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Target:  Hashnote

Buyer:  CIRCLE

Circle Acquires Hashnote for an Undisclosed Amount

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Transaction Overview

On January 21, 2025, Circle, a global financial technology company and stablecoin market leader, announced its acquisition of Hashnote—the issuer of USYC incubated by Cumberland Labs, the largest tokenized treasury and money market fund in the world—for an undisclosed valuation.

Target: Hashnote

Hashnote is developer of a decentralized finance platform designed to facilitate cryptocurrency transactions, exchanges, and financial services. The platform offers a transparent, institution-grade DeFi solution that enables both U.S. and international investors to access tailored digital asset exposure. It provides comprehensive client support, eliminates counterparty risk, and delivers customizable strategies for balancing risk and reward.

With expertise in simplifying cryptocurrency management for large-scale organizations, Hashnote has eclipsed the roughly \$630 million held by BlackRock, which launched the first such product in early 2024, with its \$1.3 billion tokenized money market fund USYC. Hashnote's USYC tokens provide a yield as part of investments in short-term U.S. Treasury Bills.

Founded in 2022 by Leo Mizuhara and David Shapiro, Hashnote is headquartered in Miami Beach, Florida, and employs 5 team members.

The company raised \$5 million from Cumberland Labs's accelerator program.

Buyer: Circle

Circle is the creator of cryptocurrency-centric financial technology designed to facilitate the global transfer, receipt, and investment of digital assets. As the issuer of USD Coin (USDC), a fully-reserved stablecoin pegged to the U.S. dollar, Circle offers a trusted, transparent, and widely adopted digital currency solution for seamless transactions and value exchange.

With over \$52 billion USDC in circulation, Circle facilitates more than \$1 trillion in annual transactions across 190 countries. Partnerships with MoneyGram, Mastercard, and Plaid highlight its influence in both crypto and traditional finance. Its offerings, such as the Circle Account, enable businesses to manage and earn yield on USDC, while integrations with blockchains like Solana showcase its capability for low-cost, high-speed digital payments and programmable money solutions

Backed by investors such as Accel, General Catalyst, Goldman Sachs, IDG Capital, Oak Investment Partners, Pantera Capital, UDHC and Coinbase, the company has raised over \$1.11 billion to expand its capabilities with Series F closed in August 2023. The firm has 9 offices around the world with the headquarter at Boston. In addition, the firm is considering IPOing in the near future. The firm was founded by Jeremy Allaire with a team of over 950 employees.

Transaction Parameters

Circle announced the acquisition of Hashnote for an undisclosed amount.

Previous comparable transactions include: Membrane Finance | Paxos, Andro | Infinity Capital, Diem | Silvergate, BlockFold | Fireblocks, First Digital Trust | FireBlocks



Strategic Rationale

Circle will combine USYC with USDC allowing for seamless integration between treasury money market fund collateral and USDC. This will in turn enhance USYC's ability to be the preferred form of yield-bearing collateral on crypto exchanges and with custodians and prime brokers. In addition, this establishes Circle as a leader of tokenized money markets.

Architect Partners' Observations

Circle's acquisition of Hashnote could prove a powerful combination to help drive further expansion of stablecoin usage in global finance and commerce.

Stablecoins have emerged as one of the most successful and widely used applications of blockchain and digital asset technology. First appearing in 2014, stablecoins now command an aggregate market cap of \$212B, and reportedly account for almost 2/3 of all recorded cryptocurrency transactions.

Generally defined as programmable digital currencies whose value is pegged to other assets such as fiat currencies and commodities, the vast majority of stablecoins are pegged to the U.S. dollar. The two leading USD stablecoins - Tether's USDT and Circle's USDC - account for almost 90% of the entire market, at ~\$189B of combined stablecoins issued.

Their success is generally attributed to their utility - as a medium of exchange and a store of value, and as a bridge between the "real"-world and the crypto world on the blockchain. Their dominance in crypto transactions seems to confirm the first - the speed, certainly and low costs make them a great medium of exchange. But their case as a store of value was historically less clear - the original stablecoins did not distribute returns on underlying collateral, reserves, the other stability-mechanisms to users, so after transaction fees and frictional costs are considered look more like negative-yield assets.

Newer yield-bearing coins — such as Hashnote's USYC, Blackrock's BUIDL and Ondo's USDY — addressed this shortfall by distributing yield to their holders, arguably creating a better store of value (particularly in an inflationary environment). Their rapid expansion, with USYC's current market cap at around \$1.3bn, seems to confirm product-market fit. Financial and commercial markets have applied stablecoins to numerous use cases ranging from international payments, to liquidity management, to protection against currency fluctuations. But the future opportunities remain vast - according to [RWA.xyz](#), the entire market only accounts for 1.02% of global money supply.

As the world increasingly transacts in digital form, the expansion of the stablecoin market seems unrelenting and inevitable and unrelenting.

The pairing of USDC and USYC, and integrated with liquidity and settlement for fluid exchange, links the second-leading token for "value in motion" with the leading token for "value at rest". This is a powerful combination with potentially exciting results for both volume and efficiency digital capital flows.

Sources

[PitchBook](#), [CoinDesk](#), [CoinTelegraph](#), [Press Release](#)