



The Great U.S. Crypto Reset: 2025

■ June 2025



DOJ: Ending Regulation by Prosecution

DOJ: Blanche Memo

- President Trump: “We are going to end the regulatory weaponization against digital assets.”
- On April 7, 2025, Deputy Attorney General Todd Blanche issued a DOJ memorandum subjected “Ending Regulation by Prosecution.”
- “The Justice Department will no longer pursue litigation or enforcement actions that have the effect of superimposing regulatory frameworks on digital assets while [the Administration’s] actual regulators do this work outside the punitive criminal justice framework.”

DOJ: Digital Assets Enforcement Priorities

- “[T]he Department will no longer target virtual currency exchanges, mixing and tumbling services, and offline wallets for the acts of their end users or unwitting violations of regulations...”
- Enforcement priorities include:
 - Embezzlement and misappropriation of customers’ funds on exchanges;
 - Digital asset investment scams;
 - Fake digital asset development projects such a “rug pulls;” and,
 - Hacking of exchanges and decentralized autonomous organizations resulting in theft of funds.
- “Open investigations that are inconsistent with the foregoing should be closed.”

DOJ: Digital Assets Charging Considerations

- Federal prosecutors are directed to consider the following factors when deciding whether to pursue criminal charges involving digital assets. Prosecutors should prioritize cases where individuals/entities:
 - Cause financial harm to digital asset investors and consumers; and/or,
 - Use digital assets in furtherance of other criminal conduct, such as fentanyl trafficking, terrorism, cartels and organized crime.
- Prosecutors should not charge regulatory violations involving digital assets of the Bank Secrecy Act, unregistered securities offering violations and the Securities Exchange Act.
 - Unless the Defendant knew of the licensing or registration requirement at issue and violated knowingly.

DOJ: Compensating Victims of Digital Thefts

- In 2022, multiple companies with custody of investors' digital assets collapsed and declared bankruptcy (e.g., FTX, Voyage Digital, BlockFi, Gemini Trust).
- As a result of regulations, some digital asset investor victims have only been able to recover the value of their digital assets at the time the fraud was perpetrated, resulting in victims being unable to benefit from corresponding gains.
- Office of Legal Policy and the Office of Legislative Affairs are directed to evaluate and propose legislative and regulatory changes to address this concern.

DOJ: Shifting Resources to Digital Assets

- The Market Integrity and Major Frauds Unit shall cease cryptocurrency enforcement in order to focus on other priorities.
- The National Cryptocurrency Enforcement Team (NCET) shall be disbanded.
- The Criminal Division's Computer Crime and Intellectual Property Section (CCIPS) will continue to provide guidance and training to Department personnel and serve as liaisons.
- We have seen significant impacts following the issuance of the Blanche memo.

DOJ: Recent Enforcement Developments

- On May 8, Alex Mashinsky, former CEO of crypto lender Celsius, was sentenced to 12 years in prison after pleading guilty to fraud and market manipulation in SDNY.
- On May 15, U.S. Attorney's Office for the SDNY dropped its money-transmitter charge against Tornado Cash developer, Roman Storm.
 - Charges remain: conspiracy to violate sanctions and conspiracy to commit money laundering.
- On May 29, the SEC and Bianco filed a joint stipulation dismissing with prejudice the SEC's lawsuit against the trading platform.



Strategic Bitcoin Reserve

Executive Order: Strategic Bitcoin Reserve

- On March 6, 2025, President Trump signed an Executive Order : “Establishment of the Strategic Bitcoin Reserve and United States Digital Asset Stockpile.”
- “Because there is a fixed supply of BTC, there is a strategic advantage to being among the first nations to create a strategic bitcoin reserve.”
- Executive agencies were to transfer BTC and digital assets to the Strategic Bitcoin Reserve and United States Digital Asset Stockpile, respectively.
- Secretary of Treasury and Commerce shall develop strategies for acquiring additional Government BTC.
 - United States Government shall not acquire additional Stockpile Assets other than in connection with criminal or civil asset forfeiture or in satisfaction of monetary penalties.

Strategic Bitcoin Reserve: States Follow

- On May 6, New Hampshire became the first U.S. state to pass a Strategic Bitcoin Reserve bill, enabling up to 10% of the State's general fund to be allocated to both precious metals and digital assets with a market cap exceeding \$500B (currently, only Bitcoin).
- On May 7, Arizona passed a crypto reserve bill, which was vetoed by Governor Katie Hobbs.
- Similar bill has been adopted by the Texas State Legislature and is awaiting signature by Governor Greg Abbott.

A photograph of the United States Capitol building in Washington, D.C., taken at sunset. The building's iconic dome is the central focus, topped with the Statue of Freedom. The sky is a mix of orange, pink, and blue, with scattered clouds. In the foreground, there is a body of water reflecting the building and the sky. To the left, there are large green trees and a walkway with small lamps. A dark blue rectangular box is overlaid on the right side of the image, containing the text "CLARITY Act" in white.

CLARITY Act

Digital Asset Market Clarity (CLARITY) Act

- Members of the House of Representatives formally introduced a crypto market structure bill, known as the Digital Asset Market Clarity (CLARITY) Act.
- The legislation would amend securities laws to carve out most crypto assets from the definition of a “security.”
 - Mark an end to oversight by U.S. Securities and Exchange Commission (SEC).
 - Crypto assets would fall under jurisdiction of Commodity Futures Trading Commission (CFTC) as “digital commodities.”
- “Our bill secures American dominance, democratizes digital asset, unleashes innovation, and protects consumers from fraud.” Rep. Bryan Steil (R-WI)

CLARITY Act: Digital Commodities

- “Digital Commodities” include any digital asset “intrinsically linked to a blockchain system, so long as it is used to “transfer value between participants in the blockchain system.”
 - Likely covers the vast majority of popular cryptocurrencies: Ethereum, Solana, Cardano, XRP and Dogecoin.
- “Mature Blockchain System” must be, *inter alia*, open source, automated, and unable to be controlled by a single person or entity. No person or entity may “beneficially own” more than 20% of the asset.
 - Critics question whether the arduous process is sufficiently beneficially, given issuers could just trade on secondary markets.
- House Financial Services Committee for markup on June 10, 2025.
- Sen. Cynthia Lummis (R-Wyo.) set to introduce legislation that is “going to look very much like the House bill.”



Thank you

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THE GREAT U.S. CRYPTO RESET

The Great U.S. Crypto Reset

Stablecoins in the United
States





"We view stablecoins as a force multiplier of our economic might."

– Vice President JD Vance
Las Vegas Bitcoin 2025 Conference



Stablecoins: Focus from U.S. Congress

- Market cap approaching **\$232 billion** as of 2025
- **2024**: Transaction volume surpasses **Mastercard and Visa combined**



GENIUS Act - Senate's comprehensive framework

STABLE Act - House's parallel legislation

The GENIUS Act

Guiding and Establishing National
Innovation for U.S. Stablecoins
of 2025

- Stablecoin issuers would receive a single license from the federal government to operate nationwide

Mandates

1-for-1 cash and Treasury reserves

Example: Tether (USDT) tether

- If Tether (USDT) has 100 billion tokens in circulation, they must hold:
 - \$100 billion in total reserves
 - All in cash deposits and/or U.S. Treasury bills NOT in stocks, corporate bonds, cryptocurrencies, or other riskier assets

- **TODAY:** Tether strictly 1-for

Transparency

All Tether tokens are pegged at 1-to-1 with a matching fiat currency and are backed 100% by Tether's Reserves. Information about Tether Tokens in circulation is typically published daily.¹ The Tether issuer's² assets exceed its liabilities.

Tether Tokens in Circulation

The net circulation metrics below provide information on Tether Tokens in circulation and are for transparency only. These metrics are typically refreshed daily.

USD in Tether	EUR in Tether
\$155,181,610,791.21 (Net Circulation)	€5,454,347.62 (Net Circulation)
CNY in Tether	MXN in Tether
¥20,503,468.90 (Net Circulation)	Mex\$10,562,400.00 (Net Circulation)
XAU in Tether	
1246,524.33 (Net Circulation)	

tain
serves.

<https://tether.to/en/transparency/>

GENIUS Highlights

- Properly issued stablecoins **would not be treated as securities.**
- Permitted Issuers
 - Federal qualified nonbank issuers (Approved by the Office of the Comptroller of the Currency)
 - Subsidiaries of insured banks
 - State-qualified issuers meeting federal standards
- Requires **anti-money laundering** compliance

The STABLE Act

Stablecoin Transparency and Accountability for a Better Ledger Economy Act of 2025

- Similar to GENIUS with **more state latitude**
 - § 4(b)(2)(B): "A certification under subparagraph (A) shall be **valid upon submission** and remain valid unless the Secretary of the Treasury rejects the certification under paragraph (6)."
 - § 4(b)(6)(A): "The Secretary of the Treasury may reject a certification... if the Secretary, **not later than 30 days** after the date on which the initial certification or explanation of material changes is submitted..."
 - § 7(g): Detailed provisions allowing state-licensed issuers to operate across state lines
 - "...such State qualified payment stablecoin issuer shall comply with all requirements of the issuer's home State regulatory regime... **and where the host State maintains a payment stablecoin regulatory regime... shall comply with any obligations of the host State's payment stablecoin regulatory regime** that exceed those of such issuer's home State regulatory regime..."

Example (Fictional) : PaySafe in a STABLE World: PS-USD



- Misrepresentation of FDIC coverage is expressly policed [§ 4(c)]
- Prohibition on rehypothecation except overnight repo of \leq 93-day T-Bills: PaySafe's treasury team must keep repo strictly overnight and T-bill-only—less flexible than under GENIUS (i.e., allows 7-day repos).
- No interest payments allowed: PS-USD cannot offer yield to compete with bank deposits or money market funds (Section 4(a)(9))—unlike potential GENIUS framework.
- State-first regulation: PaySafe opts for New York state charter (no \$10B cap like GENIUS), must comply with:
 - NY's specific rules
 - But can operate nationally after simple notification to other states
- If another state has stricter rules than NY, must comply with those when operating there (Section 7(g))

Ya'll
Ready For
This?



OCC Interpretive Letter 118

Prepping the Reset



- Re-affirms Interpretive Letter 1170
 - The new letter confirms that a national bank may provide crypto-asset custody services, which includes holding private keys for dollar-backed **stablecoins**.
- Re-affirms Interpretive Letter 1174
 - Banks may “engage in certain stable-coin activities to facilitate payment transactions on a distributed ledger.”
- Rescinds Interpretive Letter 1179
 - This required a bank to “notify its supervisory office in writing and obtain a written non-objection” before offering any crypto-asset activity. The March 7 letter rescinds IL 1179.
 - Banks can now engage without supervisory pre-

Federal Reserve's "Novel Activities" Progra

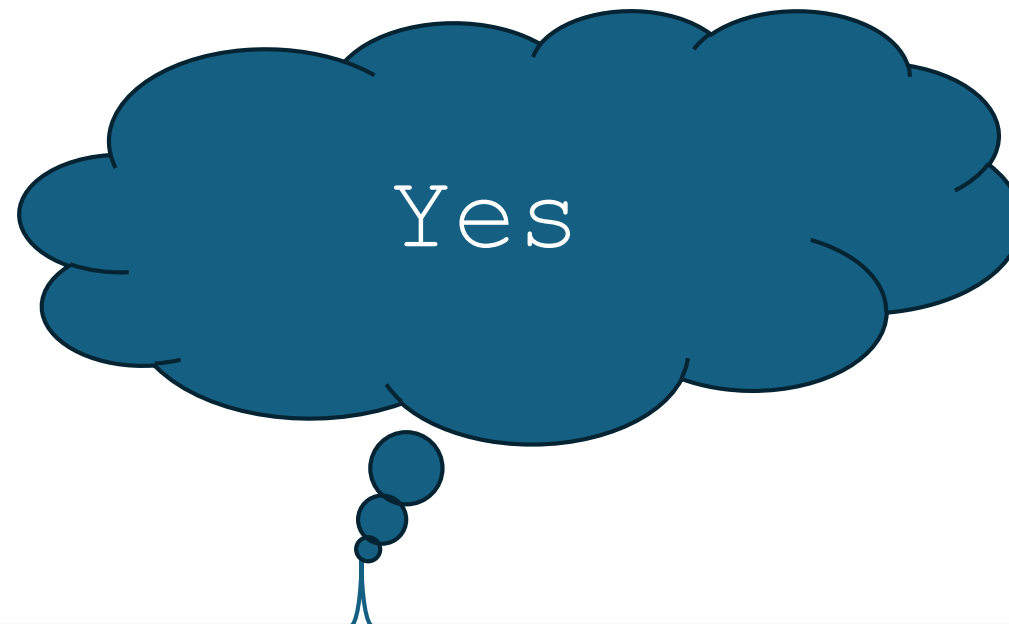


- Enhances the supervision of novel activities conducted by banking organizations supervised by the Federal Reserve.
- Novel Program specialists join each bank's regular exam team; supervision scales up or down with the size and risk of the activity.
- Early, open dialogue plus guidance (e.g., 2024 third-party-risk guide) gives banks clear expectations while reaffirming the Fed does not ban any lawful customer class, including crypto firms.
- Central hub for expertise that coordinates

FDIC Financial Institutions Letter FIL-07-2025



- Rescinds the "permission slip."
 - FIL-07-2025 withdraws FIL-16-2022, so FDIC-supervised banks no longer need prior FDIC approval to begin permissible crypto-related activities.
- Banks may custody crypto, hold stable-coin reserves, issue tokens, run blockchain nodes, etc., provided the activities are run "safe and sound" and comply with all consumer-protection, AML/BSA, liquidity and cyber-risk rules.
- Institutions should self-assess market, liquidity, operational, cybersecurity and legal risks, and consult their exam team as needed—just as for any other new product line.
- FDIC will keep working with the Fed, OCC and the President's Working Group to replace the 2023 interagency crypto risk statements with updated,



New York's Stablecoin License Guidance

- Reserves must be:
 - U.S. Treasury bills (≤ 3 months maturity)
 - Treasury notes or certain bonds
 - Reverse repos collateralized by Treasuries
- Monthly CPA audits required
- New York Department of Financial Services requires the issuer to be sure, "as of the end of each business day," that the market value of the reserve equals or exceeds the face value of all outstanding coins

California's Digital Financial Assets Law

- Imposes advertising and consumer-protection duties
- Full licensing **required by July 1, 2026**
- **Stablecoin-specific provisions:**
 - Commissioner approval required
 - Reserve requirements similar to NY