



AVI ISRAELI QUOTED IN REORG ON THE NEWFOUND REALITIES OF THE CRYPTOCURRENCY MARKET

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New York—Avi Israeli was recently called upon by Reorg to share his thoughts on where investors stand in the recent bankruptcy announcements of Voyager Digital and Celsius Networks. The new, uncharted territory of cryptocurrency lenders in bankruptcy has raised many novel questions that need to be answered, including how these companies will be restructured, what customers are entitled to, and how to treat the liabilities associated with leveraged crypto entities lending to one another.

Speaking with Reorg, Avi noted the risk involved in the possibility of being an unsecured creditor, stating, “There’s a real likelihood [customers] will face significant losses here because money in their accounts will be used to pay the debts of secured creditors who take priority.”

Expanding on his thoughts, Avi said that in some cases, consumers viewed these companies as something akin to banks and therefore assumed their deposits bore the same protections noting, “They were happy to earn interest at rates much better than they would otherwise get. The major difference is, their funds are not guaranteed in the event of insolvency.”

[Read the full article here.](#)

ATTORNEYS

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