Plume and vaults
SEC Crypto Task Force

September 21, 2026

- About Plume and our mission (1-2)
- Vault supply chain under US securities laws (3-7)
- Policy recommendations (8)
- Kimber Digital Assets Bermuda foreign feeders for U.S. asset management products (9-10)



About Plume

An open finance platform bringing capital markets onchain bridging DeFi and TradFi

Plume Layer-2

- Ethereum Layer-2 built for real-world assets.
- Protocol-level AML and sanctions screening (Forta).
- Real-time exploit detection (Hypernative).

Nest protocol

- Plume-developed onchain vault stack.
- Blocks high-risk addresses using TRM Labs data.
- Token-level freeze and seize aligned with GENIUS Act stablecoin requirements.

Market leadership

- Over 213,000 holders, up from roughly 60,000 since June 2025.
- >$190m in L2 TVL, mostly in Nest protocol with another approx. $30m in Nest on other blockchains.

Group entities: Kimber Labs, Inc. (d/b/a Plume Network Inc.) · Kimber Transfer Agency LLC (SEC-registered transfer agent) · Kimber Digital Securities LLC (pending BD/ATS registration and FINRA memberships) · Kimber Digital Assets Bermuda ISAC (BMA-regulated)

Our mission

Bring real-world assets to crypto users worldwide, and bring tokenized securities to the emerging onchain ecosystems catalyzed by payment stablecoins, in the U.S. and globally.

Real-world assets to global onchain users

THE PATHWAY

- **Kimber Digital Assets Bermuda** (KDAB) provides a compliant feeder fund pathway for U.S. asset managers, as well as a regulated pathway for non-U.S. institutions (e.g., Shinhan Bank) and regulated distribution partners (CEXes).
- Delivers offshore distribution of U.S. registered fund exposure to investors worldwide, increasing reach of U.S. capital markets.

Tokenized securities onchain

THE BUILD-OUT

- Target: onchain ecosystems catalyzed by mainstream adoption of payment stablecoins, in the U.S. and abroad.
- Plume holds an SEC **transfer agent** registration.
- Working with FINRA toward **broker-dealer** (non-custodial and focused on tokenized securities) and **ATS** membership (based on non-custodial AMM protocol).

We seek regulatory certainty for U.S. asset managers to use Nest vault protocol for onchain funds, e.g., to enable 24/7 subscription redemption and real-time yield, onchain composability, and embedded/automated compliance.

The vault supply chain

Four functionally distinct roles. Regulation should attach by function, not by the label "vault."

1 Vault protocol developer

Open-source / source-available smart contract stack (Nest)

Immutable, self-executing code

No custody, no discretion

Neutral infrastructure

2 Vault curator

Selects yield strategies

Sets rates, LTV, and liquidation thresholds

Exercises investment discretion

▲ Adviser / CTA

3 Vault administrator

Defines accrued-yield calc. functions

Subscriptions, redemptions, wallet screening

A registered transfer agent can serve as cap table recordkeeper and admin for corp actions

Fund-administrator role

4 Vault token issuer

Investor's interest in the pooled vehicle

Investment company or commodity pool interest

Status set by portfolio and distribution (US / retail vs. accredited vs. offshore)

▲ Fund / pool interest

Recommendation: regulation should attach at the curator (2) and the vault token (4), as circumstances warrant. It should not attach to the neutral, immutable protocol layer (1) or admin (3).

▲ Regulatory nexus (orange). Cf. Comm'r Hester M. Peirce, "Headstands and Summervaults" (SEC, July 22, 2026). Vault interest analyzed under Howey and Reves; status by portfolio and distribution.

Nest protocol smart contract architecture

Core Vault

Immutable

KDAB/US master fund adviser control admin functions

Assets in vault cannot be transferred

Pre-programmed acceptable tokens constrain vault, reducing risk of misappropriation

Has ability to freeze and seize vault tokens if they ever become non-compliant

Vault Extension

Smart contract hooks scan every wallet on deposit / redemption (sub-second, TRM Labs data above WorldCheck standards)

KYC allowlist functionality option

Calculates how much the user has earned with safeguards that ensure returns are correct

Programmable compliance for global policies

Manager

Defines what admin functions the vault controls

Dynamically adjusts allocations to ensure asset-liability alignment

Manages portfolio assets, ensuring that strategies that are pre-set by the vault are executed transparently

When do adviser / CTA and RIC / CPO requirements attach?

By actor and regime. Attachment turns on discretion, compensation, and what the portfolio holds.

	SECURITIES REGIME · SEC	COMMODITIES REGIME · CFTC
Manager / Curator role 2	**Investment adviser** **Attaches when** the curator, for compensation, is in the business of advising on (or exercising discretion over) a portfolio that includes securities. Advisers Act § 202(a)(11), 15 U.S.C. § 80b-2(a)(11); three-part test, IA Rel. No. 1092 (1987). *Peirce: managing a vault "may implicate investment adviser issues."*	**Commodity trading advisor** **Attaches when** the curator advises on the value or advisability of trading commodity interests (futures, swaps). Spot holdings do not count. CEA § 1a(12), 7 U.S.C. § 1a(12); exemptions, 17 C.F.R. § 4.14. *Spot-only crypto exposure generally is not a commodity interest.*
Vehicle / Token role 4	**Registered investment company** **Attaches when** the vault is primarily engaged in, or holds over 40% of, investment securities and is offered to the U.S. public with no exclusion. ICA § 3(a)(1)(A),(C), 15 U.S.C. § 80a-3(a)(1); classes §§ 4–5; excl. § 3(c)(1),(7). *Peirce: a vault holding or investing in securities "could fall into investment company territory."*	**Commodity pool operator** **Attaches when** the vault pools assets to trade commodity interests (a "commodity pool"). Spot-only vaults generally are not. CEA § 1a(10)–(11), 7 U.S.C. § 1a(10)–(11); exemptions, 17 C.F.R. §§ 4.13, 4.7. *Operator solicits or accepts assets for the pool.*

Attachment turns on: discretion, compensation, securities vs. commodity interests vs. spot, and U.S. or public distribution and available exclusions (Reg S for offshore).

Fund administration is not a separately regulated activity

Regulation reaches specific functions and the fund's oversight, not the administrator itself.

1 No registrant class for administrators

The '40 Act and Advisers Act regulate the fund, its adviser, and principal underwriter; the Exchange Act regulates transfer agents. None creates a "fund administrator" registration category.

Investment Company Act; Advisers Act; Exchange Act § 17A.

2 Ministerial services are not advice

NAV and accrued-yield calculation, recordkeeping, and subscription-redemption processing are ministerial. They do not meet the "advice about securities" prong of the adviser definition.

Advisers Act § 202(a)(11); ministerial-services staff positions.

3 Oversight, not registration

Administrators act under contract, subject to the fund's and adviser's compliance programs. Responsibility for compliance stays with the fund and its adviser.

Rules 38a-1 and 206(4)-7 (adopted IC-26299 / IA-2204, 2003).

4 Regulated only where a function is

Regulation attaches where an administrative function is independently covered, such as transfer agency or custody. That is why Kimber Transfer Agency LLC registers as a transfer agent.

Exchange Act § 17A(c) and § 3(a)(25) (transfer-agent registration).

Precedent treats the administrator as a delegate. The K&L Gates (2021) and Gardner Fund (1988) no-action letters condition relief on the administrative agent as a reliable recordkeeper, imposing conditions on the fund rather than registration on the administrator. The Peirce Statement locates the analysis at the manager and the vehicle and does not reach the administrator.

Recommendations to the SEC: vaults and asset management

From Plume's March 2026 House Financial Services testimony (Crypto Task Force recommendations 12–16)

ICA § 17(f) **Rule 17f-2**	**Clarify onchain vault custody for registered funds** A vault with transfer agent control and third-party attestation reproduces and in material respects strengthens custody safeguards.
ICA § 18	**Permit multi-format funds by rule** One fund offering standard, ETP, and tokenized share classes, replacing the roughly 50 case-by-case ETF-share-class orders.
ICA § 22(d) **Rule 22c-1**	**Enable secondary markets in tokenized fund shares** Allow market-determined secondary pricing while preserving forward pricing for direct fund transactions.
Rules 17Ad-9 **& 17Ad-10**	**Modernize transfer agent registration requirements** Do not prejudge state corporate law and recognize distributed-ledger wallet addresses as valid securityholder "registration" and "address" entries in the master securityholder file.
BSA **GENIUS Act § 4**	**Build asset-level AML into tokenized fund interests** Permit non-custodial secondary trading with freeze-and-seize administered by a BSA-obligated broker-dealer.

Written Testimony of B. Salman Banaei §§ IV–V (H. Comm. on Fin. Servs., Mar. 25, 2026); SEC Crypto Task Force submission (Apr. 23, 2026).

Kimber Digital Assets Bermuda

Offshore distribution of U.S. registered fund exposure under the Dechert no-action letters via KDAB foreign feeders powered by Nest protocol

Global investors
Offshore, non-U.S. persons (CEX customers)
Subscribe and redeem 24/7

Bermuda ISA
Foreign Feeder Fund
Issues redeemable vault tokens at NAV
BMA-regulated, AML/sanctions screened

U.S. Master Fund
Registered open-end '40 Act fund or ETF

Investors subscribe and redeem offshore under Regulation S. The Bermuda ISA feeder invests substantially all of its assets into the U.S. master fund under § 12(d)(1)(E).

Dechert 2009

Relief from the § 12(d)(1)(A) acquisition limits, letting a foreign fund invest in a U.S. registered fund beyond the 3 / 5 / 10 caps, offshore only.

Dechert 2017

Relief under § 12(d)(1)(E), letting the foreign feeder invest through a master-feeder structure without a registered principal underwriter.

Meeting the Dechert conditions

How each Bermuda ISA satisfies the 2017 letter's requirements

(a) Control affiliate

The ISA's investment adviser controls, is controlled by, or is under common control with the U.S. Master Fund's registered adviser and principal underwriter. If internally managed, the adviser holds at least 25% of the ISA board seats.

(b) Adviser oversight

The adviser is SEC-registered, or it makes its books and records available to the SEC, designates the Master Fund's adviser as agent for service of process, and consents to U.S. court and SEC jurisdiction.

(c) Cooperating jurisdiction

The ISA is organized and regulated in Bermuda. The BMA and the SEC are both signatories to the IOSCO Enhanced MMoU, a cooperation arrangement between the BMA and the SEC.

(d) Regulation S only

The ISA offers and sells only outside the U.S., to no U.S. persons, consistent with Reg S offshore transactions and with no directed selling efforts. Enforced by terms of service and IP-based distribution controls.