CERES

System Overview

May 2026 | cerescoin.io

ABSTRACT

Every existing financial system forces the same trade-off: value can remain within a yield-generating structure, or it can move between participants. At individual scale, this is a minor friction. At institutional scale—government programs, corporate treasuries, financial platforms—it is a structural cost embedded in how the system is designed. Capital in transit earns nothing.

CERES is structured to eliminate that constraint. CERES Coins are SEC-registered securities representing ownership interests in MCGXX (the M3Sixty OnChain U.S. Government Money Market Fund, SEC CIK 0001319067), structured so that value remains within a regulated financial structure while being transferred directly between participants. Ownership, income, and regulatory classification remain continuous throughout transfer.

CERES Coin LLC operates as exclusive sub-transfer agent for MCGXX, a registered money market fund under the Investment Company Act of 1940 and Rule 2a-7. The architecture enabling income to remain intact during peer-to-peer transfer is protected by four issued U.S. patents. Because MCGXX is a registered investment company, CERES Coins are explicitly excluded from the GENIUS Act's payment stablecoin definition and are not subject to its yield prohibition.

The result is a structural position—at the intersection of yield, transfer, and regulatory clarity—that no existing instrument currently occupies under law.

THE CONSTRAINT NOBODY HAS SOLVED

Three categories of financial infrastructure define how value is held, moved, and managed in digital environments today. Each addresses a specific dimension of the problem. None addresses all three simultaneously.

Money Market Funds

Registered money market funds hold U.S. Treasury securities, maintain stable net asset values, and distribute income to shareholders. They represent the most established form of institutional cash management—trillions of dollars across hundreds of funds.

What they do not do is transfer value. When capital needs to move from one participant to another, it exits the fund. Shares are redeemed, proceeds route through bank rails—ACH, wire, SWIFT—and the recipient subscribes on the other end. Settlement takes hours or days. During that transit, the capital is outside the fund structure. It earns nothing. It is exposed to intermediary risk.

Payment Stablecoins

Payment stablecoins—USDC, USDT, and others—solve the transfer problem. Value moves peer-to-peer, on-chain, in real time. These instruments have processed trillions of dollars in annual volume.

What they do not do is generate income for the holder. The reserves backing payment stablecoins earn yield—typically U.S. Treasury returns—but that income is retained by the issuer. The GENIUS Act, enacted in July 2025, codified this restriction: payment stablecoins are prohibited from bearing yield under federal law. The holder receives a dollar that moves. The issuer captures the economics of that dollar while it sits.

Tokenized Fund Products

Tokenized fund products—BlackRock's BUIDL, Franklin Templeton's FOBXX, and similar instruments—combine elements of both categories. They represent ownership interests in registered fund structures, operate on blockchain infrastructure, and distribute yield to holders. Franklin Templeton's platform crossed $1 billion in assets under management in 2026, confirming the category's viability.

What these instruments do not do is function as transfer infrastructure. When value needs to move—from a corporate treasury to a supplier, from a government program to a beneficiary—shares are redeemed, converted to fiat, and routed through conventional rails. The tokenization layer improves access and transparency. It does not change the fundamental behavior: value exits the fund to move.

	TREASURY YIELD	P2P TRANSFER	SEC REGISTERED	YIELD IN MOTION
Money Market Funds	✓	✗	✓	✗
Payment Stablecoins	✗	✓	✗	✗
Tokenized Funds	✓	Limited	Varies	✗
CERES	✓	✓	✓	✓

The structural gap is the same across all three categories. In every existing model, value must choose between structure and movement. The fund defines value. The rail moves it. These functions have existed in separate systems—requiring coordination, reconciliation, and intermediary control to bridge the gap between them.

At institutional scale, this cost is measured in basis points on every dollar in motion. Government programs alone hold hundreds of billions in program float at any given moment—SNAP, Medicaid, tax receipts, unclaimed property—sitting idle between appropriation and disbursement. Corporate treasuries run equivalent dead-time windows on every intercompany transfer and settlement cycle.

The question is not whether any individual category can be improved. Each is being improved continuously. The question is whether value can remain within a regulated financial structure while simultaneously being transferred between participants—without redemption, without intermediary settlement, and without interrupting the income relationship.

That requires a different architecture.

A DIFFERENT ARCHITECTURE

CERES Coins are SEC-registered securities representing ownership interests in MCGXX, governed by U.S. federal securities law.

Value originates within a regulated financial structure—currently implemented through the M3Sixty OnChain U.S. Government Money Market Fund (MCGXX), operating under Rule 2a-7 of the Investment Company Act of 1940, with assets invested in U.S. Government securities in compliance with Rule 2a-7 composition requirements. For current portfolio composition, see M3Sixty fund disclosures. That structure defines valuation, liquidity, and income.

Within this system, ownership of the underlying financial structure is expressed through a digital representation. Each unit—referred to as a CERES Coin—corresponds to an ownership interest in MCGXX, maintained in alignment with Rule 2a-7 requirements. For current NAV and fund performance, see M3Sixty fund disclosures. These units are recorded on public blockchain infrastructure and transferred directly between verified participants.

How Transfer Works

Transfer occurs through reassignment of ownership. When a participant initiates a transfer, what occurs is a reassignment of ownership recorded on-chain. No shares are redeemed. No assets are liquidated. The underlying Treasury portfolio does not change. The NAV relationship does not change.

Accrued yield at the moment of transfer belongs to the sender up to that point—from that moment forward, it accrues to the recipient. What changes is who holds the interest. What does not change is the financial structure that defines it.

This is the architectural distinction. Existing instruments require value to exit a fund structure in order to move. Within CERES, value moves without exiting. The fund is not a destination where capital is parked. It is the medium through which capital flows—continuously earning, continuously transferable, continuously aligned with the underlying financial structure.

THE SYSTEM IN THREE LAYERS

Each component of the CERES system performs a single defined role. These roles do not overlap, and their separation is what maintains alignment between underlying assets, ownership, and transfer behavior throughout the system.

Layer 1 — Financial Structure

The foundation of the system. This layer is MCGXX—a registered money market fund operating under Rule 2a-7 of the Investment Company Act of 1940. It defines value through its relationship to underlying U.S. Treasury assets and its regulatory framework. Everything above it derives its meaning from this layer. Income is not introduced by the digital layer—it arises from the financial structure itself. For valuation methodology and fund mechanics, see M3Sixty fund disclosures.

Layer 2 — Digital Representation

CERES Coins are digitally recorded ownership interests aligned 1:1 to the underlying financial structure. This layer does not create value. It reflects ownership of value that already exists in the layer below it. The digital representation does not redefine the financial instrument—it extends it, allowing ownership to be recorded and transferred between participants.

Layer 3 — Public Infrastructure

CERES operates on public blockchain infrastructure—currently Hyperledger, with a migration to Solana pending SEC approval of a filed 485(a)(1) amendment—enabling traceable transaction history and verifiable ownership. Transfer is executed through reassignment of ownership between verified participants. No bank rail required. No settlement window. The infrastructure layer records and verifies. The financial structure governs value. These roles remain distinct by design.

Because these roles do not overlap, the system maintains continuous alignment between underlying assets, ownership, and transfer behavior. This is what allows yield to persist through transfer—and what no existing instrument achieves.

THE REGULATORY POSITION

CERES is structured as a security from inception, governed by U.S. federal securities laws. Its classification is determined by its structure—not by its method of representation or transfer.

- Securities Act of 1933
- Securities Exchange Act of 1934
- Investment Company Act of 1940

The GENIUS Act

The Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act), enacted in July 2025, established the federal regulatory framework for payment stablecoins and prohibits them from bearing yield. Section 2(22)(B)(iii) of that Act explicitly excludes registered investment companies from the definition of payment stablecoin.

Because MCGXX is a registered investment company under the Investment Company Act of 1940, CERES Coins fall outside the scope of that prohibition. Income generated by the underlying Treasury portfolio is distributed to holders as a structural feature of the fund—not as a reward or interest payment on a payment instrument.

This distinction is architectural, not incidental. CERES was registered with the SEC before the GENIUS Act was enacted. The exemption is a consequence of that structure, not a workaround designed to circumvent it.

The CLARITY Act

The CLARITY Act, under consideration in the Senate Banking Committee as of April 2026, extends the yield prohibition framework further. CERES is exempt from these restrictions regardless of the Act's final form. Its classification as a registered security places it outside the regulatory domain applicable to payment stablecoins entirely.

Patent Protection

The architecture enabling yield to remain intact during peer-to-peer transfer is protected by four issued U.S. patents, with additional filings pending. These patents define the mechanism by which a registered fund security can function as a transfer instrument without breaking its regulatory classification or income structure.

PATENT	STATUS
US 12,597,000	**Issued**
US 12,141,769	**Issued**
US 11,797,955	**Issued**
US 11,055,677	**Issued**
2 Provisional Filings (Yield Bridge SPV + CERES Shield)	**Filed March 17, 2026**

The combination of SEC registration, statutory exemption, and patent protection creates a structural position at the intersection of yield, transfer, and regulatory clarity that is not achievable through existing payment or tokenization models under current law.

WHERE IT APPLIES

The system is consistent across environments. What varies is the context of use, not the behavior of the system. In each case, capital that previously sat idle now remains productive—from allocation through disbursement, from initiation through settlement.

Government & Public Finance

Federal and state programs maintain substantial float at every stage of the program lifecycle—from appropriation through disbursement. SNAP, Medicaid, tax receipts, unclaimed property, and state operating accounts represent hundreds of billions in balances that currently earn nothing while awaiting deployment.

Within CERES, these funds remain within a yield-generating structure through every stage. Ownership transfers at the moment of disbursement without the capital exiting the system. The program earns Treasury yield from allocation to expenditure—without appropriations changes or alteration to program mechanics.

Institutional Treasury & Corporate Finance

Corporations and institutions with significant capital in motion—intercompany transfers, supplier payments, settlement between counterparties—carry dead-time costs on every dollar in transit.

CERES enables treasury operations in which capital earns yield continuously, including during transfers, without redemption from the fund or routing through intermediary bank rails. For institutions with high-velocity capital flows, this eliminates the structural inefficiency embedded in every settlement cycle.

Payments Platforms & Banks

CERES operates as invisible infrastructure beneath the partner's product layer. A partner deploys under their own brand—their name, their customer relationship, their interface—with CERES providing the yield-bearing, peer-to-peer transfer capability that no partner can currently build for itself under applicable law.

Balances earn real yield from U.S. Treasuries in addition to the partner's revenue generation model. The partner owns the relationship. CERES is the rail.

Digital & Programmatic Environments

For agentic systems, protocol treasuries, and programmatic escrow environments, CERES provides a yield-bearing settlement substrate where every balance earns income from the underlying financial structure until the instant it is transferred. Idle balances in multi-step workflows earn yield at every stage—eliminating dead capital in automated value flows.

THE POSITION

Money market funds define how value is held and how income is generated. Payment stablecoins define how value is transferred between participants. Tokenized funds bring fund structures onto digital infrastructure. None of these categories resolves the fundamental constraint: value must exit the structure that defines it in order to move.

CERES is structured so that it does not.

Value remains within a regulated financial framework—aligned with underlying assets, generating income from portfolio performance, governed by established securities law—while being transferred directly between participants. Transfer occurs without redemption, without intermediary settlement, and without interrupting the income relationship.

The GENIUS Act codifies restrictions on yield for payment stablecoins. Issued U.S. patents protect the architecture that enables yield to persist during transfer. SEC registration under the Investment Company Act of 1940 defines the instrument's classification. Together, these create a structural position at the intersection of yield, transfer, and regulatory clarity that no existing instrument occupies under current law.

CERES OPERATES AS THAT SYSTEM.

Legal Counsel: McDermott Will & Emery | Custodian: Huntington National Bank | SEC CIK: 0001319067 | SDVOSB Certified