

Vanguard Global Holdings

4/7/2025

Securities and Exchange Commission (SEC)

Crypto Task Force

Attn: Commissioner Hester Peirce

100 F Street, N.E.

Washington, D.C. 20549

RE: Contribution to Safe Harbor & Security Status

Dear Members of the Securities and Exchange Commission (SEC),
Commissioner Peirce and the Crypto Task Force team:

We, Vanguard Global Holdings LLC, along with our subsidiaries American Sub N Grill LLC and MAEV LLC, are writing to express our support for the SEC initiative to create a clear and effective regulatory framework for the cryptocurrency industry. We believe that a well-defined regulatory environment is crucial for ensuring the continued growth of the industry while protecting investors and maintaining the U.S.'s leadership in innovation.

“Safe Harbor”

In this regard, we would like to express our views on the concept of a "Safe Harbor" for crypto assets.

Over the past few years, the cryptocurrency industry has faced various high-profile cases in the courts of this country. In many of these cases, the courts have ruled that, according to the Howey test, many crypto assets are not considered investment contracts nor meet the definition of securities. However, we believe that the Howey test was formulated in a very different context, in which the existence of technologies such as Blockchain and crypto assets was not anticipated. Therefore, we find it inappropriate to apply this rule to determine whether a crypto asset should be classified as a security, as the regulations were not designed with this industry in mind.

The crypto asset market is an emerging technology of this century, and therefore, it should have its own rules and specific criteria for measurement. Regulatory authorities must consider the unique nature of this industry when formulating new regulations.

For this reason, we strongly support the creation of a "Safe Harbor" for crypto assets. This initiative would allow ICOs (Initial Coin Offerings) and IDOs (Initial DEX Offerings) to take place in a secure manner, approved by the SEC, providing a clear regulatory framework for businesses and offering a unique opportunity to raise funds without the fear of facing lawsuits or future disruptions. This "Safe Harbor" would not only provide a stable platform for high-potential projects to grow but also encourage innovation by allowing entrepreneurs to raise funds without the fear of immediate litigation or regulatory uncertainty. It would foster a transparent environment where investors can confidently participate in these projects, knowing that they are operating under clear and fair guidelines. In turn, this would lead to increased capital flow, job creation, and long-term economic growth.

Additionally, implementing a 'Safe Harbor' would not only catalyze job creation and economic growth within the crypto sector but would also position the United States as the global leader in blockchain technology and cryptocurrency innovation. By providing a secure and transparent regulatory environment, the U.S. could attract the best global talent, investment, and cutting-edge technologies, ensuring that the nation remains at the forefront of the rapidly evolving digital economy.

“Security Status”

About the status of tokens (Security Status) during the past battles that the industry has had to face in recent years, we cite some of the determinations that the courts have had in granting or not the status of Security Status to cryptocurrency tokens.

In the case, *Sec vs. Binance* - Judge Jackson ruled that cryptocurrency tokens themselves are not securities

In the case, Sec vs. Ripple - Judge Torres ruled that tokens sold on secondary markets are not securities.

Cryptographic tokens are, in essence, computer programs (or code) running on a blockchain, designed to represent specific rights within a digital ecosystem.

Given their inherent nature as digital assets used within decentralized ecosystems, cryptographic tokens should be considered commodities rather than securities. This distinction would ensure that the SEC's regulatory framework is more in line with the fundamental characteristics of blockchain-based assets, such as their use for transactions, governance, or as access tokens within specific ecosystems. This approach would create a more consistent and appropriate regulatory environment for crypto projects

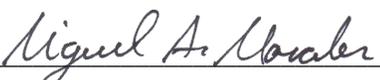
To further streamline the fundraising process and ensure transparency, we propose that the SEC create a centralized portal where companies can easily register their ICOs and IDOs. This portal would provide a standardized format for submitting essential information such as the company's business plan, tokenomics, use of funds, and legal disclosures. By offering a clear registration process, the SEC would help mitigate risks for investors, reduce fraudulent activities, and promote a trustworthy market environment.

Through an appropriate regulatory framework, the safe development of the crypto asset industry can be allowed, while protecting investors and promoting innovation in the sector.

We appreciate your attention and consideration of our proposal. Thanks again to the Crypto Task Force team for taking the lead in creating a regulatory environment that benefits all participants in this industry.



Sincerely,
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