

MEMORANDUM

To: Crypto Task Force Meeting Log
From: Crypto Task Force Staff
Re: Meeting with Representatives of MV Global Services LLC, Paid Network, and Ashbury Legal PC

On April 28, 2025, Crypto Task Force Staff met with representatives from MV Global Services LLC, Paid Network, and Ashbury Legal PC.

The topic discussed was approaches to addressing issues related to regulation of crypto assets. MV Global Services LLC, Paid Network, and Ashbury Legal PC representatives provided the attached documents, which were discussed during the meeting.



Lee Pickavance
Group CEO & Managing Partner
MV Global

April 24, 2025

Crypto Task Force
U.S. Securities and Exchange Commission

Purpose of the Meeting:

1. To discuss market structure and determination of digital assets as securities and retail access to digital asset investments
2. Exploration of Paid Network and its US ambitions
3. To provide direct industry insight and feedback from a leading early stage crypto VC to government officials to inform further rulemaking and enforcement.

Attendees:

1. Lee Pickavance, CEO & Managing Partner, MV Global
2. Kyle Chasse, Founder MV Global & Founder Paid Network
3. Marta Vitvitska, COO, MV Global & Paid Network
4. Artur Granicki, CLO, MV Global
5. Ryan Williams, Ashbury Legal
6. Will Conley, Ashbury Legal

Agenda:

1. Team introductions
2. Paid Network introduction & US ambitions
3. Market Structure (security or utility tokens)
4. Accredited investor rules & retail access to investments
5. Path to regulatory clarity & supporting licences to operate in the US
6. Explore how best to collaborate with SEC as Digital Assets / Crypto regulations emerge

Sincerely,

Lee Pickavance
lee@mvglobal.io



I am writing to you on behalf of MV Global, a leading venture capital firm focused on the cryptocurrency and blockchain technology sector. Over the past decade, we have invested in over 300 early-stage crypto projects, driving innovation and growth of this transformative industry in the United States.

We have endured firsthand the significant challenges facing crypto-related businesses operating in the United States and fully support President Trump's efforts to course-correct policy and regulations for this critical and strategic area of our economic competitiveness. We welcome the opportunity to contribute to these efforts and offer our expertise to assist in crafting solutions that promote a thriving and world leading digital asset market.

The regulatory environment for cryptocurrency companies in the United States is marked by several critical issues that directly impact our portfolio companies and our investment activities. Several of the key issues have been identified such as unclear market structure, debanking of companies and individuals, punitive regulatory action without clear lawmaking, and unclear stablecoin rules. Thankfully these issues are actively being remediated under President Trump's visionary leadership.

However, **there are a number of additional issues that are impeding US competitiveness** in this field that have yet to be addressed:

1. **Outdated accredited investors rules:** Outdated accredited investor rules have led to only a handful of participants being able to capture the upside in private markets. These rules have also contributed to the elimination of initial coin offerings which directly allowed retail to purchase and participate in new projects. Our portfolio companies have felt frustrated because the core ethos of the space is decentralization and retail participants have the most to gain from wider market access.
2. **Challenges with Deal Terms Due to Uncertain U.S. Domicile:** The unpredictable regulatory stance in the U.S. has led many of our portfolio companies to reconsider their domicile. Uncertainty surrounding tax treatment, licensing requirements, and potential enforcement actions has driven a growing number to incorporate offshore in jurisdictions with more favorable or predictable regulations, such as Singapore, Switzerland, or the Cayman Islands. This exodus not only undermines U.S. leadership in blockchain innovation but also complicates deal terms for our investments, as we must account for cross-border legal and financial considerations. These jurisdictions have a minimal rule of law and allow deal terms to be changed at will by the company. This does not help long-term capital formation for companies nor incentivize investment.
3. **Overly Burdensome KYC/AML Compliance:** While we support robust anti-money laundering (AML) and know-your-customer (KYC) standards, the current application of these rules to crypto firms is often disproportionate. Our early-stage companies, with



limited resources, struggle to meet complex and sometimes duplicative compliance demands that were designed for traditional financial institutions, not blockchain-native businesses. This diverts critical capital away from product development and growth. Furthermore, we feel that blockchain technology allows for new and novel ways to address KYC/AML requirements that would turn a bottleneck into a key enabler for both businesses and wider retail access.

4. **Restrictions on Custody and Wallet Services:** Several of our portfolio companies offering custody solutions or non-custodial wallet services face regulatory ambiguity around licensing and liability. State-by-state money transmitter laws, combined with federal uncertainty, create a patchwork of requirements that discourage innovation in this vital infrastructure layer of the crypto ecosystem. The ambiguous regulatory framework drives up operational costs as companies allocate substantial budgets to legal and compliance teams rather than innovation or product development. A common cross-state framework is imperative to focus growth.



5. **Taxation Complexity and Uncertainty:** The Internal Revenue Service (IRS) treats cryptocurrencies as property, meaning every transaction—like trading or spending—can trigger taxable events. However, the lack of clear guidance on issues like staking rewards, airdrops, or decentralized finance (DeFi) yields leaves portfolio companies uncertain about tax obligations for their protocol and their users. This complexity burdens startups with intricate reporting requirements and risks of audits or penalties, diverting focus from core business activities. This issue will become critical as we see the rise of AI Agents and machine-to-machine based transactions rise exponentially adding further complexity to the issue.

The cumulative effect of these issues is profound. Our portfolio companies - many of which employ American talent, develop cutting-edge technology, and aim to bolster the U.S. economy - are being pushed offshore or forced to scale back operations. This not only jeopardizes our investments but also cedes global leadership in this critical sector to other nations. **We believe the United States has the opportunity to reverse this trend under President Trump's leadership by establishing a clear, supportive regulatory framework that encourages innovation while protecting consumers and market integrity.**

MV Global stands ready to assist in addressing these challenges. With our extensive experience investing in and advising crypto startups, we offer a unique perspective on the practical implications of current policies and the needs of the industry. **We welcome the opportunity to collaborate with your office in any appropriate capacity** - providing testimony, sharing data on the impact on our portfolio companies, contributing to legislative proposals, joining or providing input to working groups.

I would be delighted to arrange a meeting at your convenience to discuss these matters further. We look forward to working together to secure a prosperous future for the United States' cryptocurrency industry.

Sincerely,

Handwritten signature of Lee Pickavance.

Lee Pickavance
Group CEO & Managing Partner
MV Global

Handwritten signature of Tom Dunleavy.

Tom Dunleavy, CFA, CAIA
Partner
MV Capital