



CRYPTO

B R I E F



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Lowenstein Crypto advises leading digital asset and cryptocurrency projects, exchanges, and trading firms. Our practice covers regulatory advice, transactions and structuring advice, investigations, and adversarial matters including commercial disputes, bankruptcy, and related litigation. As these markets continue their rapid growth and market participants continue to evolve and mature their businesses, we are providing this weekly digest as a resource that highlights and summarizes a selection of key recent legal regulatory developments.

President Donald Trump Signs Executive Order Expanding Control of Independent Agencies

On Feb. 18, Trump signed an executive order exercising his presidential power over all executive branch officials and employees. The executive order notes that under Article II of the U.S. Constitution, all executive power vests in the president, and therefore, all agencies must submit draft regulations for White House review, consult with the White House on their priorities and strategic plans, and become subject to the president's performance standards. Independent agencies such as the Federal Trade Commission, the Federal Communications Commission, and the Securities and Exchange Commission (SEC) have exercised their power without presidential oversight, which Trump asserts is costing billions of dollars and impacting controversial policy matters without the review of the democratically elected president. The executive order is, in part, designed to allow Trump to further his agenda, which presumably includes the crypto-related executive order issued on Jan. 23. *See the Feb. 18 executive order [here](#).*

Argentinian President Javier Milei Promotes Failed Memecoin \$LIBRA

On Feb. 14, in connection with the \$LIBRA memecoin, Milei posted on X, "LIBERAL ARGENTINA GROWS!!! This private project will be dedicated to encouraging the growth of the Argentine economy by funding small Argentine businesses and startups. The world wants to invest in Argentina." The price for \$LIBRA shot up to nearly \$5; however, shortly thereafter, Milei deleted the post, which was followed by a drastic decline in the market cap by \$4.4 billion in just a few hours. Hundreds of complaints followed, and an Argentinian judge was assigned on Feb. 17, to investigate the matter. Milei now faces potential impeachment and criminal liability in connection with his actions.

SEC Moves for a 28-Day Extension in Coinbase Litigation

On Feb. 14, the SEC moved for an extension in its Second Circuit case against Coinbase Inc. as the newly minted SEC Crypto Task Force works to further regulatory clarity and develop a framework in connection with digital assets. The move follows the SEC's similar actions in the Binance litigation, where it asked the U.S. District Court for the District of Columbia for a 60-day stay of litigation. *See the related article [here](#).*

Texas Pushes Forward for State Crypto Reserve

On Feb. 18, a Texas legislative panel debated a yet-to-be-titled act, introduced by State Sen. Charles Schwertner (R), relating to the administration of the Texas Strategic Bitcoin Reserve for the purposes of investing in cryptocurrencies using state funds. Texas joins several other states aiming to be the first to establish a strategic crypto fund. While the state can already invest in cryptocurrency, the legislation, if adopted, would establish parameters and expectations in connection with more than \$105 billion in state assets. *A copy of the introduced bill is available [here](#).*

Binance Hit with Lawsuit Brought by Nigeria for \$81.5 Billion

On Feb. 19, Nigeria filed a lawsuit against Binance, seeking \$79.5 billion for economic losses and \$2 billion in back taxes, alleging that Binance's operations in Nigeria were the cause of the fall in the Nigerian naira. Nigeria alleges that Binance and two of its executives contravened Nigerian laws, including failing to register with the Federal Inland Revenue Service for tax compliance and for causing economic losses to the country.

Other Notable Developments

Quai Network's Native Token \$QUAI Launched After Token Generation Event

On Feb. 19, the Quai Network, a Layer-1 blockchain network that employs a novel Proof-of-Entropy-Minima consensus protocol, announced its token generation event, marking the beginning of transactions and trading. The Quai Network also supports a stable token, \$QI, pegged to the value of energy that works in tandem with \$QUAI to operate a blockchain-based monetary system without fiat reliance. Block 259,200 was reached, and full \$QUAI functionality was activated, meaning \$QUAI transactions are live and smart contracts can be deployed. *For additional information on the Quai Network, see [here](#).*

Monad Launches Testnet

Monad is a Layer-1 blockchain network that is an Ethereum Virtual Machine-compatible network that focuses on scalability and decentralization. On Feb. 19, Monad launched its testnet, which will help the development of the mainnet, which aims to have a throughput of 10,000 transactions per second. Existing Ethereum-based smart contracts will be able to seamlessly port over without the need for code rewrites, while enjoying the benefit of faster transaction speeds. *See the company's announcement and onboarding guide [here](#). The testnet website is available [here](#).*

Coinbase Launches CFTC-Regulated SOL Futures in U.S.

On Feb. 18, Coinbase announced its launch of Solana (SOL) and Hedera (HBAR) futures contracts on its derivatives exchange. The SOL futures are regulated by the Commodity Futures Trading Commission (CFTC), ensuring compliance with U.S. financial regulations. This move marks a significant step for Coinbase as it expands its offerings in the derivatives market. The introduction of SOL and HBAR futures aims to cater to the growing demand for diversified investment products in the crypto space. *See the Coinbase announcement [here](#).*

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