

ETH Token Custody Guide

A Comprehensive Overview for Institutional Clients

— Q2, 2026



Contents

Executive Summary

- › Key Considerations

Part 1: The Ethereum Network, ETH (Ether) Token, and Investment Thesis

- › The Ethereum Network
- › The Ether (ETH) Token
- › Investment Thesis

Part 2: The Basics of Token Custody

- › Traditional Securities Custody
- › Token Custody
- › Key Innovation: Account-Based Operations vs. Wallet-Based Operations

Part 3: Regulatory Implications

- › ETH Classification
- › Federal vs. State Regulation

Part 4: Aligning Business Needs with Custodial Solutions

- › Choosing the Right Custodian
- › Foundational Factors of Institutional Grade Custody
- › Integrating Existing Workflows with Prometheus Capital's Correspondent Clearing Services
- › Prometheus Capital's Value Proposition

Part 5: Getting Started

- › Custody Evaluation: Key Questions

Working with Prometheus

- › Contact Us
- › About Prometheus
- › Disclosures

Executive Summary

As cryptocurrencies, tokenized assets, and digital asset securities¹ continue to gain institutional adoption, selecting the right custody solution has become a foundational decision for firms developing and distributing crypto asset products.

Traditional custodians have long provided secure safekeeping for securities. However, crypto assets require a new layer of infrastructure built on blockchain technology, governed by specific regulatory licenses, and protected by advanced cryptographic key-management controls.

In blockchain systems, control is defined not through account ledgers but through private keys, which are unique cryptographic credentials that authorize ownership and transfer of assets on a distributed ledger. Possession of a private key equates to legal and functional control. Institutional custody solutions must therefore implement secure, redundant key-management frameworks that safeguard those keys and ensure continuity of access.

Whether provided through a bank, trust company, or broker-dealer, qualified custodians are expected to meet the highest standards of asset segregation, operational resilience, and transparency. These standards include:

- › Verifiable control over client assets through robust key-management procedures
- › Segregation of customer and firm assets
- › Independent third-party audits and ongoing cybersecurity testing
- › Comprehensive recordkeeping and reconciliation practices
- › Clear procedures for recovery and continuity in the event of operational failure

To meet their long-term business objectives, broker-dealers need custody solutions that combine traditional custodial safeguards with blockchain-native controls.

This guide outlines the core considerations for broker-dealers evaluating custody of Ether (ETH), the native token of the Ethereum blockchain, focusing on a primer of the Ethereum blockchain and its native token ETH's regulatory classification, compliance standards, security requirements, and operational integration.

¹ Digital asset securities - including tokenized securities and digitally-native securities - are any security issued and transferred on a blockchain that meet the definition of a 'security' under the Securities Act of 1933. That can include but is not limited to debt instruments, ETFs, equities, money markets, mutual funds, structured products, cryptocurrencies that are securities.

Key Considerations

- › **Classification of ETH matters when it comes to custody.** Custodians vary in how they classify ETH (e.g. security, commodity, or network token), and this classification determines the standards at which it may be held and protected.
- › **Custodial partnership decisions are driven by business goals.** The products and services your firm plans to offer around ETH, ranging from trading, custody, staking, or product issuance, will inform the right custodial partnership.
- › **Foundational custody elements are essential.** Custody frameworks must integrate robust cryptographic controls, segregation of assets, governance, and recordkeeping to meet basic regulatory requirements and for economic, security, and operational efficiency.
- › **Federal securities laws provide the strongest investor protections.** Broker-dealers operating under SEC and FINRA oversight benefit from standardized rules, supervision, and safeguards that state trust licenses may not offer.
- › **Workflow integration matters.** ETH custody should align with existing clearing, settlement, and compliance workflows.



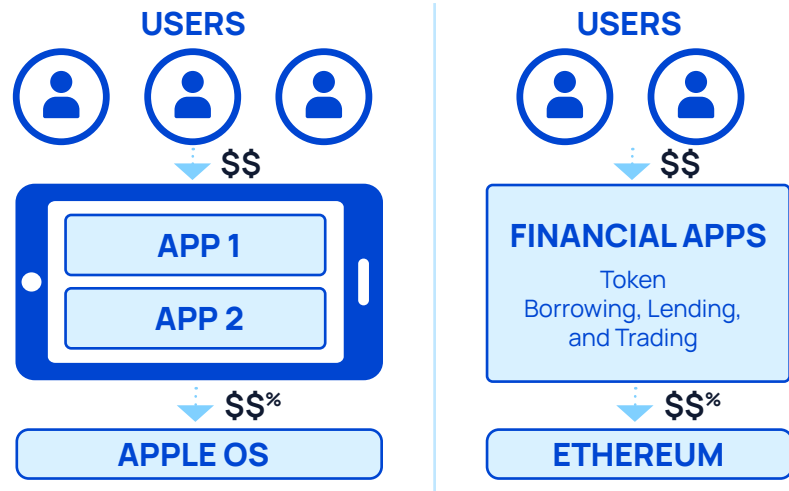
Part 1 The Ethereum Network, the Ether (ETH) Token, and Investment Thesis

What is the Ethereum Network?

The Ethereum Network is a leading global programmable blockchain network of computers. The innovation which separates it from the Bitcoin network is that of smart contracts, the ability to create and support applications built on top of the network, and support additional cryptocurrency tokens.

The network's most popular use is for creating programmable money applications, which enable the direct borrowing, lending, and trading of tokens. Stablecoins and tokenized real-world assets such as stocks, bonds, funds are emerging as the next major use case for the Ethereum network.

Real world analogy: Think of Apple and the App Store. Apple provides the underlying base layer – similar to the Ethereum network – on which developers build applications that are then distributed to users through the Apple operating system on their personal devices. Users pay fees directly to the application developers, and Apple takes a percentage of those payments. Microsoft and Android have similar business models.



Did you know? Behind the numbers of the Ethereum blockchain.

- **Proven Scale:** Processing **\$320 billion** monthly transaction volume with **2+ million** daily transactions demonstrates production-ready infrastructure.²
- **Institutional Adoption:** **\$27.63 billion** in ETF assets, **13** corporate treasuries holding ETH, and Fortune 500 production deployments indicate institutional confidence unavailable elsewhere.³
- **Developer Momentum:** **31,869** active developers and **16,181** new developers in nine months ensure continuous innovation and long-term ecosystem viability.⁴
 - In 17 years, Apple's App Store reached ~2M apps on 2.35B devices in 175 regions.
 - In 10 years, Ethereum reached ~4K apps (147 DeFi) and ~1M active validators.
- **Financial Infrastructure:** **\$119 billion** DeFi TVL⁵ and **70%** of global stablecoin supply⁶ make Ethereum the settlement layer for digital finance.

² YCharts: Ethereum Transactions Per Day (I:ETX)

³ Oak Research, "Ethereum (ETH): Q3 2025 Activity and Financial Report," October 2025

⁴ The Crypto Basic, "Ethereum Tops 31,869 Active Developers in 2025, Nearly Double Solana's Count," October 2025

⁵ Yahoo Finance, "DeFi TVL Hits Record \$237B as Daily Active Wallets Plunge 22% in Q3 – Retail Exit?" October 2025

⁶ CoinLaw, "Stablecoin Market Share by Chain Statistics 2025: Chains, Coins, & Winners Revealed," September 2025

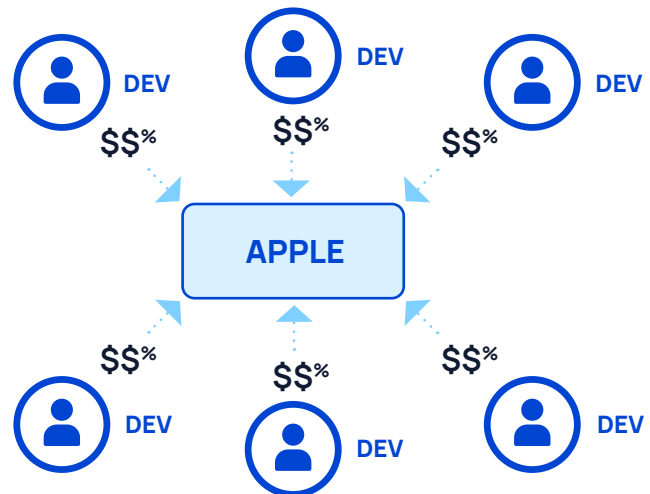
What is the Ether (ETH) Token?

Ether (ETH) is the native token that powers the Ethereum network. ETH is the second largest cryptocurrency by market cap and has two primary functions:

Securing the network: The ETH token serves as the security collateral for Ethereum's Proof-of-Stake (PoS) consensus mechanism. Network integrity is maintained by requiring validators to stake ETH and validate new blocks in proportion to their stake. To incentivize participation, validators receive variable rewards paid in newly minted ETH.

Fueling operations: The ETH token functions as the exclusive payment mechanism for using the Ethereum network, commonly called "gas fees." Every action on the Ethereum network requires computational resources from the network's validators. Users must pay these fees to compensate validators for processing and verifying their transactions and smart contract executions.

Real world analogy: Continuing with the Apple and the Apple App Store analogy, Apple charges a commission on paid apps, in-app purchases, and subscriptions. Developers pay an annual fee for an Apple Developer Account to distribute their apps. Instead of a token, these fees are paid in dollars. Apple commits its own resources for the security and integrity of its network. Imagine if Apple required developers to buy Apple stock and use APPL as the collateral at which to pay Apple to build applications and release them within their app ecosystem. What would that do for the issuance, demand, circulation, and investment case of APPL?



The ETH Investment Thesis

A few widely adopted key investment themes from capital allocators for the ETH token as an investible asset that have emerged since the network's release in 2015 are:

- › **Digital Oil - Infrastructure Ownership Thesis:** ETH powers the digital financial economy much like oil powered the industrial era. Investors gain exposure to the base layer of blockchain-based financial infrastructure.
- › **Better Bitcoin - Productive Store of Value Thesis:** Institutional investors increasingly view ETH as a superior store of value compared to Bitcoin because it generates yield through staking, offering cash flow and utility alongside scarcity. This positions ETH as a productive asset rather than purely speculative digital gold.
- › **Tokenization Infrastructure - The Global App Store Thesis:** Ethereum is emerging as the settlement layer for tokenized assets, hosting 4,000+ applications and capturing the growth of programmable finance.

Part 2 The Basics of Token Custody

Traditional Securities Custody



Storage

Traditional securities custody relies on multiple intermediaries—including introducing broker-dealers, clearing firms, and the DTCC—to hold and record assets. Securities exist as electronic entries at the DTCC under its nominee, Cede & Co. Clearing firms then maintain separate books to track the true, or “beneficial” ownership. This layered structure, built on fragmented ledgers and periodic reconciliations, protects assets but introduces operational friction and slows the flow of information.



Security & Protection

Strict regulations require custodians to segregate client assets and uphold robust operational controls. Qualified custodians like banks and broker-dealers undergo audits and maintain insurance coverage for client protection. These controls help prevent fraud, operational failure, and ensure resilience. Oversight includes asset tracking and investor protection measures.



Asset Movement

Asset transfers flow through several intermediaries—including the introducing broker-dealer that handles the order, the clearing firm that processes and settles it, and the DTCC, which records final book-entry. In 2025, moving from T+2 to T+1 improved capital efficiency, yet T+1 still relies on business-hour processing, batch workflows, and multiple parties updating separate ledgers. Delivery versus Payment (DVP) and Receive versus Payment (RVP) workflows help reduce settlement risk by ensuring cash and securities move together, but the process still depends on coordinated steps across institutions, limiting true real-time asset movement.

Token Custody



Storage

Custody for tokens centers around the secure management of cryptographic private keys, where control equals asset ownership. Institutions use both offline (cold) and online (hot) systems, often with distributed or multi-signature wallets to lower single-point failure risks. Hardware-security and diversified key storage are standard for institutional-grade protection.



Security & Protection

Token custody employs advanced cryptography like Multi-Party Computation (MPC) and strict access controls to protect crypto assets. SEC-registered custodians must comply with enhanced regulations for client asset segregation and proving “possession and control” of private keys. Air-gapped and continuously monitored systems defend against both cyber and physical threats. Crypto asset custody firms oftentimes have additional insurance policies on top of security measures.



Asset Movement

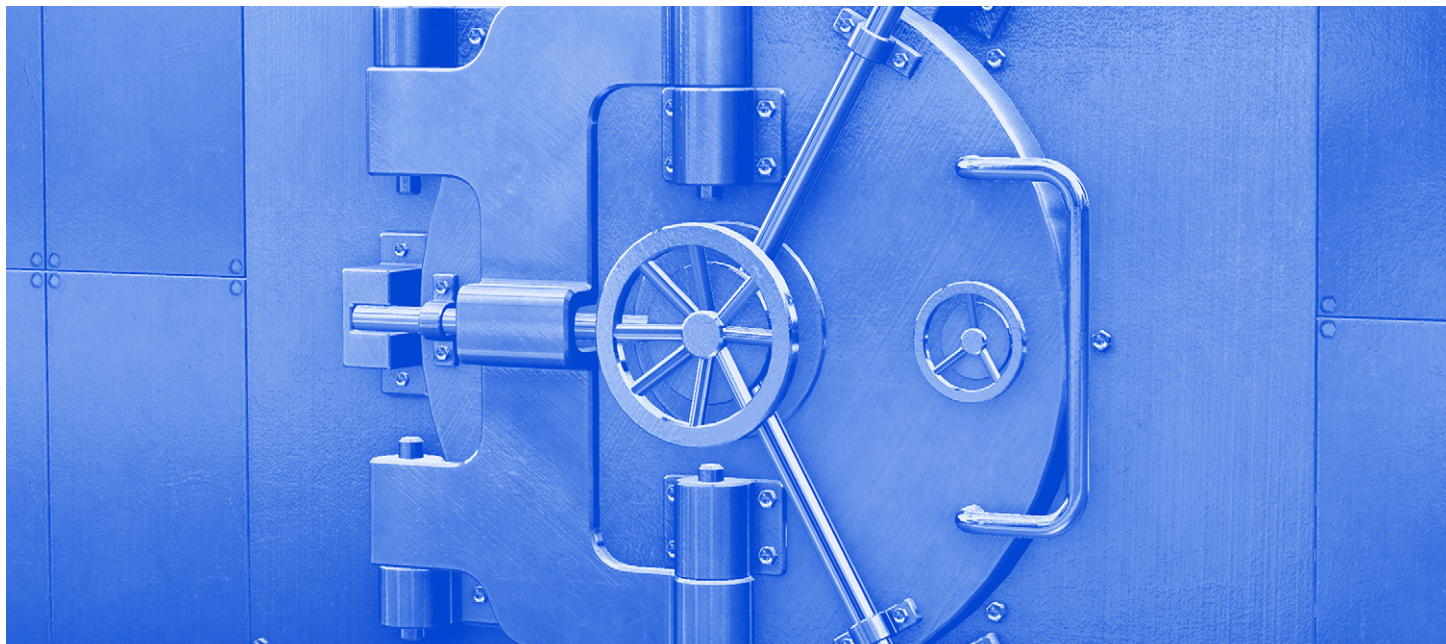
Blockchain enables 24/7, real-time asset movement without clearing intermediaries, allowing near-instantaneous settlement. Transfers are mostly handled by smart contracts and immutable transaction records, increasing transparency and reducing fraud risk. The process is highly programmable but demands technical expertise to manage securely. Fast settlement is balanced by the need for robust, specialized custody operations.

Key Custodial Innovation: Account-Based vs. Wallet-Based Operations

Traditional securities custody operates on an account-based model where ownership is tracked through hierarchical layers of intermediaries and centralized databases, with institutions maintaining electronic book-entry records while legal title rests with nominees. Token custody employs a wallet-based model where ownership is determined by cryptographic private key control rather than centralized record-keeping, **fundamentally shifting from trust-based intermediaries to cryptographic proof-of-ownership.**

The account-based approach provides operational efficiency and regulatory oversight but creates multiple layers of risk and market inefficiencies. The wallet-based model eliminates intermediaries and offers real-time settlement and immutability, but introduces potential challenges around irreversible transactions and key management.

While account-based systems allow for transaction recovery and established compliance controls through intermediaries, wallet-based custody offers operational benefits such as faster settlement, real-time asset movement, and cryptographic control over ownership. **The shift from intermediary-maintained accounts to cryptographically controlled wallets creates a need for broker-dealers to partner with specialized crypto asset custodians capable of providing robust key management, compliance controls, and investor protections within a blockchain-enabled environment.**



Part 3 Regulatory Implications

ETH Classification

Historically, regulators have offered differing views on ETH's nature:

- › The Commodity Futures Trading Commission (CFTC) has identified ETH as a commodity for certain purposes.
- › The Securities and Exchange Commission (SEC) takes a functional approach—evaluating whether an asset or product constitutes a security under the Howey Test or other legal standards.

2025 SEC staff guidance has clarified that broker-dealers may establish custody of digital asset securities (which they deem “crypto asset securities” in a December 2025 statement⁷), provided they demonstrate possession or control under Rule 15c3-3⁸ (Customer Protection Rule) and maintain comprehensive internal controls and procedures.

This does not mean that all crypto assets are treated uniformly. ETH held for payment or network use may fall outside securities classification, while ETH token-based investment products or tokenized securities would fall under SEC jurisdiction.

Why Classification Matters

- › Licensing Path: Whether ETH is treated as a security determines whether custody must occur under a federal broker-dealer license or state trust charter.
- › Supervision: SEC/FINRA-regulated entities are subject to ongoing examination and federal investor protection requirements.
- › Broker-dealers face significant regulatory and technical effort when custodying Ethereum (ETH) and related tokens, particularly around staking activities, smart contract creation and custody mechanics, compounded by evolving SEC guidance. While recent SEC clarification confirms that protocol staking itself is not a securities offering when performed ministerially, custodial staking arrangements where broker-dealers earn and distribute rewards to clients create ambiguity around whether these activities constitute investment contracts requiring additional registration.

Compliance Spotlight

SEC Rule 15c3-3 requires broker-dealers to safeguard customer assets in accounts separate from firm capital. Establishing “possession and control” of private keys through secure custody and verifiable ownership is essential for compliance.

⁷ [“Statement on the Custody of Crypto Asset Securities by Broker-Dealers,” SEC Division of Trading and Markets, Dec. 17 2025](#)

⁸ [FINRA: CUSTOMER PROTECTION – RESERVES AND CUSTODY OF SECURITIES SEA Rule 15c3-3](#)

Federal Securities Custody vs. State Trust Models

Most crypto custody providers operate under state money-transmitter or trust company frameworks. These are licenses designed for payments and not securities transactions, which may limit broker-dealers in both what digital asset products and services they can offer clients, and what investor protection rules the custodian is required to follow.

Federal licensing under the Securities Exchange Act provides:

- › Investor protection rules commensurate with traditional securities for most digital asset securities
- › Exclusive control and segregation of assets per SEA Rule 15c3-3
- › Periodic filings and examinations by FINRA and SEC
- › Transparency and recordkeeping consistent with federal broker-dealer standards

Considerations for Broker-Dealers

Firms seeking to offer ETH or digital asset securities through utilizing a crypto asset custodian should consider:

- › Select the custodial model and regulator aligned to your use case
- › Make investor protections and disclosures explicit
- › Formalize vendor due-diligence and oversight
- › Implement AML/CIP/OFAC and surveillance controls
- › Ensure books-and-records and exam readiness
- › Validate technology and operational controls



Part 4 Aligning Custodial Decisions with Business Objectives

Choosing the Right Custodial Partner

Broker-dealers should match their business ambitions with a custodian's regulatory parameters, depending on what products and services the broker-dealer intends to offer to clients or leverage for their own business. These range from offering direct client exposure, spot trading and market making, or product development and issuance. When evaluating custodial providers, there are a variety of solutions at a broker-dealer's disposal, each with different capabilities and regulatory requirements.



CRYPTO TOKEN + DIGITAL SECURITIES CUSTODY, TRADING

Broker-dealer authorized for crypto asset custody

- › **Regulator:** SEC and FINRA
- › **Scope of coverage:** Custody/clearing/settlement of ETH, tokenized securities, and digitally-native securities
- › **Why use it:** Operates under securities-market rules (books/records, examinations, financial responsibility); meets SEC's Custody Rule (Advisers Act 206(4)-2) to operate as a Qualified Custodian. Broker-dealer compliance models fit federal model. FDIC protection
- › **Trade-offs:** No SIPC protections for non-security crypto assets



CRYPTO TOKEN CUSTODY, TRADING

State-Licensed Virtual Currency Company (MTL/BitLicense; not a trust)

- › **Regulator:** State financial regulators (e.g., NYDFS BitLicense, state MTLs)
- › **Scope of coverage:** Spot cryptocurrency custody and settlement
- › **Why use it:** Fastest route to offer spot ETH via a third party
- › **Trade-offs:** Not subject to the Exchange Act's customer-protection regime, primarily governed by Rule 15c3-3; no SIPC protections; limited customer asset protections in event of vendor bankruptcy; increased capital, counterparty, and trading risk



CRYPTO TOKEN CUSTODY, TRADING

State-Chartered Trust Company

- › **Regulator:** State bank regulators (e.g., NYDFS trust, WY SPDI)
- › **Scope of coverage:** Spot cryptocurrency custody, settlement, and execution
- › **Why use it:** Lower regulatory and compliance touchpoints for access and trading ETH and other crypto
- › **Trade-offs:** Not subject to the Exchange Act's customer-protection regime, primarily governed by Rule 15c3-3; no SIPC protections; limited customer asset protections in event of vendor bankruptcy



CRYPTO TOKEN CUSTODY ONLY

OCC-Chartered National Trust Bank

- › **Regulator:** Office of the Comptroller of the Currency (federal)
- › **Scope of coverage:** Crypto custody and related banking services
- › **Why use it:** Federally supervised bank-trust framework; controls, audits
- › **Trade-offs:** Can only perform banking functions, no securities activity. No SIPC protections

Bottom Line

The regulatory landscape is evolving, but not all custody is equal.

The federal broker-dealer model remains the only one that mirrors the financial-responsibility, recordkeeping, and exam standards broker-dealers already operate under. **This ensures regulatory continuity today and seamless expansion into digitally-native and tokenized securities tomorrow.** Broker-dealers should match their business ambitions with a custodian's regulatory purview:

- › For **spot ETH trading**, a state-chartered trust or MTL provider may be acceptable in the short term, but the broker-dealer is exposed to heightened counterparty risk, compliance issues, and potential manipulative conduct resulting from inadequate regulatory oversight.
- › For **custody under the federal securities laws**, a **FINRA-member broker-dealer custodian** provides the most direct regulatory alignment, SIPA-eligibility for qualified digital asset securities, and continuity for tokenized offerings.
- › In **hybrid models**, broker-dealers face added complexity managing multiple custodial and trading partners, maintaining parallel records, and complying with overlapping federal and state regulatory requirements.

Foundational Factors of Institutional-Grade ETH Custody

ETH custody involves more than safe storage. It's about demonstrable control, security assurance, and regulatory defensibility. The following core factors comprise a framework of what should be considered baseline requirements for institutional-grade digital asset custody.

Secure Key Management:

- › Private keys represent access to digital assets. Best practice requires:
 - › Hardware Security Modules (HSMs): Tamper-resistant devices safeguarding cryptographic material.
 - › Multi-signature authorization: Requires multiple independent cryptographic approvals to authorize transactions, distributing control across systems and personnel to eliminate single-point compromise and reduce operational and insider risk.
 - › Geographic and logistical redundancy: Backups across secure data centers ensure continuity.

Segregation and Reconciliation:

- › Auditable separation of customer assets to prevent commingling with the custodial firm's assets.
- › Daily reconciliation between on-chain records and internal ledgers.
- › Real-time visibility for risk and compliance officers and auditors.

Governance and Oversight:

- › Procedural checks and balances and controls for withdrawals and transfers.
- › Change-control procedures for system updates or key rotations.
- › Audit logs and immutable records to satisfy SEC and FINRA supervision requirements.

Independent Assurance:

- › Federally-licensed
- › Regular smart contract and regulatory audits, penetration testing, and third-party security reviews verify that custody systems meet institutional standards.

Compliance Spotlight

Crypto asset custodians must maintain books and records consistent with Exchange Act Rules 17a-3 and 17a-4, and establish written supervisory procedures under FINRA Rule 3110.

Integrating Existing Workflows with Prometheus Capital's Correspondent Clearing Services:

For broker-dealers, a custody solution can do more than safeguard assets. ETH custody can also enable a correspondent clearing model, allowing introducing broker-dealers to offer crypto asset products while Prometheus Capital manages custody, clearance, and settlement.

Doing so requires existing operational and compliance frameworks to integrate into your custodial partners' infrastructure.

Operational Integration

- › ETH transactions should align with standard broker-dealer workflows:
 - › Trade capture: Automated posting to order management systems.
 - › Settlement: Coordination with clearing firms and depositories.
 - › Reconciliation: Daily matching of blockchain data with firm records.
 - › Regulatory reporting: Automated capture for trade reporting facilities where applicable.

Compliance Integration

- › AML/KYC alignment: Custodians must support transaction screening consistent with FinCEN and OFAC requirements.
- › Surveillance and supervision: Monitoring of digital asset movements under existing FINRA rules.
- › Record retention: Secure, immutable storage of on-chain activity to meet Rule 17a-4(f) electronic recordkeeping requirements.

Correspondent Clearing Through Prometheus Capital

Through Prometheus Capital's correspondent clearing services, traditional broker-dealers can offer crypto assets to their clients via an SEC-registered broker-dealer.

Prometheus Capital's platform enables this through:

- › Direct custody and clearing of ETH under federal law.
- › Turnkey integration with introducing brokers' existing trade and compliance systems.
- › Monthly reporting, providing broker-dealer clients with digital asset investment statements in line with FINRA reporting requirements.



Operational Advantage

Seamless integration reduces regulatory complexity, eliminates parallel infrastructure, and accelerates time-to-market for crypto asset services.

Prometheus Capital's ETH Custody Value Proposition

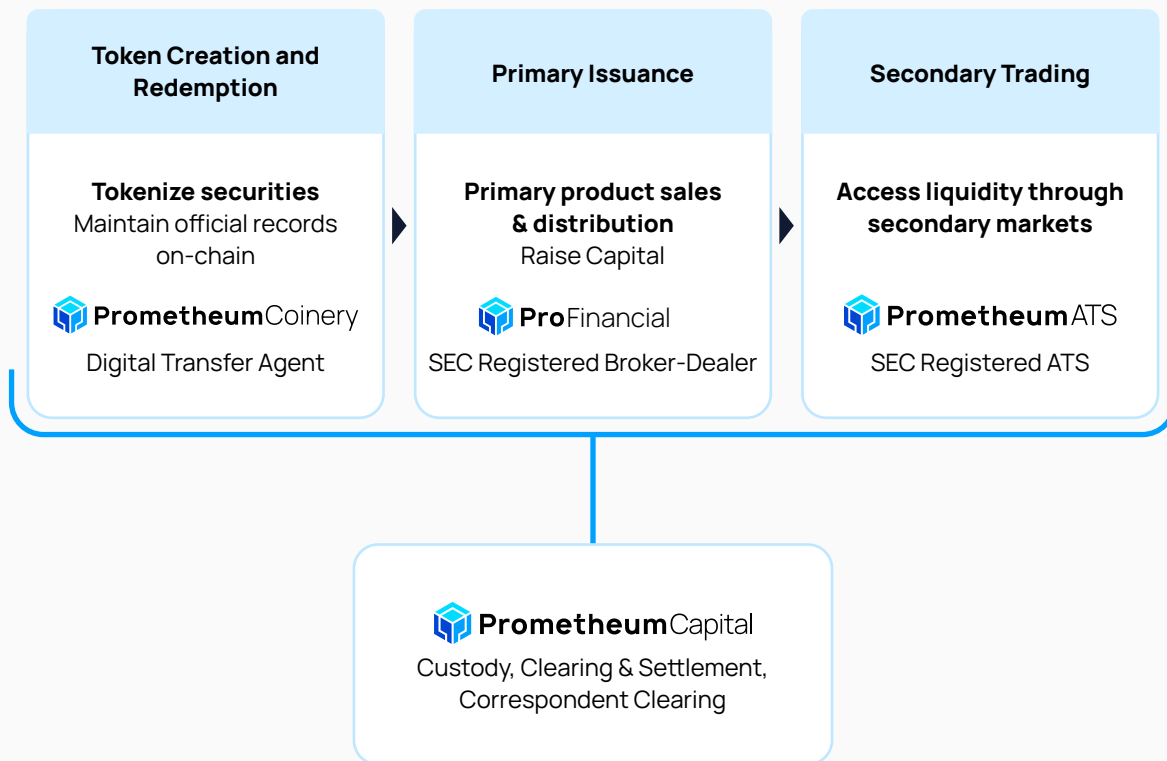
1. Regulatory Compliance and Investor Protections

- › SEC Registration & FINRA Membership
 - › Prometheus Capital was the first SEC qualified custodian authorized to custody, clear and settle crypto securities.
 - › Subject to comprehensive broker-dealer regulatory requirements.
 - › Regular examinations and oversight by federal regulators.
 - › Offers most comprehensive ETH custodial services through FINRA member and SEC-registered model.
- › Customer Protection Framework
 - › Treat crypto assets subject to SEA Rule 15c3-3 (Customer Protection Rule)
 - › Segregation of customer assets from proprietary firm assets.
 - › Daily reserve computations to ensure adequate customer protection.
 - › Same regulatory framework that governs traditional securities custody.



2. Security and Risk Management

- | | |
|--|--|
| <ul style="list-style-type: none">› Advanced Security Infrastructure<ul style="list-style-type: none">› Multi-signature wallet architecture› Smart contract-based controls› Institutional-grade key management systems› Comprehensive cybersecurity protocols› Regular third-party security audits | <ul style="list-style-type: none">› Operational Risk Controls<ul style="list-style-type: none">› Real-time monitoring and reconciliation› Automated compliance checks› Separation of duties and dual controls› Disaster recovery and business continuity planning |
|--|--|



3. Operational Efficiency

- › Enhanced Operational and Capital Efficiency
 - › Blockchain-enabled T+0 / near-instantaneous settlement capability
 - › Eliminates counterparty risk associated with multi-day settlement cycles
 - › Real-time transparency into holdings and transactions
 - › Reduced operational complexity and costs
- › Integrated Trade Lifecycle
 - › Vertically-integrated ecosystem for trading, clearing, settlement, and custody
 - › Eliminates need for multiple custodial relationships
 - › Streamlined onboarding and account management
 - › Comprehensive risk management across the entire trade lifecycle

Part 5 Getting Started: Evaluating Custody Options

Key Questions to ask Crypto Asset Custody Providers



Regulatory Status

- › Are you registered with the SEC as a broker-dealer?
- › Are you a FINRA member?
- › Do you have qualified custodian status?
- › What regulatory examinations have you undergone?
- › How do you handle varying regulatory treatment of ETH tokens?



Customer Protection

- › Do you comply with SEA Rule 15c3-3?
- › How are customer assets segregated from firm assets?
- › What insurance coverage do you maintain?
- › What happens to customer assets if your firm fails?



Security and Operations

- › What security infrastructure do you use?
- › How do you manage private keys?
- › What business continuity plans are in place?
- › How quickly can I access my assets in an emergency?



Integration and Service

- › How does custody integrate with trading and clearing?
- › What reporting capabilities do you provide?
- › What is your typical onboarding timeline?
- › What level of customer support do you offer?

Working with Prometheus

Prometheus Capital welcomes the opportunity to discuss your specific custody requirements and demonstrate how our platform can serve your organization's needs.

› **Contact us to:**

- › Schedule a detailed platform demonstration
- › Review custody agreement terms and fee structures
- › Discuss integration with your existing operations
- › Begin the account opening process



About Prometheus Capital

Prometheus Capital is a FINRA member and SEC-registered broker-dealer authorized to custody, clear, and settle crypto assets. Prometheus Capital was also the first SEC qualified custodian for crypto assets.



About Prometheus Inc.

Prometheus Inc. is a market infrastructure provider for blockchain-based securities, supporting the complete lifecycle of securities issued and transferred on the blockchain – from capital formation and distribution to secondary market trading, custody, clearance, and settlement – through its network of FINRA member and SEC-registered broker-dealer affiliates



email business@procustody.com

¹⁰ "Qualified custodian" is defined by the SEC in Rule 206(4)-2 under the Investment Advisers Act of 1940 to include "A broker-dealer registered under section 15(b)(1) of the Securities Exchange Act of 1934, holding the client assets in customer accounts."

Digital asset securities and cryptocurrencies may not be suitable for all investors.

Investors should note that investing or trading in digital asset securities could involve substantial risks, including no guarantee of returns, costs associated with selling and purchasing, and no assurance of liquidity, which could impact their price and the investor's ability to sell, and possible loss of principal invested. There is always the potential of losing part or all of your money when you invest in digital asset securities. Not SIPC or FDIC insured.

Regulatory changes may impact digital asset securities. Current and future legislation, SEC and CFTC rulemaking, and other regulatory and legal developments may impact the manner in which certain digital assets securities we are custodialing are classified. The SEC has stated that certain digital assets may be considered "securities" under the federal securities laws. To the extent that any of the digital asset securities we are currently custodialing are not deemed to be securities in the future we may not be permitted to continue to custody said securities.

Cryptocurrencies are not legal tender, not backed by any government, and not FDIC insured or SIPC protected. Cryptocurrency trading involves high risk and potential loss of principal.

Non-solicitation

This document is issued for informational purposes only and does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation of any security or any other product or service by Prometheum Inc., Prometheum ATS, Prometheum Capital, ProFinancial, and Prometheum Coinery (collectively "Prometheum"), or any other third party regardless of whether such security, product, or service is referenced in this press release.