

MEMORANDUM

To: Crypto Task Force Meeting Log
From: Crypto Task Force Staff
Re: Meeting with Representatives of Abstract Foundation and Cahill Gordon & Reindel LLP

On April 4, 2025, Crypto Task Force Staff met with representatives from Abstract Foundation and Cahill Gordon & Reindel LLP.

The topic discussed was approaches to addressing issues related to regulation of crypto assets. Abstract Foundation and Cahill Gordon & Reindel LLP representatives provided the attached document, which was discussed during the meeting.

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ENGLAND AND WALES ONLY

March 28, 2025

Re: Meeting with SEC Crypto Task Force on behalf of Abstract Foundation

Dear Members of the Task Force:

On behalf of our client Abstract Foundation (the "Foundation"), we submit this letter to seek guidance regarding a proposed public offering of native tokens relating to the Abstract blockchain network. We respectfully request an opportunity to discuss the following matters with the Task Force:

- Introduction to the Abstract Network:* a U.S.-based team that is developing a consumer-friendly approach to a blockchain network based on the ZKsync technology stack. The Abstract blockchain is fully operational and inherits the comprehensive decentralization framework implemented by ZKsync in 2024. A token that will be native to the Abstract network (the "Token") is currently under development. The Foundation is an ownerless, not-for-profit entity.
- Securities Classification Analysis:* our position that primary sales of Tokens are properly regulated as securities transactions, but that the Tokens themselves are not securities; that primary offerings of Tokens can be conducted in compliance with existing disclosure frameworks; and that secondary sales of Tokens fall outside the scope of the Securities Act of 1933, as amended and the Securities Exchange Act of 1934, as amended.
- Token Public Offering Framework:* potential approaches for conducting a compliant public sale of Tokens in the U.S. using existing regulatory frameworks.

4. *Disclosure Requirements*: possible ways to tailor initial disclosure and ongoing reporting obligations to address crypto-specific considerations, including token utility, governance structure, technology and security risks, tokenomics and token treasury management.
5. *Commission Alignment*: assessment of the viability of the foregoing approach in meeting the Commission's regulatory objectives while enabling innovation; procedural next steps; and timing considerations.

The Foundation emphasizes its view of the critical need for a compliant approach to public token offerings in the U.S. to prevent continued offshore migration and suboptimal investor protections. Given that substantive token launches require extensive preparation—and that other jurisdictions have already enacted legislation that facilitates token sales—establishing an actionable pathway in the U.S. is essential to prevent project teams from avoiding the U.S. markets and/or compliant offerings being delayed until 2026 or beyond.

The Foundation respectfully submits that a comprehensive disclosure-based framework, as outlined above, constitutes an efficient and effective regulatory approach for projects like Abstract, while remaining compatible with other regulatory and legislative initiatives that are currently under consideration.

The Foundation is committed to established principles of disclosure, transparency and accountability, and is prepared to collaborate with the Commission to ensure that compliant U.S.-based token offerings and sales move forward with all deliberate speed.

We look forward to having a productive discussion and receiving feedback from the Commission on these important topics.

Sincerely,

A handwritten signature in blue ink that reads "Lewis". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Lewis Rinaudo Cohen, Esq.

cc: Geoffrey Thompson, Esq., General Counsel of Abstract Foundation
Samson A. Enzer, Esq.
Gregory Strong, Esq.
Sarah Chen, Esq.