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Crypto-influencer Alex Saunders may be on the hook for millions

Jessica Sier *Journalist*



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A trusted cryptocurrency influencer, Alex Saunders is facing questions over millions of dollars of cryptocurrency raised through his popular video blog for a speculative project and through loans.

Several anxious parties are looking to reclaim their investments with Tasmanian-based Mr Saunders. They relate to a yet-to-be-built project, a stablecoin called decentral dank. Stablecoins are cryptocurrencies that are underpinned by a basket of assets, such as treasury paper or US dollars.

According to publicly available exchanges, Mr Saunders' cryptocurrency wallets show more than 100 investments from retail investors came in between April and July, totalling about \$US7 million (\$9.48 million), most of which was then quickly transferred to FTX, a US-based cryptocurrency derivatives exchange.



Mr Saunders, an ex-pharmacist, founded Nugget's News in 2017 and has grown the platform to become one of Australia's largest paid subscriber groups. **AFR**

Another \$US4 million, largely loans from friends and acquaintances, can also be seen entering the wallets and exiting to FTX, sometimes within minutes of landing there.

The Australian Financial Review has spoken to more than a dozen investors in Mr Saunders' decentral bank project, who say they invested around \$50,000 each after he spruiked the fledgling protocol in the Nugget's News Facebook group in April.

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Decentral bank was pitched as a “hybrid” system using elements from [existing decentralised finance protocols](#) such as Maker DAO and Synthetix, which aim to replace traditional banking roles with automated software.

Despite little information and no white paper, more than one hundred retail investors have tipped money into a variety of different cryptocurrency wallets.

‘One of the good ones’

“This guy was one of the good ones, it’s kind of hard to state how good his reputation as a crypto player was in Australia,” said one Brisbane-based investor, who has been a paid member of Nugget’s News since 2018.

The *Financial Review* has also spoken with parties who have loaned Mr Saunders between five and 10 bitcoins (\$265,000 and \$531,000) since he began asking for help “out of a tight spot”, via Facebook and Twitter messages, in January.

Those he asked to borrow from are concerned the loans may have been to cover a large short position Mr Saunders had on FTX. The exchange, which is based in the United States, has not yet responded to questions.

Mr Saunders, an ex-pharmacist, founded Nugget’s News in 2017 and has grown the platform to become one of Australia’s largest paid subscriber groups.

Until recently, he disseminated cryptocurrency market movements to a 194,000-strong audience across a podcast, YouTube, and Facebook.

His smaller subscribers pay around \$100 a month for his insights and he is widely

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Mr Saunders lives in Tasmania. [Twitter](#)

Mr Saunders has built his Nugget's News business around his sensible and conservative reputation when it comes to assessing cryptocurrency investments.

The *Financial Review* has contacted Mr Saunders several times through his lawyers and directly through a chat app but he has declined to comment and deleted his response messages.

The first allegations emerged last week after US-based cryptocurrency influencer Richard Heart revealed a screen-shotted conversation with Mr Saunders where it appears he asks for loan of 50 bitcoin.

Investors were spooked by the notion of Mr Saunders needing to borrow such a large amount of bitcoin which equated to over \$2 million at the time, and many began asking for their decentral bank investments back.

According to a private Facebook post seen by the *Financial Review*, Mr Saunders agreed to refund the investments but, to date, no refunds have taken place.

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ASIC documents show up until 22 June Mr Saunders had a fellow director and shareholder in Nugget's News, named Ben Simpson, who then resigned and sold his shareholding to Mr Saunders.

Mr Simpson had created his own company on 11 June, Collective Shift, which then took over the Nugget's News business, including branding and communications.

Subscribers were not alerted to the changes in business ownership, though the branding began to change from Nugget's News to Collective Shift in recent months.

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Nugget's News has recently been renamed Collective Shift, and Mr Simpson made a video statement addressing the concerns about Mr Saunders.

“From time to time over the journey, people have contacted me about Alex being unreliable or owing them money,” Mr Simpson said in the video statement, where he outlined a meeting in Tasmania with Mr Saunders with whom he discussed the loans and investments.

“He looked me back straight in the eye and said don't worry about it, there's a

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Jessica is an award-winning journalist who writes on technology, internet culture, cryptocurrencies and software from our Sydney newsroom. She has previously covered global capital markets and economics. *Connect with Jessica on [Twitter](#). Email Jessica at jessica.sier@afrc.com*



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