August 18th - August 24th

PERSPECTIVES by Eric F. Risley

M&A requires complex, nuanced financial and legal advice and must satisfy myriad legal and regulatory requirements. DAO M&A appears to ignore these fundamentals.

This week, we've watched the Stargate saga unfold, with LayerZero and Wormhole as interested acquirers. As a lifelong M&A practitioner, many essential questions come to mind.

First and foremost, a commonly stated premise is that many tokens are not securities. That has profound implications, relieving token issuers—in this case, decentralized autonomous organizations (DAOs)—from a vast corpus of securities-related regulations and requirements.

In this instance, we are seeing all the core elements of traditional corporate M&A:
- An economic entity that generates both revenue and profits.
- Dedicated people who have created and operate that entity.
- Holders of tokens who have received economic benefits from those efforts.
- Token holders with governance rights to vote on important matters to defend their interests.
- Clear economic value being offered and negotiated.
- Disclosure of material information from all parties, sufficient for token holders to make an informed decision, appears to be lacking.

I'll refrain from making a judgment as to how this set of facts, activities, and rights can fall outside the legal requirements and securities laws that govern corporate M&A. However, from an M&A professional's perspective, this process is a concerning case study in execution. I am certain our industry can do better.

RECENT CRYPTO M&A TRANSACTIONS (click here for full AP M&A Tracker)

Target	Acquirer	Transaction Summary	M&A Alert
Stargate	LayerZero.	**Transaction Value:** $110M **Rationale:** Consolidates cross-chain infrastructure leadership, with LayerZero strengthening its market position over rivals **Sector:** Investing & Trading Infrastructure **Target Description:** On-chain community that governs Stargate Finance, a cross-chain bridge protocol built on LayerZero	○
Dogecoin Mining Technologies	HyperBit	**Transaction Value:** $4.7M **Rationale:** Bolsters their market position in highly-fragmented altcoin mining operations **Sector:** Brokers & Exchanges **Target Description:** Dogecoin and Litecoin mining company	○
flipp	Rarible	**Transaction Value:** Not disclosed **Rationale:** Improve the infrastructure and UX design of Rarible **Sector:** DApp: Investing & Trading **Target Description:** Cryptocurrency trading app	○
DogeHash TECHNOLOGIES	Thumzup	**Transaction Value:** Not Disclosed **Rationale:** Dogehash becomes public and enables mining for Thumzups' treasury strategy **Sector:** Mining & Staking **Target Description:** Miner of digital currency and scrypt-based cryptocurrencies	○
staked hype	Valantis	**Transaction Value:** Not disclosed **Rationale:** Expand liquidity integrating stHYPE's capabilities with Valantis' DEX and HyperCore **Sector:** Mining & Staking **Target Description:** Liquid staking platform within the Hyperliquid ecosystem	○
Capitalise.ai	kraken	**Transaction Value:** Not disclosed **Rationale:** Provides no-code trading automation capabilities for Kraken Pro **Sector:** DApp: Investing & Trading **Target Description:** Financial trading platform	○
Growth Pass	ARK Point.	**Transaction Value:** Not disclosed **Rationale:** Business pivot via acquisition **Sector:** Consulting & Services **Target Description:** Stablecoin consulting and integration services	○
Pocket Universe	KERBERUS	**Transaction Value:** Not disclosed **Rationale:** Expand protection to all EVM chains and Solana and developing a crypto antivirus **Sector:** Developer Tools & Infrastructure **Target Description:** Browser extension technology designed to secure web3 transactions	○
TechLott	AppYea	**Transaction Value:** Not disclosed **Rationale:** Business pivot via acquisition **Sector:** DApp: Consumer, gaming **Target Description:** Blockchain lottery and gaming platform	○
COINPOST	SBI Holdings	**Transaction Value:** Not disclosed **Rationale:** Boosts digital asset media, investment and industry event hosting capabilities **Sector:** Consulting & Services **Target Description:** Media platform covering cryptocurrency and Web3 developments	○

OVERALL CRYPTO M&A ACTIVITY LEVELS

Past Eight Years — Number of Transactions: 2018: 61, 2019: 60, 2020: 59, 2021: 178, 2022: 202, 2023: 148, 2024: 189, YTD: 207

Past 52 Weeks — 52 Weeks Ago ... 08/18 - 08/24