MARA-CR-001

Hypothetical credit committee packet | September 20, 2026

Recommendation	**$3.0 million conditional limit**
Requested	$5.0 million / 12 months
Binding constraint	Collateral cap: $3,046,480 before rounding
Exposure views	Full-request recovery: $5.05m exposure / $1.1794m shortfall. Recommended limit: $3.05m pro forma exposure / $0.8206m coverage surplus.
Hard-stop rule	Decline if ownership, priority, enforceable control, price freshness, or the repayment route is unavailable.
Monitoring state	2 projected passes; 1 pre-funding blocker; 5 private-evidence measures not measured
Liquidity screen	$96.81m before and negative $194.79m after the potential holder put; not a forecast

Committee framing

The approval case and the decline case are both included. Public issuer facts establish scale and reported liquidity; they do not establish private repayment capacity or control of the fictional collateral.

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Decision thresholds

Threshold	Result	Meaning
Preserve $3.0m limit	3.46% max decline	Beyond this, the collateral cap rounds below $3.0m
Support $3.0m limit	3.940m USDC	Minimum quantity under base cost and coverage assumptions
Non-collateral ceiling	$4.0m	Current concentration cap prevents the full $5.0m request

Evidence boundary

MARA is not represented as a Coinbase customer. The facility, collateral, Base route, covenants, portfolio, limits, and internal grade are fictional. The package contains hash-frozen public sources, machine-reconciled filing facts, an audited workbook, eleven illustrative scenarios, and a separately stated opposing view. It is not legal advice or a real credit approval.

Review control: use artifacts/validation-report.md for executed checks and artifacts/package-integrity.json for file verification. The monitoring plan is inactive; private diligence, legal enforceability, and independent practitioner review remain outstanding.

Illustrative credit memorandum

MARA Holdings, Inc. | Case MARA-CR-001 | Information date: June 30, 2026

Hypothetical exercise. MARA is not represented as a Coinbase customer. The facility, collateral, Base location, policy limits, rating, and portfolio are fictional.

Recommendation

Conditionally approve a maximum $3.0 million commitment on the fictional $5.0 million, 12-month request. Do not fund until ownership, first-priority lien, enforceable control, and the Base-to-cash route are evidenced. If any item remains unresolved, decline.

Cap	Amount	Basis
Obligor	$7.500m	Illustrative public-information judgment
Collateral	$3.046m	$3.8706m proceeds / 1.25x coverage - $0.05m accrued
Single-name	$6.000m	Illustrative policy
Concentration	$4.000m	Illustrative shared-risk capacity
Recommended	$3.000m	Rounded below the binding collateral cap

Credit view

MARA reported $421.3 million of cash and cash equivalents at June 30, 2026. About 30% was held by majority-owned Exaion and designated for its operations over the following year. MARA also reported 35,577 bitcoin with a $2.1 billion fair value: 4,742 loaned, 4,528 pledged, and 26,307 described as unrestricted (SRC-001). None is assumed to secure this facility.

MARA reported about $2.4 billion of debt after note repurchases. Identified near-term items included a $150 million line of credit, $48.1 million of December 2026 notes, and $291.6 million classified current because holders can require repurchase in June 2027 (SRC-001). The 2025 Form 10-K reported $802.7 million of net operating cash use (SRC-002).

A static public-data bridge leaves **$96.81 million** after designated cash, the line of credit, and December 2026 notes. Adding the June 2027 holder-put sensitivity produces **negative $194.79 million**. This is not a borrowing-entity forecast and does not assert that the put will be exercised.

The primary repayment source remains unproven. The draft assumes unrestricted operating liquidity and working-capital cash generation, not collateral liquidation. Funding requires a current cash forecast, facility purpose, legal-entity cash map, and debt-service schedule.

The recovery view and approval view use different exposure bases. If the full $5.0 million request were drawn, the $5.05 million exposure including accrued amount would exceed base eligible proceeds by **$1,179,400**. The recommended $3.0 million limit implies $3.05 million of pro forma exposure and an **$820,600 coverage surplus**. This distinction prevents the full-request shortfall from being read as the exposure created by the smaller recommendation.

Illustrative collateral waterfall

Step	Calculation	Amount
Quoted value	4.0m fictional USDC x $1.00	$4,000,000
Stressed gross	$4.0m x 98%	$3,920,000
Execution cost	$3.920m x 0.50%	($19,600)
Delay cost	$3.920m x 25 bps	($9,800)
Fixed cost	Assumed	($20,000)
Available proceeds	Stressed value less costs	$3,870,600
Collateral cap	$3.8706m / 1.25x - $0.05m accrued	$3,046,480

Conditions, monitoring, and reversal

Illustrative credit memorandum | MARA-CR-001

Conditions precedent

1. Verify beneficial ownership, no prior lien, first-priority security, and enforceable lender control over the fictional collateral lot.

2. Test the read-only custody-to-liquidation-to-bank route. Chain confirmation alone does not establish repayment availability.

3. Receive a 13-week cash forecast, use-of-proceeds schedule, legal-entity cash map, and complete debt-service schedule.

4. Maintain at least 1.25x stressed coverage and prohibit collateral substitution without a new case version.

5. Confirm the fictional single-name and shared-risk limits before funding.

Principal risks and monitoring

Eight post-close rules distinguish calculated projections from unavailable private evidence. The design is not active monitoring or evidence of compliance.

Metric	Threshold / state	Breach action
Collateral coverage at recommended limit	>= 1.25x; 1.269x	Block new draws; require cure or collateral top-up before further funding.
Collateral ownership, priority, and control	all verified; 9 blocking conditions outstanding	Assign zero collateral credit and block funding.
Base-to-cash route test	<= 4 hours end to end; not measured — private evidence required	Suspend availability until a successful route test.
Borrowing-entity unrestricted cash	>= $25 million; not measured — private evidence required	Freeze incremental availability and reassess the obligor cap.
Operating cash generation variance	no >20% adverse variance to approved forecast; not measured — private evidence required	Refresh rating factors and repayment analysis.
Additional secured debt or lien creation	$0 without lender consent; not measured — private evidence required	Block new draws and assess default or waiver path.
USDC collateral concentration headroom	>= $0; $1,000,000.00	Reject the draw or reduce the facility limit.
Financial and collateral reporting delivery	within 15 business days after month end; not measured — private evidence required	Block new draws until the reporting package is complete.

Reversal evidence

Increase toward $5.0 million only if a refreshed cash forecast supports repayment without collateral, or if more eligible collateral raises the binding cap without breaching another limit. Decline if ownership, priority, control, or route evidence cannot be obtained, or if combined stress makes the conditional limit inconsistent with portfolio capacity.

Strongest objection

The $3.0 million result is generated by fictional collateral. A cleaner committee action is to decline pending real repayment-capacity diligence, then assess the full request without manufacturing precision from a synthetic structure. See the opposing memorandum.

Evidence and limits

SRC-001 is MARA's June 30, 2026 Form 10-Q. SRC-002 is MARA's 2025 Form 10-K. All lending inputs are ASM-C assumptions. The model is a portfolio exercise, not Coinbase policy, legal advice, a calibrated default model, or a real credit recommendation.

Downside and cure ladder

MARA-CR-001 | Illustrative coverage mechanics at the $3.0 million recommended commitment

Recommended commitment	Exposure incl. accrued	Required proceeds	Exact modeled breach
$3.00m	$3.05m	$3.8125m	3.46%

Coverage sensitivity

Stress	Proceeds	Coverage	State	Headroom	Top-up	Repayment	Rounded limit
2%	$3.871m	1.269x	PASS	$58.1k	0.0k USDC	$0.0k	$3.0m
5%	$3.752m	1.230x	CALL REQUIRED	$-61.0k	64.7k USDC	$48.8k	$2.9m
10%	$3.553m	1.165x	CALL REQUIRED	$-259.5k	290.5k USDC	$207.6k	$2.7m
20%	$3.156m	1.035x	CALL REQUIRED	$-656.5k	826.8k USDC	$525.2k	$2.4m
30%	$2.759m	0.905x	CALL REQUIRED	$-1053.5k	1516.4k USDC	$842.8k	$2.1m
40%	$2.362m	0.774x	CALL REQUIRED	$-1450.5k	2435.8k USDC	$1160.4k	$1.8m
50%	$1.965m	0.644x	CALL REQUIRED	$-1847.5k	3722.9k USDC	$1478.0k	$1.5m

How to read the remedies

At 5% stress, available proceeds fall to $3.7515 million and modeled coverage falls to 1.230x. Restoring 1.25x requires either approximately 64.7 thousand additional USDC, a $48.8 thousand repayment, or a rounded commitment reduction to $2.9 million. The alternatives are mathematical equivalents under the declared assumptions; they are not an instruction to select or execute a remedy.

Control boundary

Illustrative collateral sensitivity only. It is not an executed margin agreement, a liquidation instruction, or Coinbase policy. Top-up and repayment amounts assume the declared costs, immediate cure, unchanged legal eligibility, and no market impact beyond the modeled stress.

The ladder assumes ownership, first priority, enforceable control, and route availability remain satisfied. Failure or uncertainty in any of those conditions is a hard blocker that assigns zero collateral credit; a cure calculation does not override the funding gate.

Committee question

Should the draft control package require automatic collateral top-up, cash repayment, commitment step-down, or a credit-and-legal election among those remedies—and what cure period is operationally supportable?

Evidence source: artifacts/collateral-call-ladder.json, generated from the declared facility, collateral, cost, coverage, accrued-amount, and rounding assumptions.

Model-risk posture

MARA-CR-001 | Known limitations are decision inputs, not footnotes

Open risks	Critical	High	Decision-blocking
8	3	4	4

ID / severity	Known limitation	Mitigation and required evidence	Disposition while unresolved
MR-01 critical input	Synthetic collateral quantity and costs drive the binding cap.	Replace simulated terms with executed collateral, custody, and route evidence; rerun every scenario. Evidence: Executed term sheet, verified custody statement, control documents, and route test.	Treat the cap as methodology only and do not fund.
MR-02 critical repayment	Public liquidity is not a borrowing-entity cash forecast or primary repayment proof.	Reconcile a 13-week forecast, legal-entity cash map, facility purpose, and debt-service schedule. Evidence: Borrower forecast tied to banks, historical results, debt agreements, and approved sources and uses.	Decline on the present record.
MR-03 critical legal	The model cannot establish ownership, priority, perfection, control, or remedy enforceability.	Obtain legal confirmation and independently verify the complete control package. Evidence: Clear lien search, executed security and control agreements, and counsel confirmation.	Assign zero collateral credit and block funding.
MR-04 high market data	Daily candles and assumed costs do not establish stressed executable depth.	Obtain venue-specific stressed depth, slippage, fee, and settlement evidence for the actual route. Evidence: Timestamped depth studies and reconciled execution tests across declared stress sizes.	Retain conservative sensitivities and prohibit claims of executable recovery value.
MR-05 high methodology	The ordinal rating is judgmental and not calibrated to default probability or loss.	Independent credit review of factor definitions, weights, evidence, and override policy. Evidence: Dated reviewer challenge with documented changes or accepted disagreement.	Use only as a transparent qualitative bridge, never as a calibrated rating.
MR-06 high portfolio	Invented exposures demonstrate concentration mechanics but not actual portfolio capacity.	Load the current approved exposure inventory and obtain limit-owner sign-off. Evidence: Current portfolio report reconciled to limits and approved by portfolio risk.	Do not allocate portfolio capacity or rely on the modeled concentration cap.
MR-07 high operations	Modeled Base-to-cash timing may not represent the approved production route.	Execute an end-to-end read-only route test with timestamps, fees, destination, and exception handling. Evidence: Approved route runbook and successful independently observed test.	Set route availability to false and decline.
MR-08 medium implementation	OOXML formula inspection is not native Excel recalculation or independent code review.	Recalculate in a native spreadsheet engine and independently reproduce one decision case. Evidence: Signed reproduction worksheet, native recalculation log, and resolved discrepancy record.	Keep the package locally verified but not ready to share.

The three critical risks concern synthetic collateral terms, absent borrowing-entity repayment proof, and unverified legal enforceability. None can be cleared by model precision. Four risks require a decline, zero collateral credit, or no funding while unresolved.

This register governs known model and evidence limitations; it does not prove legal sufficiency, validate private borrower information, or replace independent model review.

Opposing memorandum

MARA-CR-001 | Alternative recommendation: decline pending private diligence

Hypothetical exercise. The $3.0 million recommendation is an illustrative model result, not evidence that a real facility is safe.

Do not manufacture a collateral constraint

The conditional recommendation is precise but not yet persuasive. Its binding cap comes from an invented 4.0 million USDC lot and invented costs. The waterfall demonstrates a method; it does not establish an economically appropriate limit for MARA.

Scale points toward a different question

MARA reported $421.3 million of cash and cash equivalents and 26,307 unrestricted bitcoin at June 30, 2026 (SRC-001). A $5.0 million request is about 1.2% of reported cash. Reducing the request by $2.0 million because synthetic collateral supports only $3.046 million creates false precision.

The same filings report about $2.4 billion of debt, meaningful near-term obligations, designated cash, and $802.7 million of operating cash use in 2025 (SRC-001, SRC-002). Those facts justify private diligence. They do not justify letting fictional collateral replace primary repayment analysis.

Alternative decision

Decline on the present record. Obtain the facility purpose, borrowing-entity financials, 13-week cash forecast, legal-entity cash map, complete debt-service schedule, and actual collateral terms. If the evidence supports repayment, assess the full $5.0 million request directly. If it does not, a smaller secured exposure is not automatically safe.

Why this alternative is stronger

1. It does not treat a lower number as conservative merely because a model produced it.

2. It keeps collateral recovery subordinate to operating repayment capacity.

3. It refuses to turn onchain visibility into ownership, priority, or enforceability.

4. It identifies the exact evidence needed to resolve the disagreement.

Disputed assumption

The disputed assumption is the $7.5 million obligor cap. A reconciled cash forecast and debt-service schedule at the borrowing entity, including downside liquidity and covenant headroom, would resolve the dispute. Until then, the collateral waterfall belongs in sensitivity analysis, not as the sole basis for approval.

Committee question

Would the committee rather approve a smaller number supported by synthetic collateral, or decline until it can underwrite actual repayment capacity? The opposing view chooses the latter.

Reviewer brief

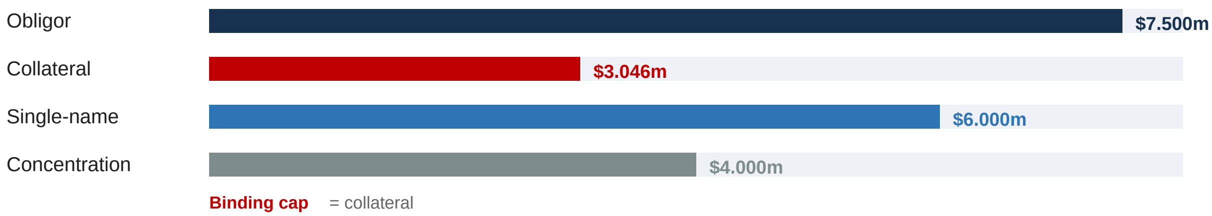
MARA-CR-001 | One disputed decision | Self-review only

All lending terms are fictional. MARA is not represented as a Coinbase customer.

Conditional recommendation	**$3.0m**	Requested	**$5.0m**

Decision logic

Four-cap comparison ($ millions)



Waterfall

$4.000m quoted value - $0.080m price stress - $0.0196m execution cost - $0.0098m delay cost - $0.020m fixed cost = **$3.8706m available proceeds**. Dividing by 1.25x coverage and subtracting the $0.05m accrued amount gives a **$3.04648m collateral cap**, rounded down to $3.0m.

Public issuer context

MARA reported $421.3 million of cash, $2.1 billion fair value across 35,577 bitcoin, and about $2.4 billion of debt at June 30, 2026 (SRC-001). Its 2025 filing reported $802.7 million of net operating cash use (SRC-002). Reported bitcoin is not treated as facility collateral.

Strongest opposing view

The $3.0 million cap is an artifact of invented collateral. Decline pending private diligence, then underwrite actual repayment capacity rather than manufacturing precision from a synthetic schedule.

Unresolved assumption

Can public information plus a current borrower cash forecast support the assumed $7.5 million obligor cap without relying on collateral (ASM-C004)?

Review question

Would you challenge the primary-repayment analysis, the collateral-access blocker, or the fictional portfolio cap first, and what specific evidence would change your answer?