



# VICTORY PARTNERS

MIDDLE MARKET INSIGHT

What Business Owners Need To Know

## CHAPTER 11

FILED BY CELSIUS, A CRYPTO LENDER BASED OUT OF NEW JERSEY

### Crypto Lender Celsius Files For Bankruptcy in New York

- Celsius Network, one of the world's largest cryptocurrency lenders, has filed for bankruptcy, following a wave of digital asset companies that have frozen assets and entered restructuring amid a sharp sell-off in cryptocurrencies this year.
- Companies like Celsius took in customer deposits and lent out the funds at higher interest rates, making a profit from the difference. They claimed to have smaller risks and high-interest rates.
- The Financial Times reported in an investigation, Celsius took on increased financial risks in recent months as demand for loans from institutional investors waned. Celsius Chief Executive Alex Mashinsky said in a press release that, 'This is the right decision for our community and company'

## INCREASED RISK

LED TO THE BANKRUPTCY

### Morgan Stanley Misses Analysts' Estimates on Investment Banking Revenue

- Morgan Stanley reported second-quarter earnings and revenue that were below analysts' expectations
- The bank's results were hurt by a steep 55% decline in investment banking revenue. The results confirm what some analysts have feared for Morgan Stanley, which runs one of the larger equity capital markets operations on Wall Street
- Profit dropped 29% to \$2.5 billion, or \$1.39 per share from \$3.51 billion, or \$1.85 per share, a year ago. Revenue fell 11% to \$13.13 billion from \$14.8 billion, driven by the steep 55% decline in investment banking revenue

## 2ND Q EARNINGS

BELOW ANALYSTS' EXPECTATIONS

55%

DECLINE IN INVESTMENT BANKING REVENUE

### Baby-Formula Shortage Deepens, Defying Replenishment Efforts

- US stores are still struggling to stock baby formula despite months-long efforts by manufacturers and the Biden administration to boost supplies
- According to the market research firm IRI, availability of powdered formula products in the US stores earlier this month dropped to the lowest level so far this year, with about 30% of products out of stock for the week ended July 3.
- The baby-formula shortage, sparked by supply-chain problems and the shutdown of a major plant has escalated the issue. Sales surged 52% during a single week in mid-May when President Biden announced efforts to address the shortage but have declined in recent weeks.

30%

PRODUCT OUT OF STOCK FOR THE WEEK ENDED JULY 3

52%

SALES SURGED IN MID-MAY

Sources: [www.cnn.com](http://www.cnn.com) | [www.ft.com](http://www.ft.com) | [www.wsj.com](http://www.wsj.com)