EXHIBIT A

Judge Engelmayer,

I would like to start this letter by accepting full responsibility for the failure of the Terra ecosystem. I am deeply sorry for letting down the many users, builders and investors who put their faith in me. They gave me an once-in-a-lifetime opportunity to build a better financial infrastructure for the future, and I repaid that gift with a failure of historic proportions that wreaked havoc on their savings and reputations.

I alone am responsible for everyone's pain. The community looked to me to know the path, and I in my hubris led them astray. I got swept up in my own overconfidence. I made many mistakes. I made misrepresentations that came from a brashness that is now a source of deep regret. I hope that it brings some small comfort to those I've failed that I will embrace any sentence the Court would have of me, by making a commitment to Your Honor that I will accept my punishment without complaint.

Though it was tempting to keep the letter short and sweet and end things here, I've been told by my lawyers that I am expected to explain my conduct and intent to aid the Court in its sentencing decision, and that such explanations can be important in bringing closure to those still struggling to make sense of what happened. So, at the risk of adding to the noise, I would like to tell Your Honor my story of Terra in the rest of this letter.

Life before Terra

I had a pretty unique upbringing. I taught myself English at age 8 when my father promised me a toy if I would read Harry Potter to him. After that, my mother believed that I was destined for greatness and removed all things she thought were potential distractions. She got rid of all the TVs in the house when I was 9. We had computers, but Mom believed they were nothing more than glorified PlayStations and heavily limited access. While other children my age listened to pop music, I listened to audio books of the classics and read biographies of Alexander and Napoleon. To this day, I remain ignorant of the comings and goings of celebrities. When my friends played monopoly, I was given some puzzle intended for the precocious and gifted (only God knows where she picked up these things). She never told me what exactly I was to be great at: she wanted greatness for me for greatness' sake, but I don't think she knew what exactly that would be. I was raised to be highly functional without a clear function.

When it came time to apply for colleges, I was accepted at some well-known schools, including Oxford and Stanford, though I knew almost nothing about them. I applied to Oxford because it was in Harry Potter and Hogwarts looked cool, Stanford because the golf course looked sunny in the school brochure, Harvard because I had seen several movies with Harvard in it. My mother was devastated when I was not accepted to Harvard - when I got the rejection letter, she left the room in tears.

I went to Stanford, and I quickly found my calling in programming. Many non-programmers think that programming is similar to math, but I've always found it closer to a physical trade like blacksmithing. With math, every aspect of the discipline is a cerebral exercise,

every theorem and proof requiring airtight reasoning. With programming, I found that while the initial planning phase is intellectual, writing the code itself is more like surrendering yourself to the inner flow or rhythm, the mind left free to roam while the hand writes the implementation. Outside the flow, programming is extremely painful, like trying to force your way through writer's block. In the flow, programming is effortless. It seems all of creation is at your fingertips. Everything is made possible because no physical laws bound the domain of software, only your imagination.

I first began working at established tech companies like Microsoft and Apple and began my own tech startup thereafter. But when I first discovered the world of cryptocurrency, it quickly drew me in. I was deeply impacted after reading the Bitcoin white paper, and was excited to live in a world run on peer-to-peer electronic cash. It can be difficult to explain the merits of crypto to Americans, living in a country where the currency is stable and free. Bitcoin was built for the majority of the world's population whose currencies are heavily restricted by capital controls, and household savings are constantly threatened by volatility and inflation. And not just the poorer countries of the world. My home country, South Korea, limits transfers of currency abroad to $20,000 per year per person, strict capital controls put into place in an answer to collapsing Korean Won exchange rates during the 1997 Asian currency crisis. When the Won collapsed in value, my country's solution was to hold the savings of its own people hostage.

But Bitcoin's volatility makes it more appropriate as an investment hedge like gold, and less as an alternative to the dollar. Centralized stablecoins like Tether provide a part of the solution to Bitcoin's volatility, but they sacrifice decentralization in the process. They are little more than digital markers for cash deposits held by centralized custodians, and for an industry designed to disrupt the incumbent financial powers, so many centralized points of failure have always left many users deeply uncomfortable. Centralized stablecoins make it virtually impossible to create reliable DeFi (decentralized finance) services. Stablecoin operators only need to block transactions to a certain DeFi protocol, either of their own accord or at the urging of a regulator, to render that protocol inoperable, meaning that no financial system that relies on them heavily can be truly decentralized.

The problems with Bitcoin and traditional stablecoins drew me to algorithmic stablecoins. Algorithmic stablecoins present a solution that provides for both price stability and decentralization, but no one had yet found a large-scale solution to prevent them from depegging. It seemed to me that most algorithmic stablecoins were failing not because their mechanisms were flawed, but because they were not supported by any real economic activity. The strength of a currency does not come from the ingenuity of its central bankers but from the strength of the economy that uses it. Most algorithmic stablecoin projects, I wagered, failed because their creators were preoccupied with designing slight variations of the same algorithm while neglecting to build an economy to use and to make the stablecoin useful.

I believed that the blueprint to a successful algorithmic stablecoin needed to include economy building, not only mechanism design. The challenge was to build a sustainable internet native economy, with an ecosystem of apps and services that would be served by a common

currency (UST), and whose economic activity would serve to sustain that currency. I believed that if successful, such a stablecoin would be the best form of money that the world of crypto could offer, able to function as a stable unit of account while preserving the censorship resistance properties of Bitcoin. It was risky, but no matter how I thought about it, the risk was worth taking, if only to bring about this crucial next evolution in the technology of money. I had finally found my calling: I was certain this was what I wanted to spend my life building.

Building the Terra ecosystem

I started working on the project that became Terra in late 2017. The beginnings of the project were humble - the foundational designs were made over notes emailed back and forth with a college friend who shared similar views on algorithmic stablecoins. We made the decision to turn the idea into a fully-fledged crypto project when I met the Korean serial entrepreneur Daniel Shin, who would end up becoming my cofounder. He was extremely interested in crypto payments at the time (what later became Chai), and we decided to join forces to work together. For the first six months, our small team migrated every few weeks to a different Airbnb apartment, working and sleeping in the same place. Our only possessions were a battered old inkjet printer, a few marker pens, and a whiteboard that I had salvaged from a garbage dump. I worked furiously. In the first 18 months, I wrote nearly half a million lines of code.

I found that ecosystem building is a lot like programming. There is a rhythm to this, a sequence of obvious next moves. The first Terra applications had to address the most basic use cases of currency - so I set up internal teams to build Anchor protocol for savings, Mirror protocol for investments, and Daniel spun out to take the lead on Chai for payments. The code seemed to flow naturally even when we were writing the protocols themselves. Mirror was a complex protocol designed to create synthetic assets that loosely "mirror" the price of assets in the real world, and we completed the design specifications for Mirror in a single long whiteboarding session, and wrote most of the code in six days. Coding those days felt just like playing the piano, the mind already slipping into the next component to build while the fingers were still typing up the beginnings of the current one, lines of code coming as easily as hitting that obvious next key.

On top of these foundation stones, we laid on various different apps and developer tools to address secondary and tertiary use cases. Despite there being dozens of balls in the air, I could always sense which products should come next. Like a city architect planning out the landscape of a young metropolis, I could see the skyline of the Terra ecosystem 50 years into the future in my mind's eye, when only the first bricks were beginning to be laid. I had never before felt so certain, sure of the right thing to do at every turn. I felt like I was channeling some cosmic intent rather than acting out of my own agency. I worked like a man possessed. I exhorted colleagues to work faster and harder, impatient to hit some internal ideal schedule to ship our products. The perfect note needs not only the right key, but also the right timing.

To expedite the growth of the Terra ecosystem, I offered to join companies building on the Terra blockchain as part of their core teams. I work fast, and it's hard to match my work hours, so many founders were pleasantly surprised to find that my offer to help was not just a publicity stunt but a genuine effort to add value. My initial motive for helping was selfish. The more that

projects on Terra thrive, Terra itself thrives. But as I got to know the people behind the projects, I stuck around because many of them became my family. I got to know about their children and met their spouses. I listened to their fears of leaving good jobs or prestigious institutions to work on a startup in the shady world of crypto. They shared their dreams of decentralizing and democratizing finance just a little bit more with the projects they were working on. They shared their worries of missing payroll if the fundraising round was not successful. Terra builders dropped everything they were doing before to make my dreams come true. I could only try to help them realize theirs.

As I write this letter, several years after everything, I recall very little of the meetings with the politicians and the billionaires. I took away very few meaningful lessons from mingling in the halls of privilege. I do remember meeting with and then later working closely with a 16 year-old boy who snuck into a bar to tell me his story of having run away from home and school because he wanted to design crypto mechanisms, and his parents and teachers told him no. I was deeply awed after hearing the story of an employee who had been a manager at a Taco Bell before he taught himself enough technical knowledge to be able to manage teams of engineers. I remember a first-generation college graduate in Bangladesh, who despite his humble background managed to graduate with honors from the Ivy League. He shared his dream of proving that you can build a first-class tech company from his home city of Dhaka, and inspire hope in his fellow countrymen. I met the most inspiring and talented people through my work with Terra and will carry the lessons I learned for the rest of my life.

I am obviously biased, but I think the Terra community was different from other crypto communities. Other crypto communities are built around strength - their founding narratives are spun around the pedigree of their famous founders and investors, the size of their market cap, or the impressive speed performance of their blockchains. Terra did not have any of these qualities. I was in no way famous when I founded Terra, the price performance of Luna was horrible when Terra first launched, and the blockchain was not any faster than most of the others. But I like to think that we had the clearest idea of where we were going, and why UST needed to exist. "Decentralized economies need decentralized money" became the rallying cry for our tribe, the aptly named "Lunatics," who were fanatical in their evangelizing work to convert the traditional finance heathen to the ways of the decentralized stablecoin.

Unfortunately, the Lunatic nation was led by a man woefully unqualified for the role. I was just a computer nerd, but as the community grew, I was expected to have the right answers to problems facing Terra as its founder. I often felt the limitations of my youth and inexperience, not yet having turned 30. In one case, I discovered that a co-founder of a startup project that had raised seed funding from the Terra community had absconded with the money. The remaining team members had reached out, sharing this news in confidence and looking for advice on what to do next. The right thing for the community would perhaps have been for me to go public with this information. But had I done so, I would have betrayed the confidence of the remaining team members, who would likely have found it difficult to find another job in the industry. A wiser man would have known what to do, seen a clear path forward. I did not. I simply gave the team the equivalent amount of their seed funding out of pocket and remained quiet.

As the number of my commitments grew, I came to understand that being "involved" in a dozen projects was not tenable. I was so busy that sometimes I would be on two calls at the same time, trying to process parallel threads of conversation from the overlapping voices. I inevitably started to lose track of the details; I had once prided myself on having single handedly written most of the code for the first version of Terra's blockchain. When I no longer had time to write much code, I consoled myself that at least I reviewed all the code and features shipped by my firm. Soon thereafter, I was lucky if I had a vague understanding of what each product did. But the community continued to look to me to have answers to all things Terra in the near daily podcasts, interviews, and ask-me-anything question sessions, and I continued to provide the answers whether I knew the facts or not. I had built my reputation on my extreme work ethic and accessibility as a founder, and was loathe to relinquish either title. One memorable case involves a backdoor key built into Mirror protocol. We had designed and marketed Mirror to be completely decentralized, to be owned and controlled by its community of users. One day, we received an urgent message from a security expert in the community, alerting us to a serious security bug in Mirror's smart contracts that if exploited, would lead to the theft of hundreds of millions of dollars of user funds.

As I quickly summoned an emergency meeting with the Mirror team, I was dismayed, as there seemed no possible way we could fix a bug written into immutable smart contracts. But at the meeting, I was told there was no problem at all. Apparently the Mirror engineering team had retained an "emergency update key" in case of urgent bug fixes that would allow the alteration of Mirror's smart contracts. It took no more than a short assurance from the engineers that retaining such keys was common sense and common industry practice to stop my heckling. To my discredit, I did not spare a second's thought as to how Mirror's having a backdoor may have been inconsistent with the public representation of its decentralization. I was so obsessed with realizing my vision of the city of Terra's skyline that I only cared about the buildings going up as fast as possible. Once the ribbons were cut, I would run off to the other side of town to break new ground. Is it any surprise that many of the buildings had uneven floors and no running water?

Building the Terra ecosystem was full of constant calls to action, and I seldom had time for more than hastily contrived answers. The hard choices of my work aged me prematurely in both body and mind. I tried to do the right thing, but after everything that has happened, I know that I've made at least as many mistakes as I made right decisions. But not all the choices should have been hard. Often, I failed spectacularly to do the right thing and took the easy way out. The following is what I remember as the largest of my mistakes, failing to disclose to the community Jump Trading’s role in stabilizing UST.

Augmenting Terra's stability

While building a robust economy on Terra was my primary focus, I was also mindful that even the strongest economy could fail if not built on solid foundations. Algorithmic stablecoins had a long history of failing, and I was resolved to find a way of mitigating this risk as much as possible. So, when Jump Trading reached out with a proposal in 2019 to reduce UST's liquidity

and depeg risks, it did not take long for me to say yes. Before I explain Jump's proposal, I need to provide some background of how Terra works and the liquidity challenges it faced.

On a high level, how Terra works is fairly straightforward. The Terra stability mechanism allowed the conversion of 1 UST at $1 worth of a secondary cryptocurrency called Luna. When the market price of UST fell below $1, say 90 cents, arbitrageurs would be incentivized to buy UST, "swap" it for $1 worth of Luna, and sell it in the open market to pocket 10 cents of profit. When the price of UST rose above a dollar, say $1.1, arbitrageurs would be motivated to swap $1 worth of Luna for 1 UST, which would then be sold for a $0.1 profit. The profit seeking behavior of arbitrageurs would expand and contract the money supply of UST and keep its unit price close to $1. Given how they are stabilized entirely by market trades executed by humans, "algorithmic stablecoins" are poorly named, misleading outsiders with the false impression that a host of AI agents and bots fix the stablecoin price with fancy math and algorithms. This, of course, is impossible. No algorithm can budge the price of a good in a free market without the willingness of buyers to pay for it. Therefore, it is more accurate to call UST and similar stablecoins "incentive stablecoins." As such, they only work when people are willing to respond to the underlying incentives. They don't work very well in either market apathy or market panic, when currency demand becomes inelastic. In the first case of market apathy, an attacker could drive up the price of Luna on the illiquid initial markets, and profit by "swapping" Luna at the manipulated high exchange rate and printing an artificially large amount of UST. In the weeks following the launch of the Terra blockchain, liquidity attacks such as these were legion, and had to be countered by trading bots. In the second case of market panic, the arbitrage stability incentives don't work very well when UST and Luna are being rapidly sold off at the same time. Swapping UST to Luna becomes risky and the reward unattractive if the price of Luna is in freefall. Furthermore, the risk reinforces and perpetuates itself. The more Luna price falls, the more Luna is printed and sold to absorb UST, leading to steeper price declines in a classical example of a death spiral.

As much as I genuinely believed in the promise of UST as an algorithmic stablecoin, I recognized that UST initially needed an analog of a central bank that could ensure enough liquidity for its stablecoins to be viable, and with deep enough pockets to act as a credible deterrent against market panics and currency peg attacks. Jump would fill that role. They had the right size: Jump representatives claimed to me that Jump was responsible for a "double-digit percentage" of the then global trading volume for Bitcoin. Such size would allow them to provide significant liquidity and peg defense when needed. They also had experience: the traders shared that they had been engaged with a "top stablecoin" shortly after its debut, and showed me charts with the stablecoin's market cap and other key trading metrics going up significantly during their partnership, providing that they knew how to grow and maintain liquidity for stablecoins.

Jump was also an attractive partner because, deviating from typical market-making agreements of the time, they did not charge a fee, nor did they require us to put up the capital for their trading. They only asked for options to purchase Luna at various price points above the then market price of 20 cents. These options didn't seem like much at the time, but grew enormous as Luna's price skyrocketed. There was a catch: Jump would be using their own capital to trade Terra assets, so we would not be entitled to the trading data. From time to time, they

would share some snippet of information of their choosing such as monthly trading volume, but never offered more granular trading data nor information on peg defense.

Most importantly, they insisted on nondisclosure and confidentiality. They asked that I not announce the partnership or share information about their work without their consent. I was initially disappointed by the confidentiality ask. I was excited to announce this partnership, in no small part because I believed that a stamp of approval from a large and well-known trading firm like Jump would increase market adoption of our stablecoins. Furthermore, Jump's commitment to peg defense would be significantly less effective if the public didn't know about it. People would need to know the peg was being defended so that it would not have to be defended. But their explanation that they did not want hostile regulatory attention made sense; back in 2019, crypto companies were international pariahs, often denied basic professional services like banking and legal work. In the cases where access was granted, it was not uncommon for the provider to ask for confidentiality.

And that is how I entered into what was essentially a don't-ask-don't-tell partnership with Jump to help defend UST's peg. Under this arrangement, Jump would execute trades to increase UST's liquidity and stability during market panics, and I would have restricted visibility into their trading operations (don't ask), and be bound to confidentiality about the arrangement (don't tell). For the first two years, there was not much to ask and not much to tell. I grew Terra's economy and Jump grew Terra's liquidity, and all the graphs were pointing up.

May 2021: a tainted experiment

On an early morning in May 2021, I was awakened by a call from Kanav Kariya, a Jump executive, saying someone had dumped around 88 million UST over the last few hours, and that UST had started to slightly depeg. UST had survived many depegging events before, but there were a few reasons why this day was different. First, Kanav was convinced that the selloff was triggered by a single seller associated with what was then a large crypto exchange, and that this seller obviously seemed to have a large inventory of UST and Luna. Second, much of Terraform Labs' infrastructure was downed by a DDoS attack simultaneous to the selloff, which made it difficult for much of the community to access their wallets or execute arbitrage transactions to stabilize UST. Such external circumstances significantly cut down on the effectiveness of UST's stabilization incentives by artificially reducing the set of potential participants (DDoS attack) and the possible financial upside (plummeting collateral value). May 2021 was a perfect time for Jump to step in to defend the peg, as the arrangement had been made as insurance against exactly such a scenario. During the depeg, I hunkered down with my engineers to repair our infrastructure, and the Jump team focused on defending the peg on the order books.

Kanav and I spoke multiple times over the next day, and in the chaos of a depeg event it was hard to build a complete picture of what exactly Jump was doing. I did have a useful data point, however. Shortly before the depeg, UST had a money supply of $2 billion. The depeg shrank that by roughly $500 million, meaning that arbitrageurs had swapped in and the stability mechanism had absorbed that much of the sell pressure. A few days after the depeg, Jump shared a brief asset holding snapshot with our team where they noted UST holdings around $120 million.

Since they did not provide more granular trading data, this snapshot alone is not a complete picture. But given this report was shared to emphasize their contribution to peg defense, I tentatively concluded that while Jump had been helpful, the stability mechanism still had been the dominant factor in peg recovery, "buying" $500M to Jump's $120M. Jump's own trading data produced during various lawsuits after the May 2022 crash showed that Jump had in fact purchased 62M UST during the 2021 depeg.

After the markets had stabilized, as per our agreement I was asked not to publicly discuss what Jump had done. I passed on this restriction to our communications team — which then understandably ran a tweet thread omitting Jump's involvement and celebrating UST's peg recovery as a win for the stability mechanism. I toed the same party line in subsequent podcasts and interviews. I told myself "I don't know exactly what they did, and I am not allowed to say what I don't know anyway," but in retrospect this was a poor excuse. How Jump had helped is immaterial: that they had helped at all needed to have been made public, with investors then being free to make their own decisions.

I did ask Jump to put out on Twitter in their own words what had happened during the depeg if they wanted more control over the content delivery. Initially, they seemed warm towards the idea, and said they would run a draft post by their legal team. I suppose the response was not very warm, as the only public post that was made was Kanav's personal account quote tweeting TFL's own tweet thread, offering congratulations and warm sentiment but no acknowledgement of Jump's intervention.

In doing a post-mortem of the depeg, it seemed not unlikely that similar intervention would be necessary in a future depeg crisis, but that it would need to be executed more transparently. Almost immediately after the depeg, I put into motion fundraising plans for the Luna Foundation Guard, a nonprofit vehicle holding billions of dollars in Bitcoin to deter future depeg crises for UST. LFG ended up failing to stave off the May 2022 depeg a year later, but its intervention and use of funds was at least transparent and visible to all.

May 2021 should be viewed as a tainted experiment. It did not validate the hypothesis that the stability mechanism can survive a meaningful depeg crisis without outside help, because outside help clearly did exist. It was wrong of me to hide the existence of such help. In the interest of fairness, it would be equally illogical to point to May 2021 to conclude that the stability mechanism did not work, nor to conclude that UST was kept stable due to human traders and not code: the evidence does not support these conclusions. UST survived many depeg crises in its history, including one in February 2022 when 0.5 billion UST was sold off by Alameda Research in a few minutes and around 2 billion UST was absorbed by the stability mechanism. To the best of my knowledge, UST survived these depeg crises without help from Jump.

But regardless of this, May 2021 was sold and marketed as a successful experiment and a sole win for the stability mechanism, and that was wrong. I misled many investors into believing UST was a lot less experimental than it was, and made them unwitting participants in the ultimate failure of UST in May 2022. Though I referenced Jump frequently throughout this letter, I do not

seek to deflect blame in their direction in any way. The Terra community was owed the truth and full picture from me, not Jump, and it is I who failed to deliver.

May 2022: Cataclysm

By 2022, the Terra ecosystem had grown massive. At its peak, the combined market cap of Terra stablecoins and Luna, its ecosystem coin, surpassed a hundred billion dollars. As a smart contract platform, it was second only to Ethereum in terms of economic activity measured by total value locked in its smart contracts. As Terra grew, I started to forget about UST's risks, and to think about UST's success not as a remote possibility but an eventuality. Currencies become more powerful and stable as they get more held and used - and as UST became one of the largest and most widely used stablecoins, many of the potential failure scenarios seemed to become more and more remote.

I let my early success and fame go to my head. As Terra grew, so did that special deference people reserve for young tech founders running shiny companies with sky-high valuations. I still had critics, but their criticisms were canceled out in an echo chamber of supporters in whose eyes I could do no wrong. I academically understood the challenges facing UST but gripped then by an unshakable belief in my own manifest destiny, I brushed them aside, convinced that I would be able to overcome these hurdles as I had so many others.

As UST grew far too large to be considered an experiment any longer, voices of alarm started to be raised about how Terra's stability model was similar to long-failed algorithmic stablecoins, and how Anchor protocol's high interest rate was starting to build dangerous leverage into UST's market structure. In another time, I would have listened carefully to the criticisms, but those days of intellectual humility were long gone. In my insane arrogance, all I felt then was annoyance at the naysayers who seemed only interested in slowing me down. As I responded to the critics, I resorted to childish memes and made fun of my online opponents to silence them. After UST had survived each small peg fluctuation, I would taunt the critics that had been posting doomsday warnings about UST with victory laps. I would draw on my old lessons in rhetoric to post tweets that made no sense but served to project Terra's strength, such as "UST will remain stable until the age of man expires." Looking back, I cannot comprehend my own hubris, and wish I had not silenced the warnings about UST. I am sorry.

May 2022 proved me wrong. The fists of the Lunatics, raised up high in support of the mission, became hands outstretched for mercy, as life savings and corporate treasuries were wiped out in a matter of days. I found myself helpless. For hours and days, I doomscrolled my inbox, reading messages of suffering, loss, blame, and support. As much as I had loved the Terra Community, I felt their pain then just so more acutely. I later found out that the Terra crash was so large that many world leaders made statements on the crisis, some calling for my head. But honestly, I did not have time to pay attention to them, when I was inundated with calls from my community who still looked to me to find a solution. I didn't have one. What quick fix can reverse the collapse of a 100 billion dollar ecosystem? I walked around like a zombie, unaware of my surroundings. At my lowest point, I came to find myself at the rooftop of my apartment building, standing dangerously close to the edge without a clear memory of how I had gotten there. I was

jolted into awareness because my phone rang from an ecosystem founder asking for help with putting out an urgent fire in his company.

Over the next few months, I tried my best to put the pieces back together. We created a new version of the blockchain that distributed coins to former holders of Luna and UST and started to build the ecosystem back from scratch without UST. I tried to help projects land on their feet, whether they chose to stay in or leave the Terra ecosystem. We split our remaining treasury to issue emergency grants to make sure companies in the ecosystem could maintain minimally viable manpower. We helped projects create new products that would work in the new Terra blockchain without UST. Though on a smaller scale than the original version of Terra, we were successful in restoring some semblance of normalcy. Terra Station, the most popular wallet in the ecosystem, was seeing around 30,000 daily active users - a fraction of the former user base, but a meaningful foundation to build the new ecosystem.

But despite the superficial success of recovery operations, I remained broken and lost. In most matters, I became cripplingly indecisive and uncertain, leading a life largely dictated by lawyers, so unsure of myself that I could no longer tell good advice from bad. The skyline of the city of Terra I had held in my mind's eye became obscured by dark clouds. Without UST, the blockchain had become ideologically bankrupt, no different from dozens of others meeting similar user needs. I had lost the ability to do all but the most basic programming. I would stare blankly at the computer screen for hours, unable to get beyond the first line of code. That inner rhythm which had guided all my actions had gone silent, and cramming more and more hours to force inspiration to present itself was futile. Though I still continued to fulfill the superficial duties of my office, I no longer knew where I was going or what I needed to do next.

Even though I was lost, I felt a desperate need to try to put all the pieces back together. If not for making things right again, my life had already lost most of its meaning. I was resolved to make Terra a vibrant place to build again. So I kept going with Terraform Labs, despite frequently having to sit down for multiple interrogations and accept resignations from traumatized employees left and right. When our bank accounts were shut off in Singapore, our lawyers recommended that I go to Serbia to set up new banking and corporate relationships so that our employees could be paid. I thought if I could just get enough space and time, I could somehow fix everything. Fate would see to it that I would get neither. I regret leaving my home in Singapore and newborn child. I have not seen her since.

Time in prison

I lost all contact with the outside world when I was arrested and jailed in Montenegro. A tiny Balkan state comprising of a few tourist towns and fishing villages, its nascent judicial system was shaken to its core in trying to process a high-profile detainee wanted by larger countries. I was kept in almost complete isolation in solitary confinement for two years. I was kept in a cell with 24-hour video surveillance, with no explanation for the special treatment besides "you are a special case." I was not allowed any access to the phone, nor was I allowed any visitation from family or my non-local legal team besides in the first few weeks following the arrest. Even during yard time, I was sent out alone. There were entire weeks when I did not utter a single word.

Without events to tether myself to, I lost my grasp of the passage of time. From my memories of the time there it seemed at times my imprisonment lasted mere weeks, and in some others decades. I developed a habit of staring out the small window in my cell, to look at the small birds nesting among the barbed wire fence just visible within the window's frame. One day, I started to watch the birds at the break of dawn, and after what seemed like moments, was startled to find that the sun was beginning to set.

Due to overcrowding and lack of resources, access to everything depended on bribing the guards with cigarettes. For example, regulation demanded that inmates be given a chance to shower once a week, but without the usual bribe paid, the showers would suddenly break down and I would go for weeks without. All supplies, from soap to toilet paper, were not distributed freely (at least not for me) but instead bartered at fixed exchange rates for cigarettes. Food, almost always some variation of gruel, also required payment for any portions greater than bare subsistence levels. I tried to move as little as possible to conserve energy, even when rats scurried across my legs. Since I spoke no Serbian, it took me a long time to understand how things worked, during which time I lost 30kg in body weight. The deprivation of those days changed me deeply. Currently, I am the only person I know of that genuinely enjoys the food served in my American jail, which baffles my fellow inmates greatly.

Today

These days, I dream frequently. One recurring dream is a reliving of the memory of my daughter's birth. She was born on the anniversary of Terraform Labs' founding. My wife went into labor in the early hours of the morning. Through the window of the hospital room, I could see the full moon in the clear night sky, an extremely rare event for the skies of smoggy Seoul, welcoming my daughter into the world. I remember feeling extremely humbled by what seemed like a divine sign affirming the correctness of my path. I named her Luna, after Terra's ecosystem asset and the omen of her birth, naming my dearest creation after my greatest invention. When I shared the news of her birth on Twitter, Luna became one of the most adored babies on the Internet, tens of thousands of uncles and aunts celebrating her safe arrival to the world. I have not seen her since she was only a few months old, but in my dreams, she takes after her mother, my personal heroine who supported a penniless entrepreneur through his hardest years and made me the man I am today. I hope that when Luna is old enough, she will read this letter and think better of her father for having owned up to his responsibilities, and it is partly for her benefit that I've written this letter.

I also continue to have nightmares of the events around the UST crash. I do not possess the linguistic abilities to describe what the crash was like. The best I can do is to say it felt like being ambushed and crushed by the sun. After years have passed, I still cannot fully comprehend what has happened. UST had been so large that it had seemed impossible that nature could summon a force large enough to counter its forward momentum. How could something so large fail so quickly and spectacularly? How could I, having thought myself so clever, have not seen it coming?

I can only imagine how worse the crash was for the many UST holders who had no inkling that a depeg was even possible, either thinking that UST was just another large stablecoin like Tether or misled by me into thinking that it would "remain stable until the age of man expires." Not a day goes by when I don't think about the damage I've caused to their lives. I would gladly have given my life a hundred times over to stand between them and the crushing sun, but unfortunately that was not within my power. All I can do now is to say that I am deeply sorry.

While the rest of the world has moved on from UST's downfall, I continue to be haunted by it. Often, I wake up in the middle of the night to scribble down some snippet of code or mechanism update, and during the day my subconscious mind runs simulations of how things may have gone differently had these changes been implemented. Though I understand that continuing to think about these what-ifs is futile, I've come to accept that I will likely be trapped in these parallel universes for a long time. I am haunted because I believed in this project more than anything else in my life. I continue to believe UST's mission was important, and that its aspirations point to some of crypto's most promising potential applications. In closing out this important chapter of my life, I only wish to say that I take full responsibility for everything that has happened, and that I have cared and continue to care deeply.

Sincerely,

Do Kwon