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Crypto Treasuries Gain Traction, But Regulatory Risk Remains

By **Aislinn Keely**

Law360 (July 16, 2025, 7:53 PM EDT) -- Public companies are increasingly adding digital assets to their corporate treasuries amid a more favorable regulatory environment for crypto, but attorneys on the deals say they're still counseling clients to be prepared to pivot if policy winds change.

Public firms already in the digital asset space and tech companies with crypto-savvy execs have been padding their corporate coffers with crypto since around 2020, but the practice has grown in recent months as President Donald Trump's administration has committed to cultivating the industry. But attorneys working on these types of deals said that while the regulatory landscape may be favorable, it's far from certain that it will remain that way.

DLA Piper partner Stephen Alicanti, who focuses on representing issuers and underwriters, said both clients and their investors have to be aware that they're "dealing with a fluid landscape" when it comes to crypto.

"They have to understand those risks, that things might change, and they might change to the detriment of the company they're making an investment in," he said.

Crypto's Balance Sheet Buzz

Alicanti led the DLA Piper team that served as counsel to the underwriters on the headline-grabbing **ReserveOne deal** made public earlier this month. With the help of a special purpose acquisition company, ReserveOne intends to be a publicly traded vehicle that holds a **basket of crypto assets** "inspired by the U.S. government's evolving digital reserve strategy," according to the firm's website.

While some companies may add digital assets to their balance sheets to complement their operating business, others, like ReserveOne, position the maintenance of a crypto treasury as their primary business. Alicanti said that while he has had clients interested in holding smaller amounts of crypto, he's seeing more companies employ a crypto-lined treasury as a core part of their strategy.

Companies that strategically hold digital assets may benefit from a valuation bump from crypto enthusiasm, particularly in the case of rising token prices, attorneys said. Holding digital assets can also be a source of liquidity and a means to finance ongoing operations, as well as a hedge against inflation, they added.

Early adopters, such as software company MicroStrategy, mobile payments company Block and certain bitcoin mining firms, have mainly focused on amassing bitcoin, which has long been considered a commodity. However, as the U.S. Securities and Exchange Commission has vowed to shift from enforcement suits targeting crypto transactions as unregistered securities, public companies are more willing to take a chance on **holding** a variety of other tokens, attorneys said.

Ross Carmel of Sichenzia Ross Ference Carmel, who worked on a deal that would take crypto platform Tron public and **establish a treasury** of its TRX token, said some retail investors may not want to maintain their own digital assets even as public markets increasingly treat tokens as significant assets with growth potential.

"By putting these assets on these companies' balance sheet, it's not only increasing and giving an appreciation to their stock price immediately, but there's a long-term appreciation potential as well as

the regulatory environment continues to be clarified," Carmel said.

But Regulatory Risks Loom

While the SEC may be less wary of crypto's entry into public markets, the regulator is still likely to scrutinize disclosures to ensure all the risks of innovation are shared with investors, attorneys said. Chief among them is the risk that the regulatory environment itself could change.

Key questions around which, if any, crypto assets might be considered securities are still unsettled. If a token held by a public company were considered a security, it may trigger obligations under the Investment Company Act of 1940, according to experts.

Alicanti likewise said treatment under the '40 Act is "probably first and foremost what everyone's monitoring."

"They want to understand the risks of if a digital asset was treated in a different manner, such that it was categorized as an investment security, would the company have to change its strategy, to go from one digital asset to another, or have a wholesale change in strategy," he said.

Bitcoin is relatively well-settled as a commodity, said Carmel, but "with some of the more esoteric coins, there is no guidance as to whether the SEC will deem it to be a currency or a security."

"There are significant restrictions as a publicly traded company if you are now deemed a '40 Act company, including certain shareholder approvals that normal operating businesses don't have to obtain," he said.

So far, companies employing crypto treasury strategies aren't broadly registering as investment companies, experts said, but most include a line about the risk in their disclosures.

Joseph Walsh of Troutman Pepper Locke LLP, who also worked on the ReserveOne deal, said there doesn't seem to be an expectation right now that the crypto assets held by many of these companies would be classed as securities, but there's "always a risk," he said.

Securing the Crypto Treasury

In addition to how regulators might view the crypto assets, companies also have to consider how they'll hold them. Many companies partner with asset managers or custodians to maintain their crypto, said Ed Dartley of K&L Gates LLP.

"It's an asset that has specific characteristics to it that you're going to need to consider whether you have that expertise in-house or whether you need to go to an outside adviser," Dartley said.

As companies involve third parties, it becomes increasingly important to mitigate and disclose counterparty risk and ensure they're working with reputable firms, experts said. It's important that all participants and stakeholders in a transaction work together to understand and disclose the risks associated with a novel transaction, said Dartley.

"It really becomes important for any participant in this type of transaction to work with other stakeholders in the transaction, and frankly, advisers that have the experience to think in those broader terms, because you can't just look at it as a traditional [merger] and [acquisition] or public financing," he said.

Beyond finding partners to make the transaction happen, it can also be challenging to find an auditor equipped to handle the company's accounting. Multiple attorneys said it's not uncommon for clients to have to switch auditors when they add crypto to their treasuries.

"Not all auditors are suited for this," said DLA Piper's Alicanti. "And even the companies themselves need external support of really competent people, because the accounting is very tricky."

Companies will also have to ensure they can keep the assets secure, given the prevalence of cybersecurity threats, said Troutman Pepper's Walsh.

"I think their cybersecurity program is going to have to be robust," he said. "And I think that's the place where the SEC is probably going to pry quite a bit and look to flesh that out a lot."

Companies would also do well to remind investors about the general volatility of crypto assets, attorneys said.

But there's no one formula for adequate disclosure, attorneys said. Public companies holding crypto have to think about the types of assets they are holding and the specific risks related to their crypto strategy and business. Walsh said the risk assessment and disclosure process isn't all that different from the good hygiene all public companies should do.

"Every quarter you just have to reassess where things stand and just constantly think about whether or not, at each [quarterly filing], 'Do I need to update risk factors that I put into my annual report?'" Walsh said. "It's just a constant monitoring."

While crypto could be subject to a change of policy agenda in the future, other industries, such as alternative energy, have faced regulatory uncertainty too, he said.

"Things change on a dime, and just be ready to adapt," Walsh said.

--Editing by Jay Jackson Jr. and Drashti Mehta.

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