

Membrane Labs Raises \$20 Million in Funding to Power the Next Generation of Digital Asset Prime Brokerage Solutions

Leading investors in the funding round included Brevan Howard Digital, Point72 Ventures, Jane Street, Flow Traders, and QCP Capital

NEW YORK, NY, UNITED STATES, October 11, 2023 /EINPresswire.com/ -- Membrane Labs Inc. ("Membrane"), the developer of a platform to manage institutional crypto trading and financing activity, announced today that it has raised \$20 million in a Series A funding round. The company aims to foster stronger over-the-counter (OTC) trading activity by addressing the sector's technological shortcomings and elevating crypto institutions to match, if not surpass, the operational capabilities of counterparts in traditional financial markets.

Joining Brevan Howard Digital and Point72 Ventures in the investment were a diverse mix of traditional financial firms and crypto-focused investors. Notable participants included Jane Street Capital, Flow Traders, Two Sigma Ventures, Electric Capital, Jump Crypto, QCP Capital, GSR Markets, Belvedere Trading, and Framework Ventures.



Carson Cook, CEO Membrane Labs

Driven by the Membrane team's unique mix of traditional finance veterans and seasoned crypto

professionals, the funding will be used to expand its highly customizable technology suite tailored for institutions active in spot, derivatives, or lending activities. Membrane boasts an all-in-one transaction management system capable of handling everything from booking to position maintenance, collateral management, notifications/reporting, and settlement.

“We are delighted with the successful completion of this round,” said [Carson Cook](#), CEO of Membrane. “We originally set out four years ago to build the complex infrastructure that would facilitate frictionless crypto transactions for financial institutions, and our success to date shows how much appetite there is for our platform.”



Membrane Labs Raises \$20M Series A

Membrane’s goal is to enhance market liquidity by offering the technology necessary to power a more robust bilateral trading landscape within the ecosystem, as is standard in traditional financial markets. Key pillars of this effort include revitalizing credit/lending markets using a technology-driven approach to risk management, facilitating the management of customized bilateral OTC derivatives, and unifying the diverse array of existing custodial solutions and closed ecosystems.

Membrane offers users access to a fully integrated custody-agnostic settlement network, where participants can streamline both crypto and fiat transfers across the industry’s diverse custodial and wallet solutions.

Membrane’s collateral management system empowers lenders, borrowers, and derivatives desks to oversee cross-margined portfolios of loans and derivatives. It provides the ability to customize risk parameters, monitor collateral balances, automate alerts, and handle collateral movements, all while offering flexibility in how collateral is held - either directly by an involved party or by third-party providers such as custodians or exchanges.

With Membrane, lenders can now extend credit-using assets held in centralized exchange accounts as collateral. This structure lets trading firms retain the capital efficiency of undersecured borrowing while ensuring lenders are fully secured (as their loan proceeds are included as part of the on-exchange collateral package). In addition, prime brokers can offer margin trading by cross-collateralizing fiat and crypto holdings against any combination of tri-party custodial accounts, exchange-traded accounts, and derivatives portfolios.

For custodians, this technology offers an immense opportunity as it provides a path to rapidly establish OTC derivatives offerings on top of their existing custody networks, introducing a competitive alternative to centralized derivatives exchanges. The flexibility that comes with bilateral transactions coupled with the security of clearing through a trusted custodian could bring a refreshing shift from today's market structure centered around listed products alone.

Since its limited early access release in the spring of 2023, some of the largest lenders in crypto are currently using Membrane's platform to manage and service their underlying loan portfolios.

Carson Cook concluded, "Winning support from some of the biggest and smartest investors in both traditional finance and crypto venture is a clear validation of our long-term focus on bringing secure, cost-efficient, and compliant infrastructure solutions to the digital asset space. We firmly believe that digital assets will be transformative for many decades to come, so this successful raise is another critical early step on a longer journey for Membrane. We're confident that our rails will provide mission-critical operational efficiency, streamlined workflows, and comprehensive risk management to a wide variety of actors in the digital asset ecosystem."

About Membrane

Membrane is a modular technology platform for the digital asset sector with a comprehensive set of enterprise-grade tools facilitating effortless management and settlement of OTC spot, derivatives, lending, and collateral management activity.

Membrane was founded by Carson Cook, who is also the founder of Ethereum-based DeFi protocol, Tokemak. Prior to launching Membrane, Carson founded a market-making entity, Fractal Labs, that struggled with much of the crypto infrastructure technology that Membrane set out to build. Membrane's executive team is composed of senior veterans of JPMorgan, Goldman Sachs, Northern Trust, and Bank of America with experience in building FX electronic trading technology and leading sales and trading functions.

Membrane's senior leadership team is composed of crypto and traditional finance industry veterans: Craig Birchall, Head of Lending and Settlements, is formerly of Galaxy Digital's lending desk and JPMorgan. James Roth, Head of Partnerships, previously ran business development at Galaxy Digital and spent over ten years at Goldman Sachs. Peter Fitzpatrick, Head of Sales, was most recently in a sales role at Galaxy Digital after spending five years at Goldman Sachs in equity derivatives sales.

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