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## **Investor alert: July 8, 2022**

### **Voyager Digital files Chapter 11 bankruptcy**

Voyager Digital Holdings, Inc. ("Voyager") is a cryptocurrency company, unlicensed in Vermont, that offers its customers interest-bearing crypto accounts. On July 1, 2022, Voyager announced it was temporarily suspending all trading, deposits, withdrawals and loyalty awards. On July 6, 2022, Voyager announced it and its U.S. affiliates have commenced voluntary Chapter 11 bankruptcy proceedings in the U.S. Bankruptcy Court for the Southern District of New York. Chapter 11 is a type of bankruptcy designed to allow insolvent companies to restructure their financial obligations, through reorganization, sale or otherwise.

Public filings are available through a portal accessible at:

<https://cases.stretto.com/Voyager>. It is possible (and easy) to register on that site to receive email updates regarding future court filings.

Very few cryptocurrency companies have filed bankruptcy proceedings to date in the United States. As a result, there is little law on how digital assets will be treated in a bankruptcy proceeding and whether or not account holders will be able to sell or get back their cryptocurrency assets. Voyager's bankruptcy filings state that the company does not maintain a separate cryptocurrency wallet for each customer; instead, all cryptocurrency assets are combined into a commingled wallet and swept from the commingled wallet to a third-party custodian account. Voyager's initial plan to exit bankruptcy states that it expects account holders to be "impaired" under the plan. This means that the company expects that the rights of account holders will be negatively affected by the plan. Voyager has also posted a list of "Restructuring FAQs" on its blog, in which the company shares further information on its plans.

Investors in Voyager may wish to consult with their own counsel about how the bankruptcy proceeding will affect their rights and the value of their investment in Voyager.

The Department will monitor the bankruptcy proceedings and will provide updated alerts when important developments occur.

If you have questions or wish to file a complaint, please contact the Department. You may file a complaint through the Securities division section of the Department's web site at

<https://dfr.vermont.gov/consumers/file-complaint> .