

October 20th - October 26th

PERSPECTIVES by Eric F. Risley

Capital access remains in the dark ages; however, a roadmap for evolution has emerged.

Even today, the process of requesting money (raising capital) and providing money (investing capital) for businesses, both small and large, is horribly inefficient and disjointed. Yes, we read the headlines about the latest darling business raising hundreds of millions daily; however, that is the extreme anomaly.

From the company's perspective, the norm is investor identification, outreach, and conversation, repeated again and again. Success means cobbling together a set of investors over months and thousands of hours of senior executive time.

From an investor's perspective, it is much the same: hit-or-miss opportunity identification, outreach, and conversation. Success requires teams of people and access to significant capital, which is why venture capital and growth capital firms exist.

The phenomenon of tokens and token markets has demonstrated the potential for a different model, with the ability to operate at massive global scale already proven. This is a more direct way for both companies (or "projects," in crypto parlance) to raise capital and for investors to invest. Perhaps most importantly, it is open to all and global. Neither really exists today in traditional capital markets.

While promising, a few ingredients remain immature or missing: regulation, disclosure, best practices, and the emergence of leaders dedicated to doing it right and building trust, an absolute first-principles requirement. Trust requires more than code.

Coinbase is exceptionally well positioned to lead this evolution. This week, it announced the acquisition of Echo for \$375M. Coinbase often uses the term "democratizing investing." This focuses on the investor side, allowing anyone to invest without barriers. As described above, the value proposition is similarly profound for the company (or project) raising the capital.

See our [M&A Alert](#) for more information.

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RECENT CRYPTO M&A TRANSACTIONS (click here for full AP M&A Tracker)			
Target	Acquirer	Transaction Summary	M&A Alert
	 Armada Acquisition Corp.	Transaction Value: \$1.4B (Enterprise Value) Rationale: To be publicly listed on Nasdaq Sector: Investing & Trading Infrastructure Target Description: XRP treasury vehicle company	
		Transaction Value: \$375.0M Rationale: To expand its on-chain capital formation capabilities with Echo's compliant origination and investor management Sector: Investing & Trading Infrastructure Target Description: On-chain capital raising and token issuance platform	
		Transaction Value: \$90.0M Rationale: To expand its \$2B custody blocks to consumer level with Dynamic's user onboarding and authentication SDK Sector: Developer Tools & Infrastructure Target Description: Wallet login and on-chain identity management SDK developer	
		Transaction Value: \$40.0M Rationale: To enhance its payment platform capabilities without delays and limitations of banks or card-first payment providers Sector: Payments Infrastructure Target Description: Web3 payment rails provider bridging stablecoins and bank accounts	
		Transaction Value: Not disclosed Rationale: To empower Gain Protocol and its DeFi/RWA roadmap by involving its AI stablecoin engineering and tokenomics Sector: Blockchain & Protocols Target Description: AI-based inflation-resistant protocol stablecoin and yield solutions provider	
		Transaction Value: Not disclosed Rationale: To expand its business from crypto infrastructure to institutional blockchain advisory services Sector: Investing & Trading Infrastructure Target Description: Institutional Bitcoin-collateral lending and market-neutral yield solutions provider	
		Transaction Value: Not disclosed Rationale: To strengthen its business coverage from infrastructure and institutional platform to consumer-faced products Sector: DeFi: Investing & Trading Target Description: Retail-faced on-chain savings and borrowing app with automated rate optimization feature	
		Transaction Value: Not disclosed Rationale: To accelerate its mapping in combination of traditional finance (ETF/ETP) and digital assets Sector: Investing & Trading Infrastructure Target Description: Regulated crypto ETPs and ETFs issuer for bank and brokerage channels	
		Transaction Value: Not disclosed Rationale: To build RWA-based compliant settlement rails framework for banks on top of its L1 blockchain and RWA Sector: Enterprise Solutions Target Description: Decentralized trade-finance and documentation network for banks and corporates	
		Transaction Value: Not disclosed Rationale: To be publicly listed on Toronto Stock Exchange Sector: Brokers & Exchanges Target Description: Crypto exchange providing centralized matching and self-custody MPC	
		Transaction Value: Not disclosed Rationale: To consolidate its position in data operating and orchestration solution with Storj's leading decentralized technology Sector: Data & Data Analytics Target Description: Developer of a Web3 decentralized data cloud storage platform	
		Transaction Value: Not disclosed Rationale: To drive its SOL-based memecoin's volume and liquidity Sector: Brokers & Exchanges Target Description: Memecoin-specified multi-chain trading platform	

