StradleyRonon

# Digital Assets, Tokenization & Blockchain

On the cutting-edge of developing institutional approaches to structuring and offering investment products that provide exposure to digital assets, Stradley Ronon is behind several of the asset management firms pushing the boundaries of traditional fund structures to be first-to-market in an evolving regulatory environment.

Stradley Ronon lawyers have a wealth of experience with digital-asset-focused exchange-traded funds (ETFs) that are registered under the Investment Company Act of 1940 (1940 Act) and Securities Act of 1933 Act (1933 Act)-only exchange-traded products (ETPs), digital assets, digital-asset-related derivatives, digital asset private placements, and the exchanges on which certain of these instruments trade.

We advise global financial firms, innovators and investors in connection with the tokenization of securities (including the tokenization of mutual fund shares), the public trading of token-backed issuers, and stablecoins and the money market funds (MMFs) serving as stablecoin reserves, as well as U.S. financial regulatory implications of projects involving blockchain and related technologies.

## A Recognized Industry Leader

Amid rapid growth in digital asset adoption across the financial markets — with the global cryptocurrency market capitalization in the trillions — our firm has been at the forefront of navigating fast-paced regulatory developments and novel product innovation. In particular, we have been on the frontline of the legal work necessary to permit some of the first U.S. registered ETPs with direct exposure to digital assets.

As recognized thought leaders, our team has presented on tokenization and digital asset matters at prominent conferences such as the Investment Company Institute (ICI)'s ETF Conference, the Practising Law Institute (PLI)'s Investment Management Conference, the North American Securities Administrators Association (NASAA)'s Annual Meeting, and various Crane Data conferences. In addition, our "Talking Investment Management" podcast features an episode on tokenization and stablecoins to assist fund managers in this ever-evolving space, ranking as one of the fastest-growing episodes in the podcast's history.

## Types of Products

We represent asset management firms in connection with their development and launch of sophisticated investment vehicles involving cryptocurrencies, tokenization, decentralized finance (DeFi), blockchain technologies and related infrastructure.


### Crypto-Asset Registered Funds

We regularly represent registered funds under the 1940 Act whose strategies include investment exposure to digital assets. We have advised leading crypto-focused asset managers in establishing 1940 Act ETF platforms and launching a variety of 1940 Act ETFs providing digital asset and blockchain technology-related exposure.

### Spot Digital Asset ETPs

We work with clients to structure and bring to market spot digital asset ETPs (including some of the industry’s first spot bitcoin, ether, solana and XRP-backed ETPs and digital asset index-based ETPs). In addition to formation, registration and structuring matters, we regularly advise on all aspects of ongoing operations of these products and interface with regulators on behalf of clients.

### Tokenized and Stablecoin Reserve Money Market Funds

We advise MMF sponsors on the formation, structure, operations, regulations and compliance for tokenized MMFs (i.e., MMFs whose share transaction and ownership records are maintained on-chain), including engagement with U.S. Securities and Exchange Commission (SEC) staff on novel features of such products. We also advise on the development of MMFs serving as reserves backing stablecoin issuers, including pursuant to the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act.

### Digital-Asset Private Funds

We guide clients in connection with private funds that invest in cryptocurrencies and other crypto assets. Our counsel covers a wide spectrum of structuring and regulatory considerations, including adviser regulatory status, custody, tax matters and investor eligibility requirements. We also assist clients with the process of listing such private funds on over-the-counter (OTC) markets.

## Our Services

Our practice encompasses fund formation, public trading and transferability, purchase and redemption, adviser and commodity regulatory status and compliance, U.S. tax matters, and cross-border topics. Our in-depth knowledge of and experience with securities, commodities, and virtual currency laws allows us to offer comprehensive services to clients in the tokenization and digital asset space.

### Fund Formation and Registration

We are regularly engaged to advise on the structuring, formation, custody requirements, registration, listing and launch of funds that invest in digital assets or employ blockchain technologies.

### Regulatory and Compliance

As the U.S. regulatory approach to digital assets continues to evolve, we provide tailored guidance to ensure ongoing compliance for our clients pursuing innovative investment strategies in these emerging asset classes and tokenized products. We conduct forward-looking analyses of how regulatory interpretations and enforcement trends may impact fund operations, governance, marketing, holding and trading, and investor eligibility requirements.

We regularly represent clients regarding:

- Custody of digital assets, including Rule 206(4)-2 under the Investment Advisers Act of 1940 (Advisers Act)
- 1940 Act
- 1933 Act
- 1934 Act
- GENIUS Act
- Filing of financial statements on Form 10-K, Form 10-Q and Form N-CSR

### Intellectual Property

We counsel clients on filing and protecting valuable patents, copyrights and trademarks across numerous technologies, including blockchain and distributed ledger technology.

### Litigation and Enforcement

Our firm has defended cryptocurrency-related companies and their executives, ETFs, unregistered investment vehicles and institutional investors in civil litigation matters, including bankruptcy proceedings, activist investor litigation, fraudulent transfer litigation, excessive fee litigation, commercial disputes and consumer claims. We have also advised and represented mutual funds, ETFs, unregistered investment vehicles and institutional investors in connection with investor recovery litigation, including prosecuting securities fraud class action opt-out claims and advising clients with respect to U.S. and non-U.S. investor recovery litigation and arbitration matters. We also represent fund industry clients in connection with responding to subpoenas and records requests in private litigation matters and government investigations and conducting related internal investigations.

Our lawyers counsel and defend clients in matters before the SEC, U.S. Department of Justice (DOJ), Commodity Futures Trading Commission (CFTC), federal banking agencies, Financial Industry Regulatory Authority (FINRA) and other self-regulatory organizations (SROs) and state regulators. We assist clients with routine and targeted examinations and represent them in federal and state courts and administrative tribunals across the United States.

### Tax

Our tax team assists in the formation and structuring of funds, from registered funds to onshore-offshore structures and private funds, including grantor trusts, partnerships, non-U.S. corporations, and U.S. corporations under the IRS's Subchapter M, and also issues tax opinions in connection with fund mergers and reorganizations. Our tax team advises on the taxation of financial instruments, derivatives, and digital assets, including staking and other novel aspects, held or entered into by investing entities, including with respect to in-kind contributions or distributions.

### Transactional

We regularly represent investment advisory firms, securities brokerage firms and other financial services institutions in connection with mergers and acquisitions, dispositions, secondaries, fund adoptions, joint ventures and investments. We also provide representation in workouts and other loan recovery matters involving cryptocurrency as collateral.

## Representative Matters

- Advised on the creation and development of the BNY Dreyfus Stablecoin Reserves Fund, one of the first money market funds intended to function as a permitted reserve vehicle for payment stablecoin issuers under the GENIUS Act.

- Advised Franklin Templeton in launching the Franklin Bitcoin ETF, one of the industry’s first spot bitcoin ETPs. The Franklin Bitcoin ETF issues shares backed by bitcoin held by the fund’s custodian and is registered under the Securities Act of 1933.
- Represented Franklin Templeton in launching the Franklin Ethereum ETF, one of the industry’s first spot ether ETPs. The Franklin Ethereum ETF issues shares backed by ether held by the fund’s custodian and is registered under the Securities Act of 1933.
- Represented Franklin Templeton in the launch of Franklin Crypto Index ETF, one of the first index-based, digital-asset-backed ETPs.
- Advised Franklin Templeton in launching one of the industry's first spot XRP ETPs.
- Advised Franklin Templeton and Invesco on the registration and launch of their spot solana ETPs, some of the industry's first spot digital asset ETPs that stake the solana held by the ETP.
- Represented Grayscale, a leading crypto-focused asset manager, in launching its 1940 Act ETF platform and a variety of 1940 Act ETFs providing digital asset exposure, including those that invest in digital asset-related derivatives.
- Advised clients such as Invesco and Global X in connection with the launch of 1940 Act ETFs providing digital asset and blockchain exposure, including those that invest in digital asset-related derivatives.
- Advising clients on spot digital asset ETPs holding a variety of digital assets beyond those listed above.
- Representing principal of a cryptocurrency hedge fund in criminal, civil and congressional investigations.
- Representing a full-service digital asset investment firm in an ongoing workout to recover payment of a $7.4 million loan involving bitcoin as collateral.
- Serving as fund counsel for the Franklin OnChain U.S. Government Money Fund, one of the first U.S.-registered mutual funds to use a public blockchain to process transactions and record share ownership.
- Represent multiple boards of directors that oversee funds with exposure to digital assets or that issue tokenized shares.

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# Publications

**Key ETF Trends to Watch Ahead of 2026 ICI ETF Conference**
June 3, 2026

**The SEC's Regulatory Reset: Staying Ahead of the Curve**
March 16, 2026

**Second Circuit Vacates Wire Fraud Conviction of OpenSea NFT Marketplace Product Lead**
August 11, 2025

**Tokenization and Stablecoins: What Fund Managers Need to Know**
June 16, 2025

**Structuring Crypto Exchange-Traded Funds**
*Employee Benefit Plan Review*
June 2, 2025

**Barley To Bitcoin: The Scope of CFTC and NFA Jurisdiction Over Spot Digital Assets Futures and Derivatives**
*Law Report*
July 18, 2023

**New “Digital Asset Commodity” Requirements for NFA Members**
April 6, 2023

**NBA Top Shots Ruling: Certain NFT Transactions Constitute "Investment Contracts" and Therefore Are "Securities"**
March 10, 2023

**Responding to the SEC Staff on the Custody of Digital Assets Under the 1940 Act**
*The Review of Securities & Commodities Regulation*
February 15, 2023

**ChatGPT Is My Investment Adviser? Legal Considerations for Investment Advisers Using (Or Thinking About Using) Artificial Intelligence To Provide Advice**
February 10, 2023

**The White House's Executive Order on Digital Assets: Key Takeaways for the Asset Management Industry**
March 14, 2022

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# Experience

**Stradley Ronon Advises on Launch of BNY Dreyfus Stablecoin Reserves Fund**
Stradley Ronon worked with BNY Investments Dreyfus (Dreyfus) in the launch of the BNY Dreyfus Stablecoin Reserves Fund, one of the first stablecoin reserve money market funds. Established after the enactment of the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act, which created the first comprehensive regulatory framework for payment stablecoins, the BNY Dreyfus Stablecoin Reserves Fund is intended to function as a permitted reserve vehicle for payment stablecoin issuers under the GENIUS Act. The signing of the GENIUS Act creates potential new use cases for money market funds, positioning these funds at the forefront of a new chapter in the digital assets industry.

Stradley Ronon represents the BNY family of mutual funds. Dreyfus, the affiliated liquidity solutions provider of BNY, manages over $300 billion in money market fund assets. The BNY Dreyfus Stablecoin Reserves Fund launched on November 13.

**Stradley Ronon Advises Yieldstreet in $200M Fintech Powersports Loan Investment Transaction with Octane**
The firm represented Yieldstreet Management, a leading private markets investment platform providing expanded alternative investments access to investors, in a $200 million investment in fintech powersports consumer loans acquired from, and to be serviced by, Octane Lending Inc. and its affiliate Roadrunner Financial. The investment was made with both equity investments from Yieldstreet investors and debt financing provided by JPMorgan Chase Bank NA. This was the third transaction in which Stradley Ronon represented Yieldstreet in making powersports loan purchases from Octane.

For more information, read Octane's announcement.

**Stradley Ronon Represents Yieldstreet in Fintech Travel Loan Investment Agreement with Upgrade**
A Stradley Ronon team advised Yieldstreet Management, a leading private markets investment platform providing expanded alternative investments access to investors, in an investment in fintech "buy now, pay later" (BNPL) consumer travel loans acquired from, and to be serviced by, Upgrade Inc., a fintech company offering various credit products to consumers. The travel loans acquired by Yieldstreet were originated using the Flex Pay platform, Upgrade's BNPL financing solution.

Read Yieldstreet's announcement for more.

**Stradley Ronon Advises Franklin Templeton on its Third Digital Asset ETP Launch in the Past Year**
Stradley Ronon represents Franklin Templeton in expanding its digital asset ETP suite, providing counsel on the formation, registration, listing and launch of the Franklin Crypto Index ETF.

The Stradley team is led by partners Steve Feinour and Miranda Sturgis, and includes partner Kenneth Greenberg and associates Wesley Davis, Rachel Charamella, Sam Kishiyama and Jeremy Gottlieb. The tax team includes partners Dean

Krishna and Rich Peterson.

**Stradley Ronon Advises Franklin Templeton on Historic Spot Ether ETF**

Stradley Ronon served as counsel to Franklin Templeton on the formation, registration, listing and launch of a new exchange-traded product, Franklin Ethereum ETF — one of several spot ether ETFs to receive listing approval from the U.S. Securities and Exchange Commission. The Franklin Ethereum ETF offers investors exposure to ether, the second-largest digital asset by market capitalization, in an ETF wrapper.

**Stradley Ronon Advises Franklin Templeton on Industry-First Spot Bitcoin ETF**

Stradley Ronon advised Franklin Templeton on the formation, registration, listing and launch of the Franklin Bitcoin ETF, one of 11 spot bitcoin exchange-traded funds (ETFs) to receive listing approval from the U.S. Securities and Exchange Commission (SEC) on January 10.

The Franklin Bitcoin ETF offers investors exposure to bitcoin in an ETF wrapper, thereby providing access through traditional securities brokerage accounts and avoiding the complexities of handling bitcoin directly. The Franklin Bitcoin ETF, which trades on Cboe, issues shares backed by bitcoin held by the fund's custodian.