

## Forum: [Hack Forums](#)

Thread: [Solana DeFi Platform Votes to Control Whale Account in Bid to Avoid Liquidation Chaos](#)

**Cameron** - June 19, 2022, 9:24 pm

Solend users voted to "grant emergency power to Solend Labs to temporarily take over the whale's account."

Quote: Users of Solana-based borrowing and lending service Solend voted Sunday to force a takeover of the protocol's largest account: a "whale" whose "extremely large margin position" was getting, according to Solend contributors, dangerously close to a catastrophic on-chain liquidation cliff.

The unprecedented governance vote, Solend's first, will grant Solend Labs "emergency powers" to liquidate the whale's vulnerable assets (around \$20 million in SOL) via over-the-counter (OTC) trades instead of decentralized exchanges – where decentralized finance (DeFi) liquidations usually occur – if the price of SOL drops too low.

Solend Labs said on-chain liquidation of the whale's position "could cause chaos" in Solana's DeFi markets. Doing so over an OTC service would likely avoid such an outcome. But it also usurps entirely the smart contract-coded protocol Solend programmatically follows for every other borrower liquidation.

Proponents of intervention argued the Solend whale was no typical user. The account had parked 5.7 million SOL onto Solend, or over 95% of the pool's deposits. Against that, it had borrowed \$108 million in stablecoins – far more than anyone else.

If the liquidation price of \$22.30 SOL hit, it would be liable for around \$20 million. SOL is currently trading at \$32.27.

"Despite our efforts, we've been unable to get the whale to reduce their risk, or even get in contact with them," the proposal said. "With the way things are trending with the whale's unresponsiveness, it's clear action must be taken to mitigate risk."

The proposal asked token holders to yea or nay the following:

Vote Yes: Enact special margin requirements for large whales that represent over 20% of borrows and grant emergency power to Solend Labs to temporarily take over the whale's account so the liquidation can be executed OTC.

Vote No: Do nothing.

Solend governance token-holders who participated voted yea with 97.5% of the vote. The proposal barely cleared a 1% quorum in the affirmative with 1.13% share.

A single yea voter made all the difference: their account was the only reason the proposal cleared the 1% mark.

Source:

<https://www.coindesk.com/tech/2022/06/19/solana-defi-platform-votes-to-control-whale-account-in-bid-to-avoid-liquidation-chaos/>

Absolutely mind blowing they can do this. Has anyone else been watching this unravel?  
Decentralization at it's finest.

**shreder** - June 19, 2022, 9:32 pm

I mean the Solana went offline for data center maintenance multiple times. Is this really that surprising?

Whale tries to abuse the fact that Solana runs on like 1 server on AWS, so people abuse mutable scam smart contracts CeFi to take control of their funds.

**SUI-3183372** - June 20, 2022, 10:40 am

Unfortunately Solend hit pause on this and came out with another proposal.

I was very much looking forward to Solana's next uber-centralized action.

**Frost Crypt** - June 20, 2022, 11:04 am

wait what, they can just freeze any wallet they want? what kind of crypto joke is this and how they have the nerve to call themselves decentralized ?

**Omniscient** - June 20, 2022, 11:07 am

What a network. I guess in the world of crypto it takes all kinds. Solana is going to be a lesson one day of what NOT TO DO.

**VGO** - June 20, 2022, 11:11 am

What a Scam...

This is really bad even for Crypto Reputation.

**Maskin** - June 20, 2022, 11:16 am

This is indeed bad if you're holding Solana but for crypto as a whole, I think this is good because this is how crypto will progress. There is a problem and this is one way to "fix" it. There will be errors along the way, and while some cryptocurrencies make questionable decisions and will likely end up like MySpace or Vine, it's somewhat necessary for the space.

**Rahul007rhp** - June 20, 2022, 11:32 am

All types of shit going on with solana , worries me abit

**Itachi Uchiha** - June 20, 2022, 2:57 pm

(Jun 20, 2022 11:04 AM)Nano Shield Wrote: [\[CITE\]](#) wait what, they can just freeze any wallet they want? what kind of crypto joke is this and how they have the nerve to call themselves decentralized ?

Lol? Almost every major crypto can. USDT, USDC are heavily known to do it for "police investigations".

The police can at any time request your funds be frozen in stables.

**Frost Crypt** - June 20, 2022, 11:56 pm

(Jun 20, 2022 02:57 PM)Itachi Uchiha Wrote: [\[CITE\]](#) Lol? Almost every major crypto can. USDT, USDC are heavily known to do it for "police investigations".

The police can at any time request your funds be frozen in stables.  
in stablecoins but not normal cryptos

**Itachi Uchiha** - June 21, 2022, 1:28 am

(Jun 20, 2022 11:56 PM)Nano Shield Wrote: [\[CITE\]](#) in stablecoins but not normal cryptos  
Not true at all, ADA, ETH and many other "normal" crypto could absolutely do it. It's part of a

“standard” contract. The fact that they don’t/haven’t doesn’t mean they cannot.

**th3c0rrupt3d0n3** - June 21, 2022, 1:57 am

Truth is, the only truly decentralized and sustainable network is Bitcoin. Solana is a joke by itself, this protocol is just one more to the list of traditional finance with a 'decentralized' costume.

**MavenGradle** - June 21, 2022, 12:07 pm

(Jun 20, 2022 10:40 AM)BV1 Wrote: [\[CITE\]](#) Unfortunately Solend hit pause on this and came out with another proposal.

I was very much looking forward to Solana's next uber-centralized action.  
Indeed. Solend is the cause but Solana is still a joke blockchain.

**Omniscient** - June 21, 2022, 12:19 pm

SOL is Proof of Stake, correct?

Isn't this a Red Flag for the crypto world? I love the crypto ecosystem with the many possibilities but ultimately it's Bitcoin and Proof of Work that's a win, has been winning, and will continue to win. I like proof of stake in theory but it continues to fail where Bitcoin succeeds.

I think Bitcoin Maximalists are zealot fascists but that doesn't make them wrong about the power of Bitcoin and PoW.

**Lilith** - June 21, 2022, 12:54 pm

(Jun 21, 2022 01:57 AM)th3c0rrupt3d0n3 Wrote: [\[CITE\]](#) Truth is, the only truly decentralized and sustainable network is Bitcoin.

Well that's just not true. LTC and XMR are both truly decentralized and sustainable as well.

**SIM-5049184** - June 21, 2022, 2:17 pm

I look back on my solana thread and realistically it was the best thread i've ever written.

My entire portfolio is still in this coin and I will ride this hunk of shit to zero.

**Sempene** - June 21, 2022, 4:39 pm

(Jun 21, 2022 01:28 AM)Itachi Uchiha Wrote: [\[CITE\]](#) Not true at all, ADA, ETH and many other “normal” crypto could absolutely do it. It's part of a “standard” contract. The fact that they don’t/haven’t doesn’t mean they cannot.

So if i steal 100 million in Ada, and have them Stored in like exodus wallet, ada developers can freeze them if requested by police?

**Itachi Uchiha** - June 21, 2022, 4:44 pm

(Jun 21, 2022 04:39 PM)Sempene Wrote: [\[CITE\]](#) So if i steal 100 million in Ada, and have them Stored in like exodus wallet, ada developers can freeze them if requested by police?

Yes, even in a private wallet developers can stop you from using/moving/converting your crypto.

The only way this is removed is by developers burning the “keys” to their crypto. This can't be done on bigger tokens like ETH ADA SOL because those keys are also how they keep the network changing and updated.

**shreder** - June 22, 2022, 5:43 am

(Jun 21, 2022 02:17 PM)Mr. Business Wrote: [\[CITE\]](#) I look back on my solana thread and realistically it was the best thread i've ever written.

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How do you feel when the chain halts? That there is a chance chain may never be restarted or that chaindata could be tampered with.

**Sempene** - June 22, 2022, 7:30 am

(Jun 21, 2022 04:44 PM)Itachi Uchiha Wrote: [\[CITE\]](#) Yes, even in a private wallet developers can stop you from using/moving/converting your crypto.

The only way this is removed is by developers burning the "keys" to their crypto. This can't be done on bigger tokens like ETH ADA SOL because those keys are also how they keep the network changing and updated.

So if i have ETH, ADA, or SOL, they can't freeze my coins?

**SIM-5049184** - June 22, 2022, 2:13 pm

(Jun 22, 2022 05:43 AM)shreder Wrote: [\[CITE\]](#) How do you feel when the chain halts? That there is a chance chain may never be restarted or that chaindata could be tampered with.

I look at myself in the mirror and ask myself why I didn't sell several hundred solana at 230 usd.

**shreder** - June 22, 2022, 2:48 pm

(Jun 22, 2022 02:13 PM)Mr. Business Wrote: [\[CITE\]](#) I look at myself in the mirror and ask myself why I didn't sell several hundred solana at 230 usd.

I mean beyond the price?

**Omniscient** - June 22, 2022, 2:59 pm

(Jun 22, 2022 02:13 PM)Mr. Business Wrote: [\[CITE\]](#) I look at myself in the mirror and ask myself why I didn't sell several hundred solana at 230 usd.

Greed

Unfortunately you probably thought \$230 was nothing and that SOL was headed to \$1000. I had a member spending SOL with me. Every time I got it, I immediately swapped it out.

**SIM-5049184** - June 22, 2022, 4:48 pm

(Jun 22, 2022 02:59 PM)Omniscient Wrote: [\[CITE\]](#) Greed

Unfortunately you probably thought \$230 was nothing and that SOL was headed to \$1000. I had a member spending SOL with me. Every time I got it, I immediately swapped it out.

Correct, when everyone in the community is prying for 1,000 usd SOL at the top of the bullmarket it should have been beyond me to just ignore it and sell.

I've been self fudging for months, I fully anticipated this to happen, but after the drop to 170, then 130, then 100, then 30, I find myself in a pretty shit position where I have no choice but to hold if I want to make it in this market.

As for what @shreder said, that was my mindset above. I see no longevity in this coin besides some miniscule development going on that follows the pattern of eth.

As it all ends, I am a BTC maxi at the core even if my positions in BTC are significantly smaller than others.

I have used solana most likely more than anyone on this forum, I can tell you its ass. I just need it to bloom and recover so I can happily exit my positions. The only reason I have remained in them is that I have broken even in terms of the amount of money I have lost in fiat vs the amount of solana I have accumulated to where I am completely even with the amount of money I started with. Even

after the expenses I did pay with them.

**Marvelous** - June 22, 2022, 5:15 pm

This was not Solana who voted to take over the wallet. It was the DAO that runs Solend that is not involved with Solana at all except they are using the network. It would be like blaming AWS for paypal locking your account.

It did not happen after all. Solend was able to contact the whale and he liquidated 20% of it.

Solend held another vote and changed the maximum amount of lending capital from 150m to 50m. Along with a bunch of other fees.

I always like to bring this up when stuff like this happens. This actually happened:

<https://decrypt.co/39750/184-billion-bitcoin-anonymous-creator>

**Ratt** - June 22, 2022, 6:51 pm

(Jun 22, 2022 05:15 PM)Marvelous Wrote: [\[CITE\]](#) This was not Solana who voted to take over the wallet. It was the DAO that runs Solend that is not involved with Solana at all except they are using the network. It would be like blaming AWS for paypal locking your account.

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So then is Solana still a viable purchase? If stuff like this can go down makes me trust it's future less.

**Marvelous** - June 23, 2022, 9:14 am

(Jun 22, 2022 06:51 PM)Ratt Wrote: [\[CITE\]](#) So then is Solana still a viable purchase? If stuff like this can go down makes me trust it's future less.

I still hold over 700 Solana even through all this FUD. I agree it's got issues but it also has the developers and activity.