

Terra and Jane Street

EXCLUSIVE CURRENCIES

Jane Street Accused of Insider Trading That Helped Collapse Terraform

The court-appointed administrator of Do Kwon's Terraform Labs alleged that Jane Street used nonpublic information from Terraform insiders to trade

Stablecoins

- Cryptocurrency designed to be stable (usually pegged to the US dollar)
- Tether: Original and biggest stablecoin
- Terra: Algorithmic stablecoin



TerraUSD (UST)

The Crypto Cult of Do Kwon: ‘If It Was a Ponzi Scheme, They Did a Good Job’ He built a \$60 billion empire by calling people “poor.” Then it blew up.

 *By Kevin T. Dugan, staff writer at Intelligencer, who covers money and business*



Do Kwon 
@stablekwon

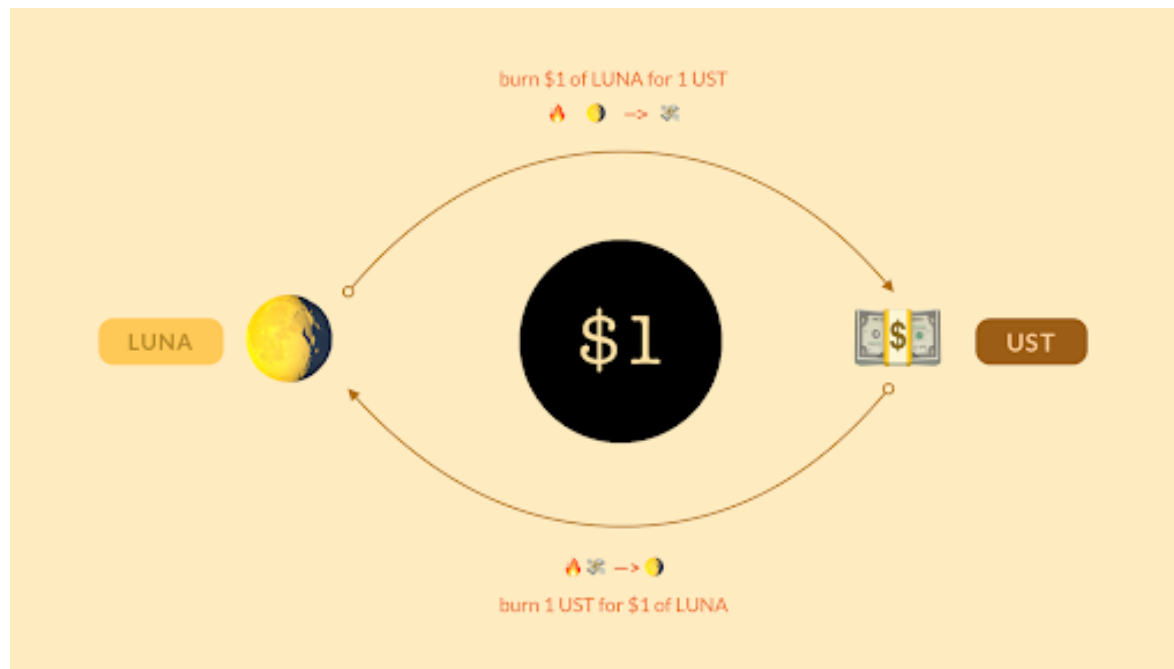
Replying to [@rtalbot55](#) [@Frances_Coppola](#) and 2 others

I don't debate the poor on Twitter, and sorry I don't have any change on me for her at the moment.

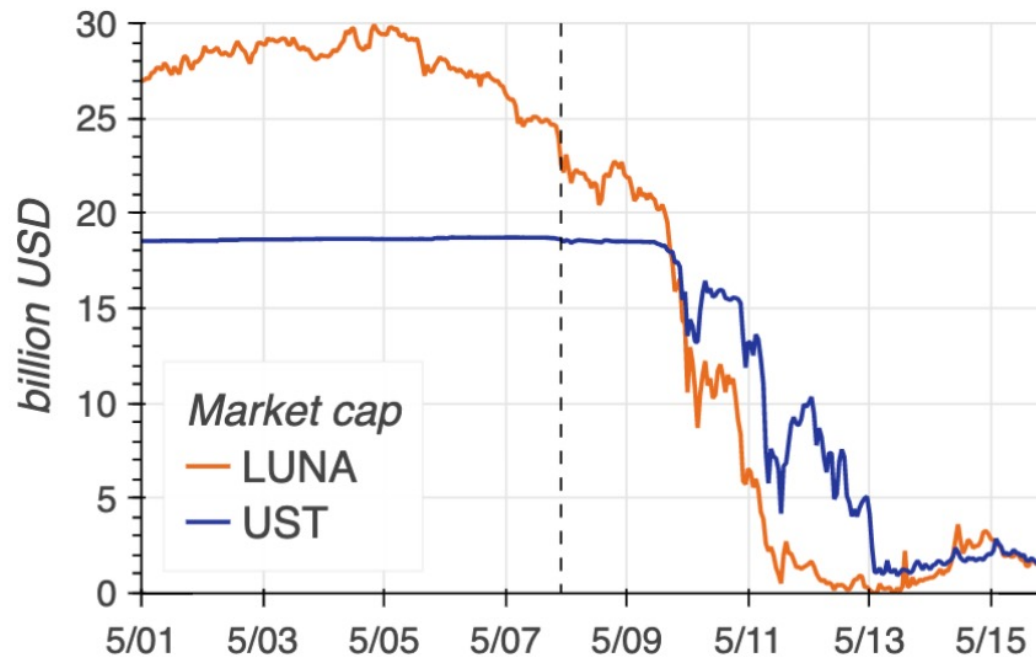
11:51 AM · Jul 1, 2021 · Twitter for iPhone

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Terra: Algorithmic Stablecoin



Terra-Luna Crash



Solutions?



Do Kwon 🧡🔒
@stablekwon

Deploying more capital - steady lads

2:36 PM · May 9, 2022



Role of Jane Street



- Bankruptcy administrator at Terraform Labs to Jane Street:
 - A former Terra intern who later worked at Jane Street maintained a private chat group with Terra employees
 - Through that channel, Jane Street is said to have learned confidential information about Terraform's liquidity plans and internal operations.
 - The complaint alleges Jane Street used that information to reduce its exposure and withdraw funds at a strategically advantageous moment — shortly before the ecosystem unraveled.

Issues?

- Were the assets legally “securities”?
 - TerraUSD and Luna later classified by a federal court as unregistered securities
- Did Jane street receive information that is
 - Publicly not available? (“non-public”)
 - Would have mattered to a reasonable trader? (“material”)
- Was there a breach of duty?