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PERSPECTIVES by Eric F. Risley

Is Solana Becoming an Everything Brokerage?

Solana is assembling the pieces of a brokerage, in everything but name. Crypto first. Equities and tokenized real-world assets are already on the roadmap.

This week the Solana Foundation said it now holds a majority interest in CoinGecko, the crypto data platform with roughly 18 million registered users. Terms were not disclosed. The stated plan is to add Solana-powered trading and expand coverage of equities and real-world assets.

We have written in the past about the critical importance of foundation-governed Layer 1 blockchains finding or building a commercial, revenue-generating business. Network fees accrue to validators and the token. Grants and developer incentives funded by a treasury of that token are not a business. All L1s continue to pursue a search for relevance, and this transaction is a good example of that effort.

Solana's success historically came from convincing developers and issuers of digital assets to use the platform as a ledger of truth. The transaction flow was driven by the users of those applications and the holders of those assets, and Solana had little direct relationship with them. CoinGecko changes that. Solana is now in front of the users and holders of those assets and is enabling the transactions themselves. That is a far broader customer base, and the purpose is to drive transaction flow to the Solana blockchain. Binance made the same move with CoinMarketCap in 2020, although Binance was already an exchange, serving the same client profile.

This is a real-time trend. Polygon Labs acquired Coinme and Sequence in January for roughly $250 million combined to become a regulated payments business. The Monad Foundation acquired Portal Labs, a stablecoin wallet and payments company. Ripple, a company rather than a foundation, has spent billions acquiring operating businesses around the XRP Ledger and is the model the foundations are now following.

Expect more. The end-state of an L1 may be owning the underlying business.

Architect Partners served as the exclusive financial advisor to Coinme in its sale to Polygon Labs.

Recent Digital Assets M&A Transactions (click here for full AP M&A Tracker)

Target	Acquirer	Transaction Summary	M&A Alert
TRIBE CAPITAL	kraken	**Transaction Value:** Undisclosed **Rationale:** To add a private-markets investing arm beside Kraken's trading and banking lines **Sector:** Investing & Trading Infrastructure **Target Description:** Data-driven venture capital firm backing software, fintech and crypto companies	
TYTL	BEELINE	**Transaction Value:** Undisclosed **Rationale:** To add tokenized home-equity securities beside Beeline's digital mortgage origination **Sector:** Investing & Trading Infrastructure **Target Description:** Blockchain-enabled platform buying homeowner equity stakes and issuing them as tokenized securities to institutions	
Crypto.jobs	CryptoJobsList	**Transaction Value:** Undisclosed **Rationale:** To absorb a rival crypto job board's employer base and listings **Sector:** Consulting & Services **Target Description:** Web3, crypto and blockchain job board connecting hiring companies with developers, marketers and designers	
coingecko	SOLANA FOUNDATION	**Transaction Value:** Undisclosed **Rationale:** To turn a top crypto data site's audience into Solana trading flow **Sector:** Data & Data Analytics **Target Description:** Crypto market data aggregator and API tracking token prices, liquidity and DEX pools	

Overall Digital Assets M&A Activity Levels

