Rivemont Investments team wishes you health, happiness and prosperity for this holiday season and the year to come!

Rivemont Investments, manager of the Rivemont Crypto Fund.

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