

THE CANADIAN BITCOINERS

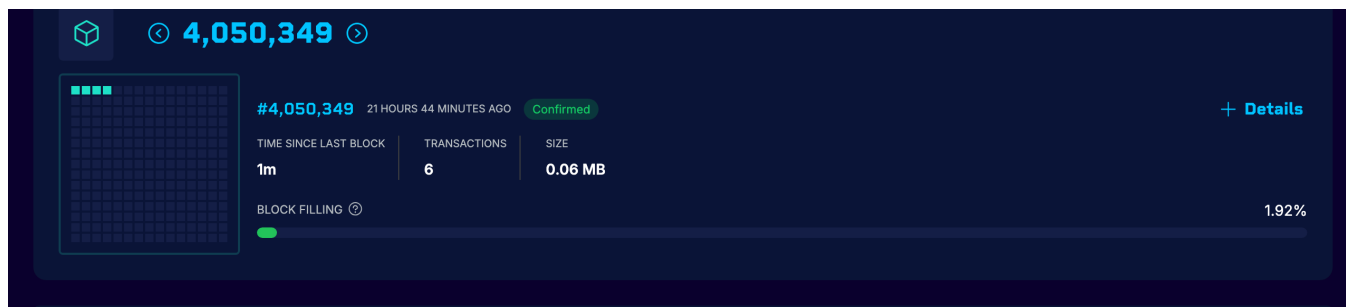
THE WEEK, IN TWO PARTS • September 6, 2026

Blockstream's Liquid sidechain paid out \$320 million against bitcoin that was never there, a Vancouver constable who built an anti-gang youth charity was charged with taking \$3 million from nineteen people, and Ottawa kept writing cheques to a man CSIS had flagged over Iran's missile program.

BITCOIN

Liquid loses 95% of its reserves without losing a single key, a fulfilment vendor's undeleted database turns 80,000 hardware wallet buyers into addresses on a map, and the treasury-company model finishes going underwater.

\$320 Million Walked Out of Liquid, and Every Key Was Intact



Screenshot: Blockstream Liquid Explorer, block 4,050,349

At 14:05 UTC on Saturday a customer sent 4,000 L-BTC into SideSwap's peg-out service. Twenty-three minutes later Liquid's federation released roughly 3,996 actual bitcoin, about \$320 million, to a fresh address. That was close to 95% of the sidechain's entire reserve. Around 197 BTC stayed behind, which leaves whatever L-BTC is still circulating backed at something near five cents on the dollar.

Nobody stole a key. SideSwap says the peg-out authorization key was never compromised and that the L-BTC came from a bug in Elements, the software Liquid runs on. The attackers minted bitcoin that did not exist and then redeemed it through the front door, exactly as the system was built to allow. Blockstream disabled the bridge nodes, which paused the sidechain and froze the two-way peg. Its entire public statement was that "Liquid wallets will be impacted, and we're sorry for any inconvenience." Adam Back has said nothing.

The attackers left an on-chain message calling themselves white hats and offering to return most of the money once Blockstream patches the bug and the nodes upgrade. Blockstream's reply, also on-chain: "Yes, thank you." Poly Network's hacker gave back all \$610 million in about two weeks in 2021 and got offered a job. This one is promising most, with conditions, and is effectively auditing the patch before releasing the hostage.

[Read the full breakdown →](#)

A Fulfilment Company Promised Trezor It Deleted the Data. It Had Not.

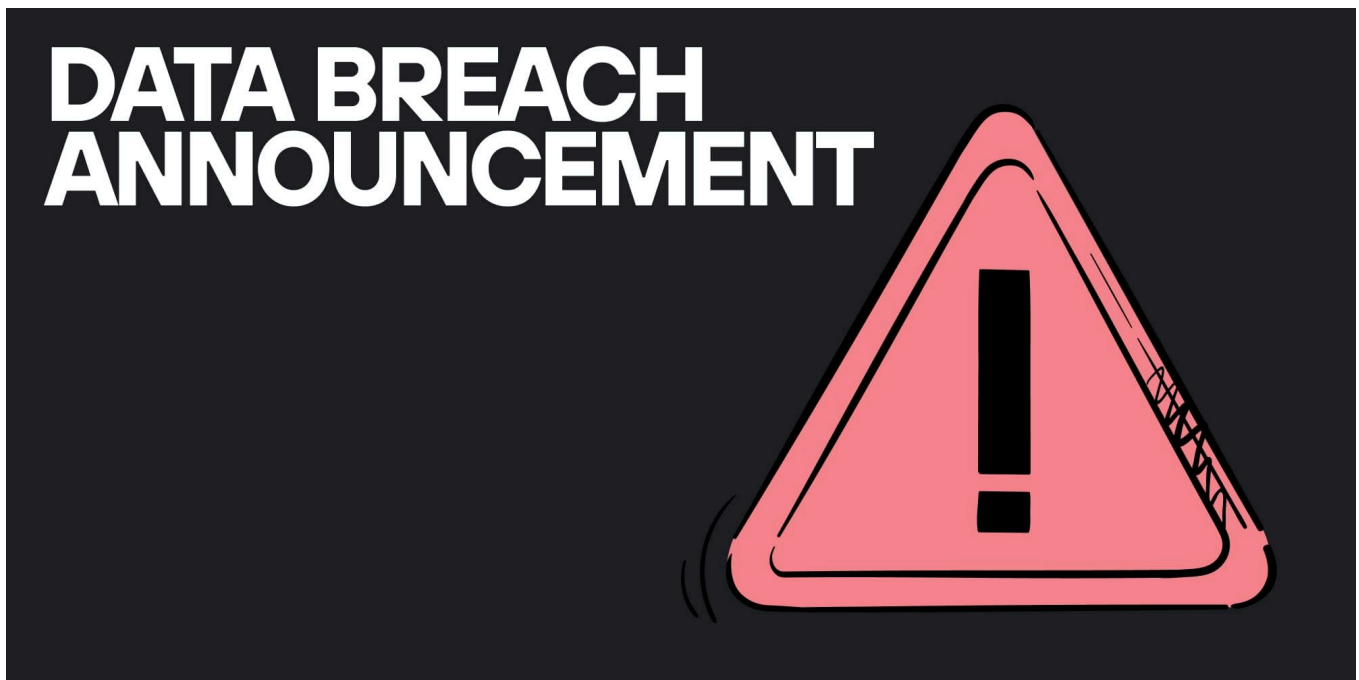


Image: Trezor

Trezor's shipping vendor ShipMonk was breached in August through an unauthenticated SQL injection rated CVSS 10.0. The first disclosure covered about 13,700 customers. On September 2 ShipMonk told Trezor the same intrusion had also exposed order records from November 2019 through August 2021, records Trezor believed were destroyed years ago. That is another 67,000 people with names, emails, phone numbers and shipping addresses, taking the total past 80,000. Trezor's own post says it "repeatedly requested and received written assurance confirming the deletion of the data."

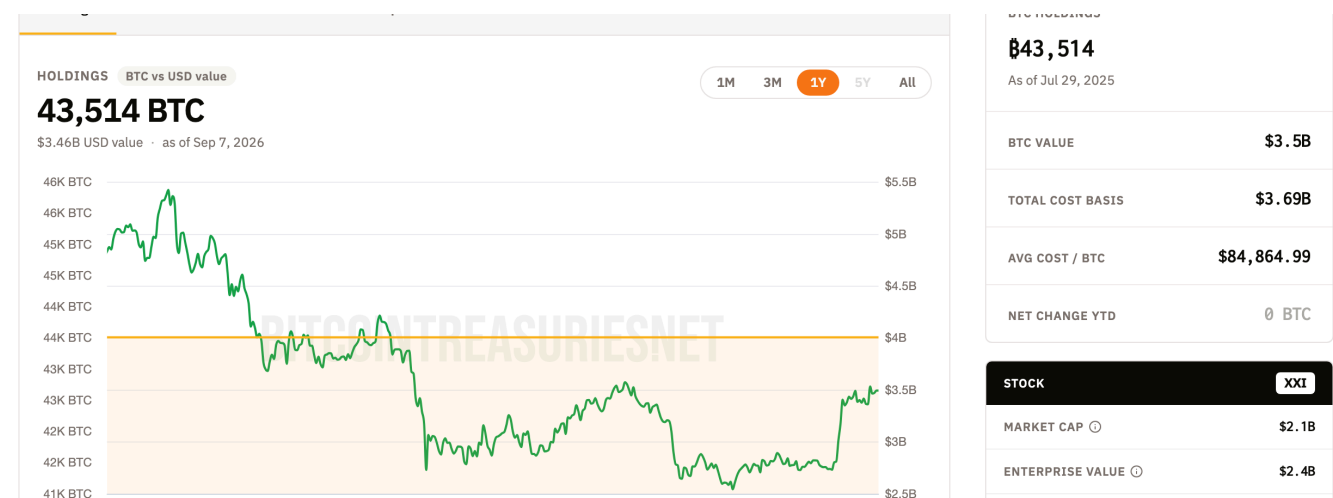
It was not the only one. Pocket Bitcoin, a Swiss service, exposed bank records for 5,120 customers and, for 291 of them, identity documents alongside their actual bitcoin addresses. SafePal lost 39,798 records and Israel's Bits of Gold lost roughly 200,000. Three unrelated

companies, three different third-party vendors, more than 253,000 records in four days. No keys were touched in any of them, which is the line every one of these companies leads with.

It settles less than it sounds like. A name attached to an address is permanent in a way a password never is. Chainalysis counted 46 violent attacks and over \$30 million taken by force in the first half of 2026. France logged 77 kidnapping and extortion cases tied to bitcoin in the same period, against 45 in all of 2025. CertiK's home-invasion count went from one case to twenty.

[Read Trezor's disclosure →](#)

Almost Every Bitcoin Treasury Company Is Now Worth Less Than Its Bitcoin



Data: BitcoinTreasuries.net — Twenty One Capital, \$3.5B of bitcoin against a \$2.1B market cap

Of roughly 195 public bitcoin treasury companies, only a handful still trade above the value of the coins they hold. Last October the figure below net asset value was 15%. By January it was about 40 of the top 100, which is when Alex Kruger called the model "an abomination." Bitcoin falling from roughly \$126,000 to \$79,900 did the rest.

David Bailey's Nakamoto is the clearest case. A \$126 million market cap against 4,467 bitcoin worth \$343 million, so the market prices the equity at 37 cents for every dollar of bitcoin behind it, and 3,805 of those coins are pledged as collateral. It already sold 284 BTC at \$70,422 against a cost basis of \$118,171 and wrote the 40% loss into its own 10-K. Twenty One Capital trades 30 to 40% below its coins, and the CEO who replaced Jack Mallers in July calls the gap "misallocation of capital."

The selling is no longer hypothetical. MARA has liquidated more than 15,000 bitcoin to retire converts, and Satsuma's shareholders voted to sell all 668 of theirs and leave the London

market. Canada has its own version: Bitcoin Treasury Corp on the TSXV has gone from C\$11.00 to about C\$3.30. Strategy, for its part, paused buying for ten weeks, built a \$6.71 billion cash pile, and carries no net leverage at all.

[Read the full story →](#)

CLOWN WORLD NORTH

A decorated constable's youth charity becomes an alleged crime scene, a contractor CSIS flagged over Iran's missile program keeps billing the Canadian Forces, and the economy sheds 42,000 jobs the same week a poll says we cheered up.

He Built the Anti-Gang Charity. Police Say He Stole From It Too.



Photo: Global News

Constable Kalwinder Dosanjh, 50, a 26-year Vancouver Police veteran, was arrested in a controlled traffic stop in Surrey on September 3. He faces four counts of fraud over \$5,000, four counts of theft over \$5,000, and one count of breach of trust by a public officer. A co-accused, Sarabjit Singh Gill, 51, faces six related counts. A covert VPD investigation running two and a half years identified 19 victims and about \$3 million tied to three BC housing developments, with the alleged conduct spanning December 2017 to July 2025. That works out to roughly \$158,000 a person.

Dosanjh founded KidsPlay Youth Foundation in 2015 and was still its CEO when he was arrested. Two of the nine charges against him allege fraud and theft from that charity. Its most recent filing shows annual revenue of \$451,116, of which \$10,908 came from government, so the money at issue is roughly seven times what the charity takes in across a year. Before he moved to motorcycle traffic duty, he worked in the VPD's financial crimes unit.

Asked whether Dosanjh had preyed on members of the Sikh community, Chief Steve Rai said, "That would be fair to say." Rai has recommended suspension without pay, which the Police Board still has to approve. His lawyers note that an arrest "is not evidence of guilt, misconduct, or criminal responsibility," and none of this has been tested in court. He returns September 17.

[Read the VPD statement →](#)

CSIS Flagged Him Over Iran's Missile Program. Ottawa Kept Paying Him.



Photo: Global News

A CSIS security screening completed on January 13, 2023 alleged that Edmonton businessman Mohammad Reza Ghafouri Fard, son of a former Iranian vice-president, helped develop Iran's Shahin anti-aircraft missile system and a jamming tool intended to confront American aircraft, and ran a component-procurement network through Malaysia to get around sanctions. The report's own language is that he "did not care that these activities were prohibited."

Federal records show about \$2.41 million in contracts across at least five departments between 2013 and 2024. The largest is a \$1.42 million National Defence contract from December 2021. A further \$50,000 defence contract for vehicles at CFB Borden was signed in 2024, six months after the CSIS report reached immigration officials. Correctional Service Canada paid \$100,000, Innovation Canada \$380,000 plus a \$15,000 grant, and the RCMP bought a borescope from him, which is an inspection camera, during the same years CSIS was assembling a missile-proliferation file.

Immigration first flagged him in 2017. CBSA withdrew a deportation case in November 2025 citing an inability to use the required evidence, and Ottawa began citizenship-revocation proceedings in May 2026. His lawyer says he strongly disputes the allegations and will pursue all available legal avenues. No department has confirmed cancelling a contract, suspending anything, or disciplining anyone. Security professor Thomas Juneau's assessment was two words: "it's absurd."

[Read the full investigation →](#)

Canada Lost 42,000 Jobs. A Poll the Same Week Said We're Happier.



Photo: BNN Bloomberg

Employment fell 41,700 in August against a consensus expecting a gain of about 15,000. The unemployment rate held at 6.4%, which is the number that will get quoted, but youth

unemployment rose to 12.9% after a summer in which returning-student joblessness hit 17.9%, the worst since 2009. Manufacturing actually gained 22,000, most of it in Ontario, which economists read as factories front-loading production ahead of the tariffs rather than as good news.

The largest sustained decline is public administration, down 78,000 since May across all levels of government. That is not drift. Carney's November budget committed to cutting roughly 40,000 federal positions by 2028-29, taking headcount toward 330,000 from a 2024 peak near 368,000, itself up 43% from 257,000 in 2015. It is about double what Harper's 2012 exercise cut. PSAC's Sharon DeSousa says the government is "cutting first and explaining later."

The happiness poll is real and it does not contradict any of this. Leger's index rose to 70.5 from 68.7, driven mostly by fewer people saying things got worse rather than more people saying things improved. It was in the field from June 9 to 29, which is before the jobs number, before the Q2 GDP print, and before the tariffs landed. It is a one-year comparison, not a multi-year high. The next labour force survey lands October 9.

[Read the StatCan release →](#)

ALSO ON THIS WEEK'S SHOW

ALSO ON THE BITCOIN SIDE

- [The Coldcard loot finally moved: \\$1.6M of the stolen bitcoin routed into Ethereum on September 3](#)
- [Metaplanet froze a 319-million-share option pool and handed free units to the CEO's own affiliated fund](#)
- [A Bitcoin crowdfunding platform told Cuba's Bitcoin community its wallet failed a sanctions check](#)
- [OCEAN filled Dashjr's seat with a chairman who routes over 90% of his own mining hashrate into the pool](#)
- [The dead BIP-110 fork came back as a BLAKE2b chain, got a price, and is already facing delisting](#)
- [Pocket Bitcoin exposed ID documents alongside 291 customers' actual bitcoin addresses](#)
- [The IMF says El Salvador's bitcoin came from private donations, and expects no more buying](#)
- [Strategy calls MSCI's exclusion screen 'misguided, flawed, and discriminatory' ahead of the October 16 decision](#)
- [Twenty One Capital's new CEO blames a 30-40% discount on 'misallocation of capital'](#)
- [Strategy ends a ten-week pause with 4,603 BTC at an average \\$80,318](#)
- [Strive needs its stock above \\$27 by mid-October or \\$700M in warrants expire worthless](#)

- Lyn Alden launches a \$40M treasury company that buys cash-flowing businesses instead of issuing shares
- Adam Back puts €7.6M into Capital B at a premium, lifting his stake toward 27.8% fully diluted
- September Fed hike odds whipsawed from 63% to 50% and back above 60% inside five days
- The Bank of Canada's hawkish hold at 2.25% pulled rate-hike bets forward to December
- Spot bitcoin ETFs took \$731M in a single day, the biggest since January
- A \$368M long squeeze wiped out 90,000 traders as oil and yields spiked
- The bitcoin-gold correlation hit a six-year high as both got traded as debasement hedges
- Lazarus-linked wallets moved \$30M in bitcoin through Hyperliquid
- A coordinated drain hit 600+ GoMining wallets for about \$2.8M
- A fake GTA 6 leak site is serving a commercial wallet drainer across seven chains
- Core Lightning disclosed a year-old ping-flood crash bug, a second unrelated denial-of-service
- Blockstream researchers published SHRINCS, a Bitcoin-native post-quantum signature scheme
- A proposal would let mining pools pay miners via silent payments instead of reused addresses
- Bitcoin Core merged a fix cutting a memory-exhaustion bug from 5.69GB per request to 240MB
- LND shipped a fix for an invoice bug that could fail AMP payments
- House Republicans gutted the September calendar, squeezing the CLARITY Act's odds
- The CFTC chair says that if CLARITY stalls, the agency writes its own market-structure rules
- An a16z-backed crypto bank got preliminary OCC approval and plans a dollar stablecoin
- FinCEN tied \$13 billion in scam proceeds to overseas pig-butcherer compounds
- Bitfinex Securities listed five tokenized notes on bitcoin treasury companies, with no ownership attached
- Strategy is selling \$250 bitcoin-themed sneakers on a store that does not accept bitcoin

ALSO ON THE CANADA SIDE

- The DOJ 'pause' on Canada was the antitrust division only, and DOJ says it was a misread email fixed the same day
- An Ontario judge froze the Ford government's mandatory cash-bail rules mid-challenge
- A Calgary councillor leaked budget documents showing a 20.2% tax hike would be needed to fund \$510M in requests
- A new poll puts 74% of Albertans on the side of staying in Canada, six weeks before the referendum
- Ontario's police watchdog says officers never checked on a man having a fatal heart attack in custody
- Quebec's college of physicians reaffirmed its push to make MAID available for severely ill newborns
- An MP expensed \$5,740 at businesses she and her husband own, and faces no sanction

- The PQ calls Quebec's failed \$7B Northvolt bet one of the greatest misappropriations of public funds
- CFIB says half of Canada's small exporters and importers are now hit by tariffs
- An Ottawa councillor is trying again to rename Trump Avenue, with 'Taco Avenue' among the front-runners
- Citizenship certificate waits are pushing toward three years after the Bill C-3 expansion
- Toronto home prices posted their biggest drop of 2026 as August inventory hit a record
- Mortgage delinquencies and renter insolvencies both hit multi-year highs
- The Bank of Canada held at 2.25% and warned inflation could firm as tariffs bite
- Concordia greeted first-years with a 'DisOrientation Week' featuring a grassroots militancy workshop
- A Hamilton mother is two years into fighting a school board land acknowledgement she calls false
- Crown-Indigenous Relations says there is no evidence of theft after 132 Indigenous artworks went missing
- Fort Nelson's only hospital shut its emergency department overnight
- Lillooet's emergency room went dark for 13 hours
- Skilled worker and spousal sponsorship waits are climbing again
- Canada wants to double non-US exports, and its biggest port ranks 389th of 403 worldwide
- A Muskoka chair maker's tariff troubles show what the trade war does to small manufacturers
- Carney is convening a \$1-trillion investment summit, and here is who is coming
- Gatineau is accused of spending roughly \$500,000 fighting a \$44,000 human rights claim
- The PQ leader calls Ottawa's role in the Quebec campaign the greatest federal interference yet
- Zelenskyy is expected in Canada next week, with no Parliament address because the House is adjourned
- Leger's happiness index rose to 70.5 from 68.7, on fieldwork that closed in June
- A judge dismissed the Crown's bid to revoke bail for the 19-year-old accused in the US Consulate shooting
- Five armed men, several already under firearms bans, charged after a home invasion robbery
- Four sentenced to six to eight years for manslaughter in a 2023 Burnaby home-invasion killing
- A Canada-wide warrant is out for a federal offender who breached release after a five-year sentence
- Canadian businesses say they are optimistic about the year ahead, and almost none expect sales to grow
- Carney announced the largest investment in VIA Rail's history
- Ministers were asked to prove progress to Carney ahead of the cabinet retreat

The Canadian Bitcoiners Podcast — Joey & Len. New episodes weekly.

[@CanadianBTCPod](#) • [@joeytweets](#) • [@thebtcpricebot](#)