

THE CANADIAN BITCOINERS

THE WEEK, IN TWO PARTS • September 27, 2026

Bitget lost \$388 million on Thursday and almost none of it was Bitcoin. Montreal decided an insult is worth up to \$2,000 without saying what one is. And the Prime Minister confirmed he has thought about what happens if the Americans come.

BITCOIN

A forged withdrawal slip at a top-six exchange, 11,000 lines of quantum-proofing that cannot touch a satoshi, and the SEC down to two commissioners.

Bitget Lost \$388 Million. Almost None of It Was Bitcoin.



Photo: CoinDesk (Bitget livestream still)

At 18:31 UTC on Thursday, Bitget watched its hot and warm wallets emptying and froze withdrawals. The first tally was \$351.6 million. By Friday, CEO Gracy Chen had revised it to \$388 million. Nobody picked a lock. Chen said the attacker got into a backend system in the wallet infrastructure, spoofed transaction data, and pushed forged transfers through Bitget's own approval process. "Private key compromise has been ruled out." Cold storage was untouched.

What actually left: XRP, ether, USDT, USDC, tokenized gold, BNB, AVAX and TRX. The first reports said no Bitcoin was taken at all. Trackers later found \$28.8 million of it in the haul. Bitget is the sixth-largest exchange by volume and says a User Protection Fund holding more than \$464 million covers the loss. Nobody outside Bitget has audited that fund.

Chen says the attack's IP patterns are "highly consistent with known patterns of North Korean hacker organizations." Mandiant and SlowMist are running the forensics, and withdrawals were still frozen with no reopening date. Bybit lost \$1.5 billion to the same playbook 19 months ago. Bitcoin's consensus rules had a quiet week.

[Read the Bitcoin.com News breakdown →](#)

Somebody Quantum-Proofed Lightning's Gossip. Your Channel Balance Is Still Wide Open.



Photo: Ahmet Kurt (personal site)

Four researchers at East Texas A&M's RELLIS campus, led by Ahmet Kurt, put a paper on arXiv on September 12 and a working fork of rust-lightning on GitHub. Nearly 11,000 new lines of code. It layers NIST's ML-KEM and ML-DSA on top of the elliptic-curve cryptography Lightning already uses, and it runs against real, unmodified nodes. The most expensive operation adds 0.33 milliseconds.

The scope is narrower than the headline. PQLN hardens gossip, peer transport, invoices, payment onions and offers. It does not protect channel funds or anything on chain. That would

take a Bitcoin consensus change, and nobody has one moving. A quantum computer still could not read who you paid, and still could take the coins.

The cost is bandwidth. A PQLN node's gossip sync goes from about 26 megabytes to roughly ten times that under default ML-DSA settings, or four times with Falcon. None of LDK, Core Lightning or Eclair has merged a line of it. This is a university fork that works, not a release you can run.

[Read Crypto Briefing on PQLN →](#)

Crypto Mom Is Out. The SEC Is Down to Two Commissioners.



Photo: U.S. Securities and Exchange Commission

Hester Peirce is leaving the Securities and Exchange Commission on October 2, after roughly eight years. She goes to Regent University School of Law as an associate professor in November. Her exit leaves the SEC with two sitting commissioners, Chair Paul Atkins and Mark Uyeda, and two empty seats.

Peirce earned the Crypto Mom name the hard way, dissenting through the Gensler years against an agency that told an industry what the rules were by suing people. "Using enforcement actions to tell people what the law is in an emerging industry is not an efficient or

fair way of regulating." She said that while the enforcement actions were still landing, not after the politics turned.

The timing matters more than the resignation. Ten days ago the Senate killed the Clarity Act on a 49-50 cloture vote, so there is no statute coming. That hands the rule-writing to the agencies, and the agency now has two people in the room to do it. The friendliest voice Bitcoin had inside the building is walking out the same month the building became the only place rules get made.

[Read Bitcoin.com News on the resignation →](#)

CLOWN WORLD NORTH

A prime minister who ran the tail-risk numbers, a premier who could not wait two years, and a city that priced an undefined insult at \$2,000.

Carney Planned for the 'Extreme Tail Risk.' The Reporter Supplied the Word 'Invasion.'

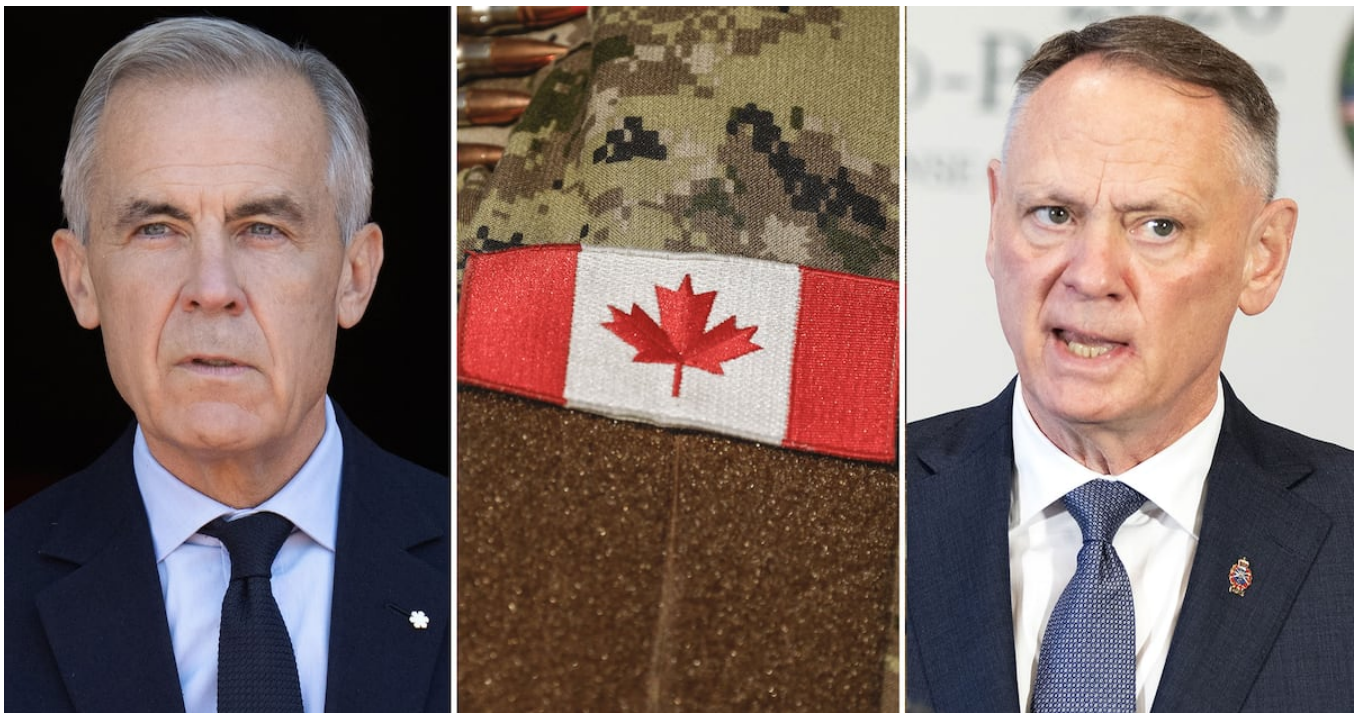


Photo: The Canadian Press (Adrian Wyld/Jeff McIntosh/Chad Hipolito)

Mark Carney sat down with the New York Times' Matina Stevis-Gridneff and, after a pause she described as several seconds long, confirmed he has examined an "extreme tail risk" involving the United States. "That's not a base case, but it would be irresponsible not to." Every Canadian headline turned that into an American invasion. Stevis-Gridneff clarified on the record: "He did not use the word invasion, to be clear, that was our word."

So there are two stories. The first is a prime minister doing contingency planning, which Defence Minister David McGuinty called routine: "All militaries in the world spend time analyzing risk scenarios." AI Minister Evan Solomon called it "prudent to run any scenario." Neither would say which ones. The Globe reported in January that the Canadian Armed Forces had already modelled this one.

The second is what saying it out loud costs. Peter MacKay, who held both Defence and Foreign Affairs, said it moves Canada "from the realm of retaliation to provocation." Trump did not answer the question and posted instead that Canada is "destroying itself" through immigration. Canada's first F-35 flew in Texas the same week.

[Read CP24's write-up of the NYT interview →](#)

Eby Called an Election Two Years Early. His Opposition Had Just Lost Its Leader.



Illustration: The Narwhal

David Eby dissolved the British Columbia legislature on Tuesday and set the vote for October 24, about two years ahead of the fixed date. His stated reason was Trump's tariffs: "This is an existential moment." He is also carrying a \$13.8-billion deficit and governing on a one-seat majority.

The timing is the story. BC Conservative leader Kerry-Lynne Findlay resigned on September 20 after roughly three months in the job. Between 10 and 14 MLAs walked out of that caucus over

the summer, some to a new party called CentreBC under Peter Milobar, several already drifting back. British Columbians now vote municipally on October 17 and provincially eight days later.

The first poll after the call put the Conservatives eight points up. Eby is campaigning on housing prices falling for 26 straight months. The Conservatives are campaigning on 21 lumber mills closed since 2023 and roughly 15,000 forestry jobs gone since 2022. A provincial gas-royalty miscalculation is separately costing British Columbia \$306 million this year, and no tariff did that one. Green leader Emily Lowan: "Premier Eby may be looking out for Eby."

[Read The Narwhal on the snap call →](#)

UPDATE Montreal Will Fine You \$2,000 for an Insult It Never Defines



Photo: CBC News

What changed: We flagged this last week as a vote scheduled for the following Monday. It passed 35-25 on September 21, the first-offence floor came in at \$300 rather than the \$350 quoted before the vote, and the text still does not say what an insult is.

A first offence costs \$300 to \$1,000. A repeat runs to \$2,000. The bylaw covers insulting police officers, elected officials or municipal employees, and it also lets city staff refuse service to someone who misbehaves. Nobody has said when it takes effect.

What it does not do is define an insult. Councillor Carla Beauvais, sitting on the council that passed it, put the problem cleanly: "A threat can be proven. An offensive word is felt." Mayor Soraya Martinez Ferrada answered with a carve-out instead of a definition: "Giving the middle finger, it's not what will give you a ticket." Opposition leader Marie Plourde described the process as being "asked to vote now and consult later."

Montreal is not first. Quebec City, Laval, Longueuil and Sherbrooke already run versions of this, and the Canadian Press reported in June that some of them have issued thousands of fines over six years. Police union head Yves Francoeur pushed for this one for years, and this week he got it.

[Read CBC News on the 35-25 vote →](#)

ALSO ON THIS WEEK'S SHOW

ALSO ON THE BITCOIN SIDE

- [The 10-year Treasury yield went back above 5% for the first time since July 2007 and Bitcoin slipped to \\$84,862; \\$510 million liquidated market-wide across 122,256 traders](#)
- [Spot Bitcoin ETFs took in \\$2.4 billion for the week, their biggest since October 2025, flipping 2026 net flows positive at \\$934.1 million](#)
- [Four masked men tied up a French family with two children and forced a €40,000 transfer; Bitcoin.com counts 77 wrench attacks this year, about 80% of them in Europe](#)
- [Block wrote Lightning into x402, the machine-payments standard built for AI agents; the reference PR is tested but still open](#)
- [DOJ seized \\$84.2 million from Capstone, Tether's payments middleman. Tether is not charged and puts its exposure under 0.034% of assets](#)
- [A New York lab published a 56-page zero-knowledge privacy design for Bitcoin L1, then admitted the peg that would move coins in and out does not exist yet](#)
- [A Lightning bug could have handed a node's whole balance to miners as fees; three implementations quietly patched fund bugs this month and nobody lost money](#)
- [DWF Ventures finds only 4 of the top 20 crypto treasury companies still trade above the value of what they hold](#)
- [All six of Canada's big banks are piloting tokenized deposits between themselves, which OSFI has already ruled legally identical to ordinary deposits](#)
- [Core Lightning shipped v26.06.8, closing last week's unpatched experimental-features hole, and is withholding the test details on purpose](#)

- El Salvador's \$1-million Bitcoin passport is real; the vendor's own site says 10 to 12 weeks, not the 21 days going around

ALSO FROM CLOWN WORLD NORTH

- The Belleville synagogue shooter, a 29-year-old former infantry soldier, died in hospital after wounding the officer posted there on Yom Kippur
- A leaked slide shows a York Region elementary school telling staff that education is an instrument of white supremacy; the board has not authenticated it
- A Saskatoon hospital lost a 30-year-old's ankle surgery booking. She was dead eight days after the date it was supposed to happen
- Carney says Canada will diversify away from Starlink "no question," while Ontario's teachers' pension sits on a roughly 29x gain in SpaceX
- Poilievre and BC's interim Conservative leader went after the Parole Board over day passes for a child killer; the release has since been postponed, not cancelled
- Leger finds 70% of Canadians want EU "associate member" status, a category that does not exist in EU treaty law and which the poll never defined
- The Parliamentary Budget Officer says Ottawa will not balance the operating budget until 2029-30, two years past the original promise, after moving about \$94 billion into the capital column
- Diesel hit \$2.75 a litre, up 80% in a year, with economists putting up to 0.7 points of grocery inflation behind it if it holds through winter
- A P.E.I. couple borrowed \$25,000 and drove to Quebec for a hip replacement after being quoted a two-year wait at home
- Ottawa council voted unanimously to take Trump's name off a 25-year-old street; the replacement name waits on a working group reporting in spring 2027
- Iqaluit's deputy mayor moved to rename the town sewage lagoon "Trump Lake." The motion never got a second
- An Order Paper response puts 934 designated prayer rooms across federal departments, in a public service that is roughly 2% Muslim

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