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INVESTMENT GROUP

CONTINUING EDUCATION PROGRAM · NOVEMBER 2026

Beyond *Bitcoin*

Understanding the Digital Asset Landscape

From speculative edge to institutional infrastructure

Presented by Elijah Levine · Managing Partner, Black Mountain Investment Group · Salt Lake City, Utah

For informational and educational purposes only · Not investment, legal, or tax advice · See disclosures

TODAY'S SESSION

From Speculative Edge to *Institutional Infrastructure*

2009

A speculative experiment in internet money

2026

What the largest institutions are building on



PART I

Basics, beyond Bitcoin

PART II

Margins to the center

PART III

Possible client questions

CLOSE

Where it's heading

MY GOAL To educate and inform, for your own knowledge and interpretation.

15,000+

Advisors at one bank, cleared to **recommend Bitcoin ETPs.**

January 5, 2026

Bank of America

Who	All three BofA wealth arms: Merrill, Merrill Edge, Private Bank
Approved by	The bank's Chief Investment Office — its central research group
Before	Client-initiated orders only
Now	Advisors may recommend
How much	1–4% of a portfolio, by risk profile
Which	IBIT (BlackRock) · FBTC (Fidelity) · BITB (Bitwise) · Grayscale Mini

AND YET The products are live, but the assets inside are still misunderstood, and many firms' compliance officers still say no.

Bank of America CIO guidance effective Jan 5, 2026 — The Block, Cointelegraph, Nasdaq.

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OPENING — A QUESTION TO HOLD

What would be your biggest concern about offering crypto to *your clients?*

Don't answer yet. Hold onto it, and we'll come back to it at the end.

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I: The Basics, *Beyond Bitcoin*

The key terms and rules, then what exists beyond Bitcoin and what each is for.

A Blockchain Is *One Shared Record*



Thousands of computers all keep the same list of who owns what.

Wallets and Keys, *Like a Bank Account*

Address

Like an account and routing number

Share it to get paid. Anyone can send coins to it.

e.g. bc1qar0s…zwf5mdq

Private key

Like a password with no reset

Never share it. Whoever has it controls the coins.

Backed up as 12 to 24 words

Wallet

Like a banking app or safe deposit box

Holds your keys. The coins stay on the blockchain, like cash in the bank.

A phone app or a small device

HOT = ONLINE, CONVENIENT

COLD = OFFLINE, SAFER



Hot wallet
An app on your phone. Cash in your pocket.

Hardware wallet
A small device, offline until plugged in.

Cold storage
Keys kept offline. A safe deposit box.

Coins, Tokenization, *Stablecoins, Memecoins*



Coin

A network's own money

$1.5T

Bitcoin, the largest. No issuer; its price floats freely.

REGULATED AS
A digital commodity



Tokenization

A digital ownership record

$40B

of real-world assets (RWAs) now kept as tokens

RWA: e.g., a Treasury, fund, or stock

REGULATED AS
Like the asset it represents



Stablecoin

A digital dollar

$1 = $1

~$290B in circulation, backed mostly by T-bills

REGULATED AS
Payment stablecoin (GENIUS Act)



Memecoin

A digital baseball card

$0

behind it: no business, no cash flow, no asset

REGULATED AS
Not a security: only fraud laws apply

Values: CoinGecko and DefiLlama (Nov 9, 2026); tokenized assets: rwa.xyz (Nov 2026). Regulatory labels simplified: SEC/CFTC (Mar 2026), GENIUS Act (Jul 2025), SEC staff on memecoins (Feb 2025).

ETF or ETP? The Difference, *Simply*

SAME FOR THE CLIENT A ticker in a brokerage account · Trades all day · Assets held with a custodian

ETF Exchange-traded fund

HOLDS	Usually a portfolio of securities
RULEBOOK	1940 Act: independent board, leverage limits
TAX	Taxed as a fund
EXAMPLE	SPY: the S&P 500 in one ticker

Spot Bitcoin ETP Exchange-traded product

HOLDS	One asset: the coin itself
RULEBOOK	Outside the 1940 Act; Bitcoin is not a security
TAX	Taxed as owning the asset directly
EXAMPLE	IBIT: Bitcoin in one ticker

IBIT share
BlackRock's iShares Bitcoin Trust. A security, overseen by the SEC

Bitcoin inside
A commodity

The wrapper is a security.
The coin inside is a commodity.
A gold ETP works the same way.

Spot Bitcoin ETPs are trusts, taxed as grantor trusts, whose shares are registered under the Securities Act of 1933; Bitcoin is not a security, so the Investment Company Act of 1940 does not apply.

Chronological *Regulatory Guidance*

JUL 2025

GENIUS Act passes

A law for stablecoins only: 1:1 reserves, overseen by bank regulators. Applies from January 2027.

MAR 2026

SEC + CFTC guidance

Bitcoin, Ethereum, and 14 others named digital commodities. Memecoins: collectibles.

SEP 2026

CLARITY Act stalls

The bill for everything else fell short in the Senate: 49 votes, 60 needed. No timeline yet.

SINCE THEN

Regulators and institutions keep moving

New SEC relief and CFTC proposals, without Congress. Big firms keep building.

THE SHORT VERSION Stablecoins have a law. Coins have guidance. Congress keeps going back and forth on the rest.

GENIUS Act (P.L. 119-27, Jul 2025). SEC Release 33-11412 (Mar 17, 2026). Senate Roll Call 234 (Sept 15, 2026; cloture on the motion to proceed). SEC Innovation Exemption (Sept 17, 2026); CNBC (Sept 22 and Nov 4, 2026); CoinDesk (Sept 18, 2026); CFTC ANPRM (Oct 13, 2026).

Wall Street Is Tokenizing the *Equity Market*

JAN 2026

BNY · NYSE

BNY, the bank, launches tokenized deposits. ***Separately, NYSE announces a 24/7 platform, not yet live.***

MAR 2026

Nasdaq

SEC approves its tokenized stock rule. In September, Nasdaq agreed to invest $100M in Kraken, a crypto exchange.

SEP 2026

SEC relief

A five-year pilot, through 2031, that lets tokenized stocks trade on-chain, within limits.

OCT 2026

DTCC goes live

Depository Trust & Clearing Corp., which holds $114T. Now offers tokenization; 20 firms have signed on.

SAME SHARE, NEW RECORD Only the record-keeping moves on-chain, so shares could trade 24/7 and settle faster.

BNY (Jan 9, 2026); ICE (Jan 19, 2026); SEC Release 34-105047 (Mar 18, 2026); SEC Innovation Exemption (Sept 17, 2026); Nasdaq/Payward (Sept 10, 2026); DTCC (Oct 28, 2026).

Not Your Keys, *Not Your Coins*

Self-custody

Cash under the mattress

WHO HOLDS THE KEYS

You

THE RISK

Lose the keys, lose the coins. *Nobody to call.*

e.g., a hardware wallet

Exchange

Cash at the bank

WHO HOLDS THE KEYS

The company, often partly in online hot wallets

THE RISK

The company gets hacked or fails. *Some are better than others.*

e.g., Coinbase, Kraken

Spot ETP

A safe deposit box

WHO HOLDS THE KEYS

A qualified custodian, with keys in cold storage

THE RISK

You own shares, not coins. *Fees and a third party still in the chain.*

e.g., BlackRock's IBIT, Fidelity's FBTC

NO PERFECT ANSWER It is a trade-off.
Banks can be robbed too, but some vaults are better than others.

Five Categories, by *Purpose*



USDT · USDC

Stablecoins

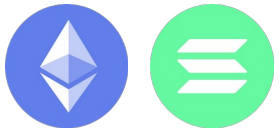
Digital dollars. 1:1 reserves required from Jan 2027.



Bitcoin

Store of value

Digital gold. Scarce. Mostly held, rarely spent.



Ethereum · Solana

Settlement platforms

Open networks where assets, dollars, and apps settle.



Hedera · Litecoin · ICP

Purpose-built networks

Built for one job: enterprise, payments, compute.



Memecoins · NFTs*

The speculative fringe

Pure attention. Nothing behind it.

INFRASTRUCTURE — stored, settled, moved **SPECULATION — where investors get hurt**

THE DIFFERENCE All crypto, very different purposes. Most of the fringe likely won't survive.

**NFT (non-fungible token): a one-of-a-kind digital item, like a piece of digital art or a collectible card.*

Inside the *Reserves*

Tether
issued by Tether Ltd.

$183.5B in circulation



- **73%** U.S. Treasury bills and repo
- **14%** Gold and Bitcoin
- **13%** Secured loans and other

Quarterly attestation (BDO), not an audit · ~$8B excess

USDC
issued by Circle

$74B in circulation



- **84%** BlackRock-run gov't money fund
- **16%** Cash at banks and Treasuries

Monthly attestation (Deloitte).

FIAT-BACKED Mostly short-term U.S. government paper, the standard the GENIUS Act requires from January 2027.

Tether reserves report as of Sept 30, 2026 (BDO; $191.5B reserves vs. $183.5B USDT). Circle Form 10-Q for Q3 2026 (~84%) and Circle reserve report (Sept 2026). Approximate.

~$33T

moved on-chain in stablecoins in 2025, in raw volume — more than Visa and Mastercard combined (~$25T).

~$290B

stablecoins in circulation

- ~99% are U.S. dollar coins
- Tether and USDC alone are 82%+ of the market

Mastercard — LIVE

85+ crypto partners · 6 stablecoins, first partner live

Visa — LIVE

Stablecoin settlement · $25B+ run rate

PayPal — LIVE

PYUSD — its own dollar, issued by Paxos

WHY THEY MATTER Dollars that move across borders, 24/7. Most people never know a stablecoin was involved.

~$33T: Artemis via Bloomberg (Jan 2026). Visa Q4 FY26 call. Supply ~$290B; ~99% USD; Tether + USDC 82%+ (DefiLlama, Nov 12, 2026).

Buying a House with *Bitcoin*

1



Agree on the price

Set in Bitcoin: the buyer holds it, the seller wants it

2



Secure the funds

Direct, or held by an escrow company

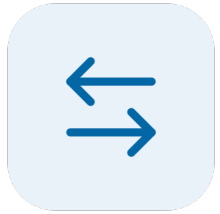
3



Title transfers

Deed recorded with the county, as always

4



Bitcoin moves

Final in minutes, with no undo

IF THEY KNOW EACH OTHER Wallet to wallet, no middleman

IF THEY DON'T *An escrow company holds it until title clears*

WHY ETHEREUM WAS REVOLUTIONARY A smart contract is escrow written in code.
It holds the funds and releases them automatically once the terms are met, with no escrow service in the middle.

Paying with Bitcoin is a taxable sale for the buyer (the IRS treats crypto as property). If a seller wants dollars instead, the Bitcoin is sold at closing and the deal settles normally.

Bitcoin Stores Value. *Ethereum Runs Code.*

Bitcoin

DIGITAL GOLD

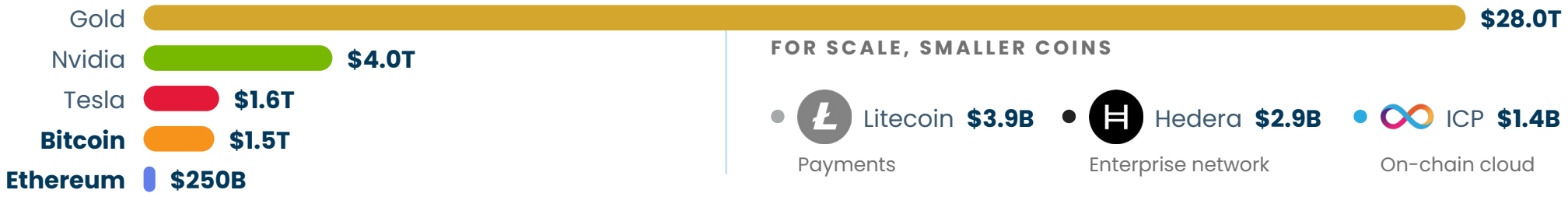
- Born after the 2008 crisis: money online, no intermediary
- 21 million coins, ever; the last expected around 2140
- Held by sovereign funds, endowments, some public pensions, and the largest managers
- The reserve asset of the space

Ethereum

DIGITAL OIL

- Runs on ETH: every transaction pays a fee, called gas
- Smart contracts: agreements that run as code
- Hosts about half of all stablecoins and ~40% of tokenized assets
- A leading settlement layer for institutions

MARKET VALUE NEXT TO NAMES CLIENTS KNOW, NOV 12, 2026



FOR SCALE, SMALLER COINS

- Litecoin **$3.9B** — Payments
- Hedera **$2.9B** — Enterprise network
- ICP **$1.4B** — On-chain cloud

Ethereum shares: rwa.xyz, DefiLlama (Nov 2026). The presenter's fund holds Bitcoin, ETH, Litecoin, Hedera, and ICP. Market values: CompaniesMarketCap, CoinGecko (Nov 11–12, 2026); gold is an estimate.

−98%

One example: the TRUMP memecoin, from **~$73** in January 2025 to **about $1.14 today.**

~$3.8B

lost by TRUMP buyers through June, while insiders earned fees

~1M wallets

lost money on the TRUMP memecoin: two of every three buyers

EVERY DAY 30,000+ new tokens are frequently created in a single day, sometimes 100,000+.

CoinGecko, CoinMarketCap (Nov 11, 2026); Nansen via Fortune and NYT (2026; realized and paper, through June). Solana launches: Dune and MemeFees data (2026).

Why Memecoins *Aren't Securities*

THE HOWEY TEST	Money invested?	Common enterprise?	Expects profit?	Others' efforts?	Result
The 1946 case Investors in citrus groves	YES Paid for grove plots	YES One company ran it	YES Share of the harvest	YES Company did the work	A SECURITY
A memecoin Today	YES Pay for the coin	NO No business behind it	RESALE ONLY No claim on anything	NO Moves on sentiment	NOT A SECURITY

WE MADE THIS CASE IN 2023 SEC staff agreed in Feb 2025, and the full SEC in Mar 2026: a typical memecoin is a digital collectible. Fraud is still illegal.

SEC v. W.J. Howey Co. (1946). SEC Staff Statement (Feb 27, 2025). SEC Release 33-11412 (Mar 17, 2026). Black Mountain, Why Memecoins Aren't Securities (Jun 2023).

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II: From the Margins to the *Center*

How and why the largest institutions moved in, and why this is a unique moment in time

The Smart Money *Has Arrived*

BlackRock

Largest Bitcoin ETP · staked-Ethereum ETP

JPMorganChase

Reported to accept BTC & ETH as loan collateral

Goldman Sachs

~$1B in crypto ETPs (June 2026)

Fidelity INVESTMENTS

FBTC, the #2 spot Bitcoin ETP

Harvard Endowment

~$101M in IBIT, after trimming (June 2026)

Abu Dhabi Sovereign Fund

~$490M in IBIT (June 2026)

Norway's Sovereign Fund

~11,500 BTC of indirect exposure via stocks

Michigan State Pension

A small Bitcoin ETP stake, ~$6M (June 2026)

State of Texas

First state Bitcoin reserve: ~$5M in IBIT

Czech National Bank

A $1M Bitcoin test portfolio

"IS THIS LEGITIMATE?" Custody and diligence, already done by the world's most conservative balance sheets.

13F filings through Q2 2026 (Q3 filings due ~Nov 16); K33 estimate for Norway (Jun 30, 2026); Bloomberg via The Block for JPMorgan; Texas Blockchain Council via The Block (Nov 2025); Czech National Bank (Oct 30, 2025). U.S. spot Bitcoin ETPs hold ~1.28M BTC, roughly 6% of all Bitcoin.

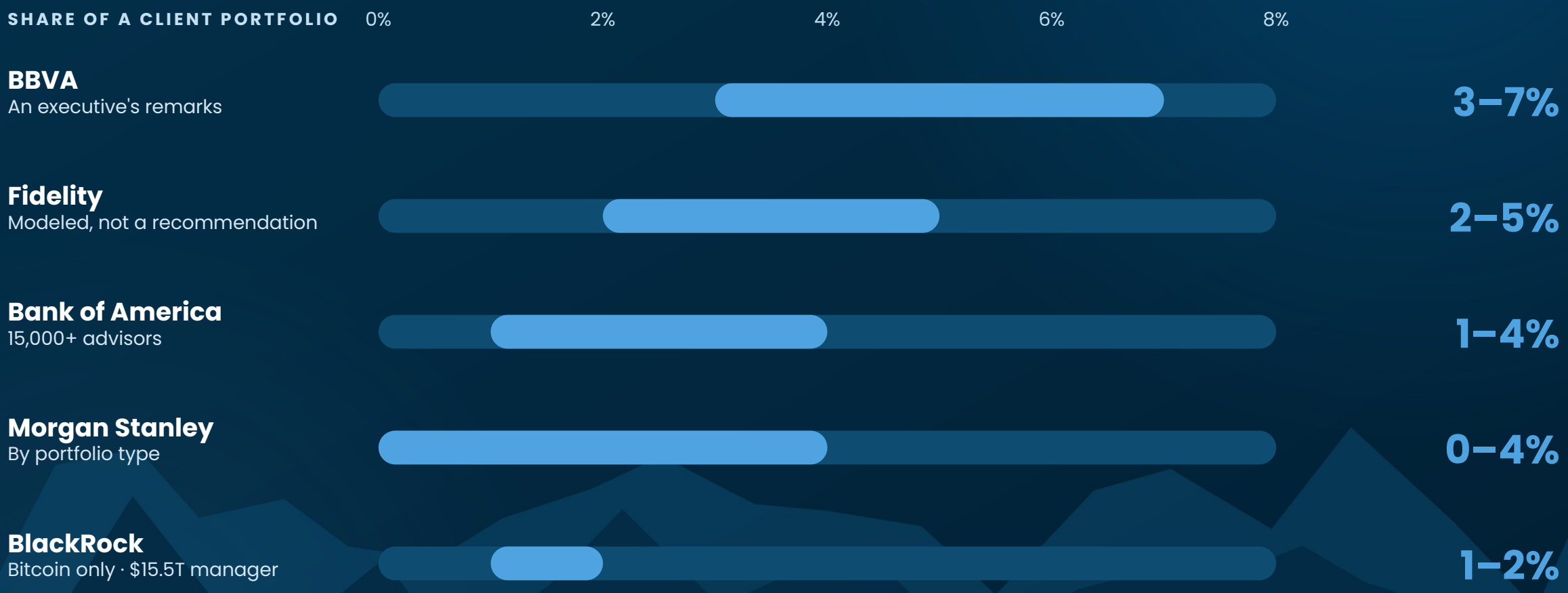
Adoption at the Top. *Restriction* in the Field.

THE QUESTION AT 40 TOP U.S. WEALTH PLATFORMS May an advisor raise a Bitcoin ETP, or only act once the client asks?

17 of 40	18 of 40	5 of 40
ADVISORS MAY RECOMMEND	CLIENT MUST ASK FIRST	RESTRICTED
Morgan Stanley	Goldman Sachs	HSBC
Bank of America	UBS	Capital One
Wells Fargo	Citi	Neuberger
Fidelity Investments	Edward Jones	American Express
Charles Schwab	Raymond James	Creative Planning
Vanguard*	Ameriprise Financial	
JPMorganChase		

Selected firms from Bitwise's list of 40. Bitwise Crypto Market Review Q4 2026, data as of Sept 30, 2026. Policies change: verify with compliance.
**Vanguard's public materials describe brokerage trading access, not advisor recommendations.*
Tier labels translate Bitwise's 'Solicited / Unsolicited Only / Restricted' categories.

Public Crypto Allocation *Guidance*



BBVA executive (Reuters, Jun 2025); Fidelity 'The Case for Bitcoin' (Aug 2025; up to 7.5% for younger investors); BofA CIO (Jan 2026); Morgan Stanley GIC (Oct 2025); BlackRock 'Sizing bitcoin' (Dec 2024).

The Settlement Layer Is Being *Rebuilt*

$40B
tokenized real-world assets, excluding stablecoins

$14B
tokenized U.S. Treasuries and money-market funds

$4.0B
tokenized stocks mostly trading offshore

WHAT GETS TOKENIZED Real Estate · Fine Art · Watches · Patents · Music Royalties · Precious Metals · T-bills · Private Credit

BlackRock · BUIDL

~$1.9B a tokenized money fund

- Holds T-bills, cash, and repos (short-term, fully secured loans)
- Shares are tokens on Ethereum and other chains
- For qualified investors only

Franklin Templeton · BENJI

~$3.1B across four money funds

- U.S. fund: 99.5%+ government securities, cash, and repos
- SEC-registered, with share records on-chain

JPMorgan · JLTXX and MONY

~$0.9B two money funds

- Hold U.S. Treasuries and repos backed by Treasuries
- JLTXX is SEC-registered; MONY is private
- Tokens on Ethereum and Solana

rwa.xyz (Nov 5, 2026); BlackRock (Aug 3, 2026); Franklin OnChain U.S. Government Money Fund prospectus; JLTXX prospectus (May 13, 2026); J.P. Morgan AM (Oct 22, 2026).

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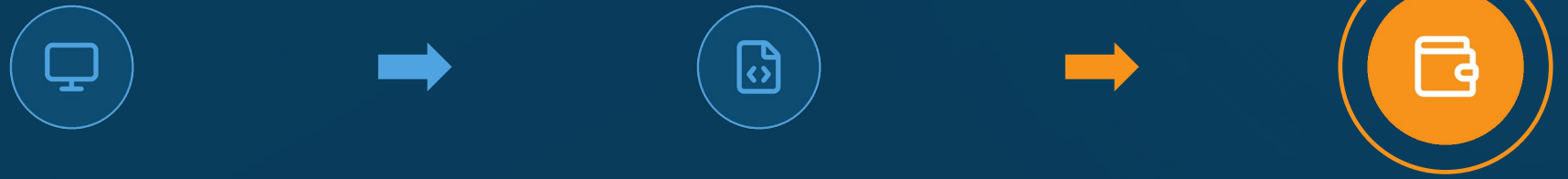
III: Possible *Client Questions*

The questions clients are asking today, and how to answer them.

What Happened at *Binance*

HOW THE ATTACKERS REACHED THE MONEY

HOT = ONLINE



JUNE

A fake AI coding tool

An engineer installs it. It's caught, but they learn who runs the wallets.

SEPTEMBER

A fake job interview

Posing as recruiters, they send a second engineer a coding test hiding malware.

OCTOBER 29

Hot wallets emptied

Binance's online wallets, kept connected for fast withdrawals.

~$6.3B	of coins and stablecoins taken from hot wallets
~$2.85B	frozen or intercepted, mostly stablecoins
100%	of affected funds replaced from Binance's own money by Nov 12

THE ANSWER The ledger wasn't broken; a company's computers and internal security were.
Binance is its own custodian and the coins were online, so this was a failure of people and systems, not of the blockchain.

Binance reports (Nov 3–12, 2026) via NBC News, Bloomberg; Reuters; Insurance Business. FBI blames North Korea's TraderTraitor; North Korea denies it. Binance.US says it was not affected. Early figures.

Where an ETP's Coins *Actually Sit*



Servers in a locked data center cage, not a custody site. Photo: ChrisDag, CC BY 2.0.

WHO	BlackRock runs the fund. Coinbase Custody Trust Co. holds the coins, as a fiduciary.
HOW	Keys are generated and stored offline; any trading balance is swept back each trading day
WHERE	Cold storage sites in the U.S. and Europe; exact locations are not disclosed
CHECKS	Regulated by the New York State Department of Financial Services; SOC 1 and SOC 2 Type II, per Coinbase

STILL NOT RISK-FREE Coinbase's insurance is shared across customers. Neither the trust nor Coinbase is covered by FDIC (insures bank deposits) or SIPC (protects brokerage accounts if the firm fails).

iShares Bitcoin Trust Form 10-K for 2025. Coinbase, 'How Coinbase Protects Customer Assets' (Nov 4, 2026), self-reported.

What Is Actually *on the Shelf*

Spot ETPs
Trusts that hold the coin

IBIT	BlackRock
FBTC	Fidelity
GBTC	Grayscale
ETHA	BlackRock (Ethereum)

Hold the coin. Mostly low-fee; advisors' top choice.

Futures and swap ETFs
1940 Act funds that hold contracts

BITO	ProShares
BITU	ProShares (2x)
BITX	Volatility Shares (2x)
ETHU	Volatility Shares (2x Ethereum)

Hold contracts, not coins. 2x funds are for traders.

Newer spot ETFs
1940 Act funds: coin plus related ETPs

SSK	REX-Osprey (Solana + staking)
DOJE	REX-Osprey (Dogecoin)
XRPR	REX-Osprey (XRP)

Smaller coins, more speculative.

JUST A FEW EXAMPLES Your firm decides what's on your shelf, and new ones launch often.

Fund prospectuses and issuer pages (Nov 2026). Most preferred: spot Bitcoin ETFs, 35% of advisors surveyed (21Shares and FUSE, via InvestmentNews, May 2026). Illustrative only; not a recommendation.

On Your Own, or *With an Advisor?*

WHY SOME CLIENTS MIGHT WANT SOME A scarce asset · growing institutional use · some diversification in small doses

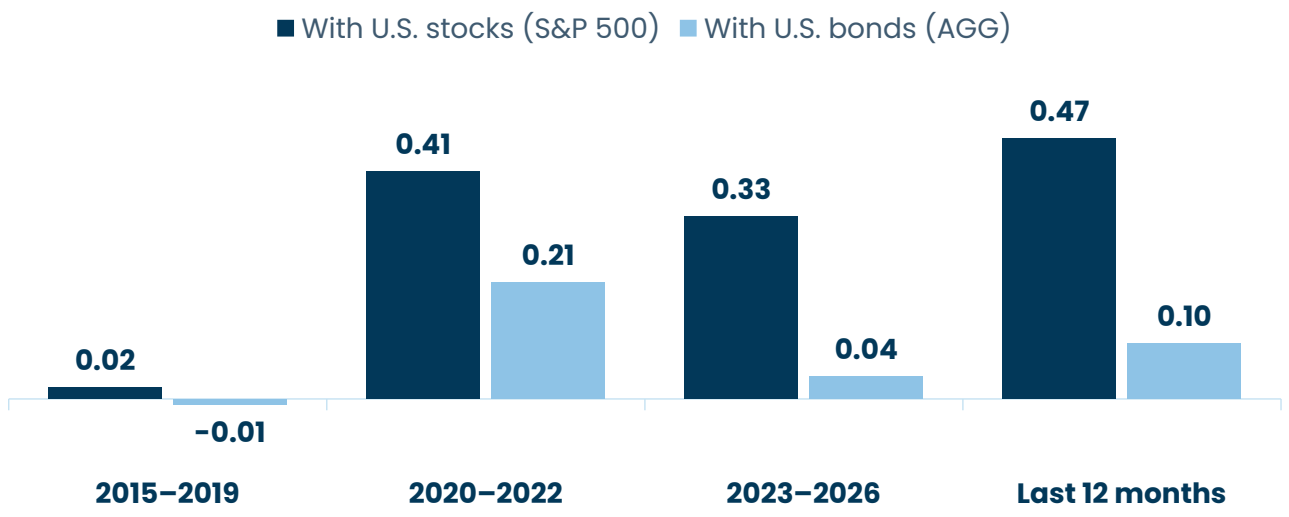
	On their own An exchange or a personal wallet	With an advisor A spot ETP in their account
KEYS	Theirs to guard, or the exchange's	A regulated custodian holds them, offline
THE PLAN	Outside the plan; easy to over-size	Sized, rebalanced, and reported with everything else
IN A CRASH	On their own, with a 24/7 price to watch	Someone to call, and a plan to follow
COST	Trading fees; no advisory fee	Fund fee, plus your advisory fee
ACCESS	The coins themselves: move or spend them any time	Shares only, during market hours

Illustrative comparison, not a recommendation. Fees vary by fund, firm, and exchange.

Is It Correlated? *Partly.*

BITCOIN'S CORRELATION WITH STOCKS AND BONDS

1 = moves in lockstep · 0 = no relationship



~3x

as volatile as U.S. stocks. In the last year, Bitcoin swung about 44% up or down; stocks, 14%

15 of 20

of the worst weeks for stocks since 2016, Bitcoin fell too

-40% vs. +12%

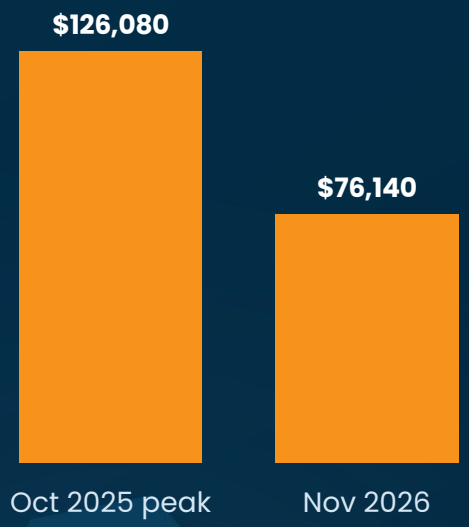
Bitcoin vs. the S&P 500 since Bitcoin's October 2025 peak

THE HONEST ANSWER Little link to bonds, some to stocks, and it often falls with stocks in a panic.

Daily returns, BTC-USD vs. SPY and AGG, to Nov 9, 2026 (worst weeks: weekly). Volatility is annualized, last 12 months to Nov 6, 2026. Black Mountain analysis of Yahoo Finance data. BlackRock: 0.53 vs. S&P 500, 2022–Q1 2026. Past patterns may not hold.

Where Things *Stand*

Bitcoin: 40% below peak



Ethereum: 55% below peak



...while, during this drawdown:

- 15,000+ advisors cleared to allocate
- BlackRock launched a staked-Ethereum ETP
- Visa settles in stablecoins; Mastercard expanding
- Nasdaq, NYSE, and DTCC are tokenizing stocks
- Sovereign funds, pensions, and a central bank buying

ONE LINE TO LEAVE WITH From speculative edge to institutional infrastructure.
The rules are still being written, and your fluency matters most when price and adoption disagree.

Bitcoin $76,140 vs. $126,080 all-time high (Oct 6, 2025); Ethereum $2,241 vs. $4,946 all-time high (Aug 24, 2025). CoinGecko, as of 7:49 p.m. MT, Nov 5, 2026. Sovereign fund and pension 13F filings through Q2 2026.

Back to Your *Concerns*

Volatility

About 3x stocks, and it has halved three times. Expect it, and disclose it up front.

How much

Public guidance runs 0–7%. Size it so a 50%+ drop is survivable.

Explaining it

Most products are a security wrapper with a commodity inside, like a gold ETP.

Custody and hacks

Regulated custodians keep keys offline and out of your hands. Binance was a company failure.

Rules that are evolving

Stablecoins have a law, the CFTC and SEC have issued formal guidance, but the rest of the rules of the road are still being written.

Accountability

Put the decision and risk in writing. Bring in your accountant and/or your client's on tax.

FOR THE AUDIENCE What concerns didn't I answer? What are your clients asking you?

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Thank you.

Elijah Levine · Salt Lake City, Utah · November 2026 · blackmountainig.com/insights

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