

CHAPMAN

On-Chain Spotlight

February 20, 2026

On-Chain in the News

- **February 12:** Texas securities regulators issued an emergency cease-and-desist order against TEXTcoin and related entities, alleging their cryptocurrency mining investment scheme (linked to the Texas secession movement) constitutes a fraudulent and unregistered securities offering. The order halts sales and bars future misconduct until proper registration or exemption is established – read more [here](#).
- **February 13:** Figure Technology Solutions launched a proposed secondary public offering of up to 4.23 million shares of its Series A Blockchain Common Stock, which can be converted one-for-one into Class A Common Stock. The Blockchain Stock is issued on the Provenance Blockchain and settles in user wallets – read more [here](#).
- **February 16:** Harvard Management Company reduced its holdings in the iShares Bitcoin Trust by over 20% in the fourth quarter and established a new \$86.8 million position in the iShares Ethereum Trust, bringing its combined exposure to bitcoin and ether to \$352.6 million. Despite the reduction, bitcoin remains Harvard's largest publicly disclosed holding, surpassing its stakes in major tech companies – read more [here](#).
- **February 16:** Despite slumping crypto prices, stablecoins are increasingly being used for retail payments, with card networks like Visa and Mastercard integrating them into their infrastructure. This enables merchants to accept digital assets without holding crypto and signals a shift from speculative trading to mainstream consumer spending. Monthly stablecoin-linked card payment flows now exceed \$1.5 billion – read more [here](#).
- **February 16:** OKX has secured a Payment Institution (PI) license in Malta, enabling it to offer stablecoin payment services across the EU under MiCA and PSD2 regulations and this will cover OKX's recently launched crypto payment card (in partnership with Mastercard) – read more [here](#).
- **February 17:** Bridge, a Stripe subsidiary, received conditional approval from the OCC to organize a federally chartered national trust bank, which will allow it to offer stablecoin custody, issuance, and reserve management under direct federal oversight once fully approved – read the announcement [here](#).
- **February 17:** TD Cowen says negotiations on the US crypto market structure bill are stalled mainly due to a political dispute over conflict-of-interest rules related to senior government officials' crypto holdings. A possible compromise would involve President Trump filling Democratic vacancies at the SEC and CFTC, while Democrats accept conflict-of-interest rules that take effect after the next inauguration, potentially allowing the bill to move forward – read more [here](#).
- **February 17:** The Digital Chamber released its Stablecoin Reward Principles, urging lawmakers to preserve exemptions allowing payment stablecoins in DeFi protocols and liquidity pairs. TDC also supports yield prohibitions with clear disclosures and endorses a study on stablecoin activity's impact on bank deposits, emphasizing that stablecoins complement, not disrupt, traditional banking – read TDC's guidance [here](#).
- **February 17:** Roundhill and Bitwise, Chapman clients, filed applications with the SEC for event contract-based ETFs that will provide investors exposure to political prediction markets, including contracts tied to the 2026 US midterm elections and the 2028 presidential race. These ETFs invest in regulated derivatives, where shares reflect the probability of political outcomes and pay out \$1 if the event occurs, or \$0 if it does not – read more [here](#).
- **February 18:** Five banks, in partnership with the Cari Network led by former Comptroller of the Currency Gene Ludwig, plan to launch a tokenized deposit network for their customers in Q4 2026 following a pilot in Q3 – read more [here](#).

- **February 18:** The CFTC filed an amicus brief supporting Crypto.com in its legal dispute with the Nevada Gaming Control Board, arguing that sports event contracts are federally regulated derivatives and should not be treated as illegal sports betting by states. The CFTC is urging the Ninth Circuit to overturn a lower court ruling, asserting its exclusive jurisdiction over prediction markets and highlighting the broader economic impact of sports event contracts – read the brief [here](#).
- **February 18:** California will begin enforcing its DFAL requiring entities which engage in digital financial business activity with or on behalf of state residents to obtain a DFAL license, submit an application, or qualify for an exemption by July 1, 2026. Applications open March 9, and firms that fail to comply risk enforcement action as California establishes a comprehensive statewide licensing regime for digital asset services – read more [here](#).
- **February 18:** Arizona’s Senate Finance Committee passed SB 1649, paving the way for the state to establish a Bitcoin Reserve and hold digital assets in its treasury instead of immediately liquidating them for cash. The bill includes safeguards for secure custody and allows the state to retain and potentially lend confiscated or received cryptocurrencies – read more [here](#).
- **February 18:** Kraken’s parent company, Payward, acquired token management platform Magna, enabling Kraken to expand beyond trading infrastructure and offer a fully integrated product suite. The deal reflects a surge in crypto mergers and acquisitions, with 2026 expected to surpass last year’s \$37 billion record – read more [here](#).
- **February 18:** Coinbase expanded its crypto-backed lending product in the US to include XRP, Dogecoin, Cardano, and Litecoin, allowing customers to borrow up to \$100,000 in USDC by posting these assets as collateral on the Morpho DeFi protocol. The service, now approaching \$2 billion in originations, offers retail investors new liquidity options without selling their holdings – read more [here](#).
- **February 18:** Chapman client Canary Capital launched SUIS, the first US-listed spot Sui ETF that incorporates staking rewards, allowing investors to gain direct exposure to Sui’s native token and receive proof-of-stake income within a regulated ETF structure – read more [here](#).
- **February 19:** The SEC staff issued new guidance allowing broker-dealers to apply a 2% haircut, rather than 100%, to payment stablecoins for net capital purposes under Rule 15c3-1, treating them similarly to money market funds. This will enable broker-dealers to use stablecoins as working capital, supporting broader adoption of tokenized assets, while Commissioner Peirce has called for formal rulemaking and input from market participants on further updates for stablecoin usage by SEC-registered entities – read the statement [here](#).

Sharing Our Insights

Chapman attorneys have been focused on the cryptocurrency, digital asset, and blockchain ecosystem for many years, and we have assisted clients in shaping industry understanding and strategy through substantive thought leadership. Our attorneys regularly share their insights at prominent industry forums, translating complex regulatory and market developments into actionable guidance for stakeholders navigating this dynamic space.

We Are Here to Help

We are available at any time to answer questions, discuss scenarios, and provide guidance. Reach out to any member of our digital assets team or the Chapman attorney with whom you work.

Juan Arciniegas

Partner
312.845.3710
arciniegas@chapman.com

Jim Audette

Partner
312.845.3421
audette@chapman.com

Liz Boison

Partner
202.478.6455
eboison@chapman.com

Christian Brockman

Partner
415.278.9057
cbrockman@chapman.com

Rick Coyle

Partner
312.745.3724
rcoyle@chapman.com

Aaron Efta

Partner
312.845.3796
ajefta@chapman.com

Sam Hu

Partner
212.655.2515
samuelhu@chapman.com

Morrison Warren

Partner
312.845.3484
warren@chapman.com

Judy Chen

Senior Counsel
415.278.9032
judychen@chapman.com



This document has been prepared by Chapman and Cutler LLP attorneys for informational purposes only. It is general in nature and based on authorities that are subject to change. It is not intended as legal advice and no attorney-client relationship is created. Accordingly, readers should consult with, and seek the advice of, their own counsel with respect to any individual situation that involves the material contained in this document, the application of such material to their specific circumstances, or any questions relating to their own affairs that may be raised by such material.

To the extent that any part of this summary is interpreted to provide tax advice, (i) no taxpayer may rely upon this summary for the purposes of avoiding penalties, (ii) this summary may be interpreted for tax purposes as being prepared in connection with the promotion of the transactions described, and (iii) taxpayers should consult independent tax advisors.

© 2026 Chapman and Cutler LLP. All rights reserved. Attorney Advertising Material.