

MEMORANDUM

To: Crypto Task Force Meeting Log
From: Crypto Task Force Staff
Re: Meeting with Representatives of Amalgamated Token Services Inc. and Manatt, Phelps & Phillips, LLP

On June 16, 2025, Crypto Task Force Staff met with representatives from Amalgamated Token Services Inc. and Manatt, Phelps & Phillips, LLP.

The topic discussed was approaches to addressing issues related to regulation of crypto assets. Amalgamated Token Services Inc. and Manatt, Phelps & Phillips, LLP representatives provided the attached document, which was discussed during the meeting.

Proposed Agenda and Submission for SEC Crypto Task Force Meeting

Type of Meeting: Policy Discussion and Rules Interpretation

Relevant Office/Division: Crypto Task Force

Subject: Treatment of Convertible Instruments and Digital Assets under the Venture Capital Fund Exemption (Rule 203(l)-1 under the Investment Advisers Act)

Meeting Purpose

CoinList requests a meeting to discuss the treatment of certain convertible instruments (e.g., token warrants, SAFTs) and select digital assets (e.g., BTC, ETH, SOL, XRP, other network tokens) under the “venture capital fund” exemption from registration under the Investment Advisers Act. Specifically, CoinList seeks to:

1. Present policy rationale for why these assets should qualify as "qualifying investments" under Rule 203(l)-1;
2. Share operational and compliance concerns from market participants;
3. Explore potential mechanisms for regulatory guidance (e.g., FAQs, no-action letters).

Proposed Attendees

Scott Keto, President, CoinList

Tom Howard, CoinList

Sebastian Evans, General Counsel, CoinList

Mike Katz, Partner, Manatt, Phelps & Phillips LLP

Preferred Dates: June 16–18 or July 7–10, 2025

Detailed Meeting Agenda

1. Opening Remarks and Meeting Objectives (5 minutes)

- Led by Mike Katz (Manatt), we will briefly introduce the participants, outline the objectives of the discussion, and clarify the intended scope of engagement with the SEC’s Crypto Task Force.

2. Overview of the Venture Capital Fund Exemption and Rule 203(l)-1 (10 minutes)

- Brief review of Rule 203(l)-1 requirements for qualifying as a venture capital fund, with emphasis on the types of “qualifying investment” and the 80-20 asset thresholds.
- Explanation of how current definitions exclude commonly used digital asset structures (e.g., SAFTs, token warrants) that are part and parcel of venture fund investments in the blockchain space.

3. Legal and Policy Rationale for Including Convertible Digital Instruments (15 minutes)

- Detailed discussion of the legal analogies between token warrants and traditional equity warrants.
- Discussion of how SAFTs fit within the structure and function of early-stage venture financings.
- Argument that convertible digital instruments issued in the context of bona fide venture financings are consistent with the investor protection and capital formation goals of the Venture Fund exemption.

4. Digital Asset Classification Gaps and Their Impact on Venture Fund Compliance (15 minutes)

- Explanation of the practical difficulties for fund managers when digital asset investments, often economically indistinguishable from traditional equity, cannot be counted toward the 80% threshold of qualifying assets.
- Specific examples from CoinList’s platform and affiliated funds illustrating how these constraints affect fund structuring, investor reporting, and U.S.-based compliance efforts.

5. Digital Assets as Venture-Style Risk (10 minutes)

- Presentation of digital assets (including protocol governance tokens, staking instruments, network utility tokens) as instruments of early-stage project investment and exposure.
- Comparison to traditional venture investments (e.g., vesting, lock-up, capital risk, information asymmetry, participation in upside).
- Discussion of progressive decentralization impact over time.

6. Discussion on Guidance Options and Regulatory Pathways (10 minutes)

- Open discussion with SEC staff to explore: Potential for no-action letter relief in specific factual scenarios; usefulness of SEC-issued FAQs addressing convertible digital instruments; whether additional staff-level interpretation could promote consistent application of the rule.

7. Closing Discussion and Next Steps (5 minutes)

- Summarize proposed pathways and gather any feedback from staff.
- Offer to submit follow-up materials or detailed hypotheticals to facilitate further engagement.

Total Time Requested: 70 minutes