

ETH for Broker-Dealers: A Strategic Entry Point into Crypto Assets

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The Market Shift

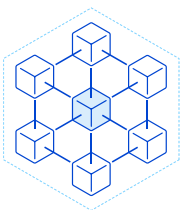
A New Era for Broker-Dealers

Following years of regulatory uncertainty, recent SEC staff guidance now enables U.S. broker-dealers and other financial institutions with the appropriate licensing to access and offer crypto assets, including tokenized securities and digitally-native securities, within the existing federal securities framework, provided they meet applicable regulatory requirements.

This marks a major inflection point: the same broker-dealer community that powers traditional securities markets can now reclaim client assets and digital market share previously captured by legacy crypto platforms.

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The scale of the opportunity is immense. An estimated 400 million crypto wallets¹ have been created globally. To put this in perspective, that is four times the number of client accounts held by the six largest U.S. brokerages². Just as online brokerages in the 1990s captured investors migrating from traditional advisors, today's broker-dealers have the chance to recapture billions in lost allocations that migrated to crypto and fintech trading platforms.



Ether (ETH) provides the most practical and strategic entry point. As the native asset of the Ethereum network – the programmable blockchain powering tokenized funds, stablecoins, and on-chain financial applications – ETH connects traditional finance to the technology driving digital markets.

By offering ETH custody, trading, and related services, broker-dealers can strengthen client relationships, create diversified revenue streams, and establish a strategic foothold in digital markets. Prometheum Capital provides the federally licensed infrastructure to make this possible by enabling broker-dealers to custody and offer ETH and digital securities³, subject to federal securities laws.

¹ [Growth Opportunities: Stablecoins, TradFi Engagement, and Tokenization Lead Web3's Next Wave, Chainalysis - December 2024](#)

² [Factbox: The U.S. retail trading frenzy in numbers, Reuters - January 2021](#)

³ Digital securities - encompassing both 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.

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 most widely adopted use case of the network is for the building of blockchain based programmable financial applications to support the borrowing, lending, and trading of network and application tokens. Stablecoins and tokenized real-world assets such as stocks, bonds, and 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.

What is ETH?

Ether (ETH) is the native token that powers the Ethereum network. ETH is the second largest cryptocurrency by market cap⁴ and has two primary functions:

1

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.

2

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.

⁴ <https://coinmarketcap.com>

The ETH Investment Thesis

Since Ethereum's launch in 2015, several key investment themes have emerged among capital allocators that frame ETH's value as an investable asset:

1

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 on-chain financial infrastructure.

2

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.

3

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.

Behind the Numbers

Since Ethereum's launch in 2015, several key investment themes have emerged among capital allocators that frame ETH's value as an investable asset:

Proven Scale: Processing **\$320 billion** monthly transaction volume with **2+ million** daily transactions demonstrates production-ready infrastructure.⁵

Institutional Adoption: **\$27.63 billion** in ETF assets, **13** corporate treasuries holding ETH, and Fortune **500** production deployments indicate institutional confidence unavailable elsewhere.⁶

Developer Momentum: **31,869** active developers and **16,181** new developers in nine months ensure continuous innovation and long-term ecosystem viability.⁷

Financial Infrastructure: **\$119 billion** DeFi TVL⁸ and **70%** of global stablecoin supply⁹ make Ethereum the settlement layer for digital finance.

⁵ [YCharts: Ethereum Transactions Per Day \(i:ETX\)](#)

⁶ [Oak Research, "Ethereum \(ETH\): Q3 2025 Activity and Financial Report," October 2025](#)

⁷ [The Crypto Basic, "Ethereum Tops 31,869 Active Developers in 2025, Nearly Double Solana's Count," October 2025](#)

⁸ [Yahoo Finance, "DeFi TVL Hits Record \\$237B as Daily Active Wallets Plunge 22% in Q3 - Retail Exit?" October 2025](#)

⁹ [CoinLaw, "Stablecoin Market Share by Chain Statistics 2025: Chains, Coins, & Winners Revealed," September 2025](#)

Why ETH?

Network effects

Ethereum is the leading smart-contract platform; ETH is the utility asset that underpins activity across DeFi, tokenization, and on-chain transactions.

Liquidity & access

One of the most traded crypto assets with 24/7 markets.

Innovation upside

As more financial products move on-chain, ETH is a core building block that may benefit from ecosystem growth.

Diversification

Low correlation to traditional assets; can offer differentiated returns in a diversified portfolio.

ETH's Benefits to Broker-Dealers

Differentiate your platform

Offer ETH custody and exposure through an SEC-registered, federally-licensed framework.

Attract new clients

Win back digitally-native investors and expand your client base.

Diversify revenue

Earn from clearing, trading spreads, and staking-related services.

Future-proof your business

Build infrastructure that scales from ETH to digital securities.

Prometheum Capital

A Bridge to Digital Securities

- FINRA member, SEC-registered broker-dealer licensed to custody, clear, and settle crypto assets.
- First SEC “Qualified Custodian” authorized to custody ETH and other crypto assets, including digital securities, under federal securities laws.
- Enables broker-dealers to custody and offer crypto assets to clients without relying on non-security state licensing or bespoke infrastructure.
- The same investor protections, segregation of assets, and compliance oversight that govern traditional securities—applied to crypto assets.
- Crypto asset trading desk embedded with Prometheum Capital.

From ETH to Digital Securities

Prometheum was founded on a simple belief: **crypto assets deserve the same investor protections and operational standards as traditional securities.**

Our network of SEC-registered, FINRA-member affiliate broker-dealers provides the complete lifecycle infrastructure—supporting issuance and trading to clearing, settlement, and custody—for crypto assets, including securities moving on-chain.

Partnering with Prometheum Capital gives broker-dealers access to ETH custody and trading governed under the federal securities laws and positions them for the next evolution: digital securities custody and trading.

Start with ETH. Build toward the future of digital markets.

About Prometheum Inc.



Prometheum

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

Crypto assets may not be suitable for all investors.

Crypto assets, including cryptocurrency, tokenized securities, and digitally-native securities 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 assets. Current and future legislation, SEC and CFTC rulemaking, and other regulatory and legal developments may impact the manner in which certain digital assets are classified.

Non-solicitation

This review of ETH 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.