



Insights

Daniel Saval on Crypto Funds Recovery with MarketWatch

July 8, 2022

Publication: *MarketWatch*

Several crypto companies have been reported to be in distress over the past few weeks, including Celsius, Babel Finance and CoinFlex, with digital asset broker Voyager filing for bankruptcy this week. Kobre & Kim's Daniel Saval, who focuses on the intersection of digital currency and insolvency, sat down with *MarketWatch* to explain what this means for customers.

"It could be a long stretch for the users and the customers before they are able to get anything back," Mr. Saval told *MarketWatch*. Consumers may take legal actions against the company if there's room to maneuver, he explained. But if the companies file for bankruptcy, an automatic stay will be imposed, preventing creditors and other parties from starting or continuing such actions.

"For those brokerages, exchanges, or platforms, where the customer can put crypto in it and controls when it gets out, and is the only person that has access to that wallet, you'll probably have a good argument that assets are being held in trust by the platform for the benefit of the customer," Mr. Saval said. "It would make it easier for them to point to the specific assets in that segregated account that they control and so they should get it back."

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