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## United States Senate

COMMITTEE ON BANKING, HOUSING, AND  
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

May 13, 2026

The Honorable Paul Atkins  
Chairman  
U.S. Securities and Exchange Commission  
100 F Street NE  
Washington, DC 20549

Dear Chairman Atkins:

I am writing to ask the Securities and Exchange Commission (“SEC” or “Commission”) to investigate whether the Trump family’s cryptocurrency company, World Liberty Financial, Inc. (WLF), misled investors or otherwise violated securities laws in recent months, including as part of its recent decision to borrow \$75 million using its own tokens—which investors have explicitly been prohibited from selling—as collateral. The SEC must be willing to enforce the law even when potential wrongdoers include those with powerful political connections. As Congress considers crypto market structure legislation, it is critical that it both protects investors and shuts down the President and his family from profiting off of cryptocurrency while in office.

WLF is a cryptocurrency company founded by President Trump and his sons that has generated more than \$1 billion for the Trump family.<sup>1</sup> Among other activities, WLF is the issuer of the WLFI token, which allows holders to participate in governance of the WLFI protocol.<sup>2</sup> “Under the project’s disclosures... an entity affiliated with Donald Trump and certain family members... is entitled to receive 75% of WLFI token sale proceeds after deduction of agreed reserves and expenses.”<sup>3</sup> At the time of initial sale, the governance tokens sold to investors were locked and could not be sold.<sup>4</sup> In total “[WLF] has raised about \$715mn from token sales.”<sup>5</sup> As one recent report summarized: “What is unfolding has no precedent in American financial life. A sitting president’s family holds financial stakes in a live token project—one setting governance rules, directing treasury sales, collecting proceeds—while the people who signed up find themselves with limited options to exit.”<sup>6</sup>

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<sup>1</sup> Reuters, “Trump-backed World Liberty Financial's early investors won't be able to fully cash out until after Trump's term,” Michelle Conlin, April 15, 2026, <https://www.reuters.com/legal/government/trump-backed-world-liberty-financials-early-investors-wont-be-able-fully-cash-2026-04-15/>.

<sup>2</sup> World Liberty Financial, \$WLFI Governance, <https://docs.worldlibertyfinancial.com/wlfi-token/wlfi-governance>.

<sup>3</sup> Bloomberg, “Trump Family Crypto Project Quietly Sold as Holders Got Stuck,” Olga Kharif, May 1, 2026, <https://www.bloomberg.com/news/articles/2026-05-01/trump-family-crypto-project-quietly-sold-as-holders-got-stuck?srnd=undefined>.

<sup>4</sup> NY Times, “Crypto Entrepreneur Files Fraud Suit Against Trump Family Firm,” David Yaffe-Bellany, April 22, 2026, <http://www.nytimes.com/by/david-yaffe-bellany>.

<sup>5</sup> *Supra* note 1.

<sup>6</sup> *Supra* note 3.

But in early April, WLF announced it had borrowed \$75 million using roughly \$440 million of its own tokens as collateral<sup>7</sup>—monetizing WLF tokens while other WLF purchasers are unable to cash out.<sup>8</sup> It reportedly conducted the transaction using a decentralized protocol with ties to WLF leadership called Dolomite.<sup>9</sup> Dolomite was co-founded by Corey Caplan, a WLF advisor and Chief Technology Officer; the company, among other things, allows users to lend their crypto assets to earn yield.<sup>10</sup> In this transaction, WLF reportedly “dumped 5 billion WLF tokens into Dolomite as collateral and pulled out \$65.4 million in its own USD1 stablecoin plus \$10.3 million in USDC.”<sup>11</sup>

With this circular transaction, WLF was apparently able to monetize its holdings while regular investors had their investments locked up—and paid the price. In response to the news, “[WLF]’s price dropped sharply...[and some] traders [were] concerned that in a scenario where the loan became stretched and the tokens pledged as collateral had to be sold it could further damage WLF’s price.”<sup>12</sup> The announcement caused WLF’s price to fall “10% to 0.0885, a record low.”<sup>13</sup> In addition to affecting WLF’s price, “the leverage structure [has been identified as] a potential systemic threat to Dolomite.”<sup>14</sup> WLF’s transaction was so large that “depositors who parked stablecoins on Dolomite to earn yield cannot pull their money out.”<sup>15</sup>

To make matters worse, just days after the Dolomite transaction, WLF announced a proposed schedule, subject to investor approval, to allow investors to sell their holdings.<sup>16</sup> Many WLF investors were apparently “blindsided” by the proposed schedule,<sup>17</sup> which was slower than anticipated. Under the proposed schedule “no one—founders or early buyers—will be able to sell their holdings for at least two years, after which tokens would begin unlocking gradually over several more years.”<sup>18</sup> The vote on the schedule leaves investors in a bind: vote to accept the proposed schedule on terms unacceptable to the investors, or reject the schedule—which would leave investors “locked indefinitely under prior terms, effectively removing any clear path to liquidity. For many, that transforms [the vote on a vesting schedule] into a forced choice rather than a voluntary governance decision.”<sup>19</sup>

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<sup>7</sup>*Supra* note 5.

<sup>8</sup> Yahoo! Finance, Decrypt, “World Liberty Wants WLF Locked Beyond Trump’s Second Term—Investors Aren’t Thrilled,” André Beganski, April 15, 2026, <https://finance.yahoo.com/markets/crypto/articles/world-liberty-wants-wlfi-locked-203218659.html>.

<sup>9</sup> Coin Market Cap, “What Is Dolomite (DOLO),” <https://coinmarketcap.com/cmc-ai/dolomite/what-is/>.

<sup>10</sup> *Supra* note 5; *Id.*

<sup>11</sup> Forbes, “Don’t Be Exit Liquidity—Trump’s WLF Borrows \$75M On Own Token,” Boaz Sobrado, April 10, 2026, <https://www.forbes.com/sites/digital-assets/2026/04/10/dont-be-exit-liquidity-trumps-wlfi-borrows-75m-on-own-token/>.

<sup>12</sup> *Supra* note 5.

<sup>13</sup> *Supra* note 11.

<sup>14</sup> Yahoo! Finance, Cryptonews, “Lending Pool Heist: Are Trump Crypto Insiders Setting Up To Crash DOLO Crypto?” Ahmed Balaha, April 9, 2026, <https://finance.yahoo.com/markets/crypto/articles/lending-pool-heist-trump-crypto-103905805.html>.

<sup>15</sup> *Supra* note 11.

<sup>16</sup> Yahoo! Finance, CCN, “Locked Until Trump Presidency Ends? WLF Plan Sparks Outrage Over 2028 Timeline,” Prashant Jha, April 16, 2026, <https://finance.yahoo.com/markets/crypto/articles/locked-until-trump-presidency-ends-075322290.html>.

<sup>17</sup> *Supra* note 8.

<sup>18</sup> *Supra* note 3.

<sup>19</sup> *Supra* note 14.

Ultimately, WLF’s activities appear to have benefited the Trump family at the expense of investors, who have found themselves facing unanticipated challenges with accessing their tokens. Early investors “remain locked out of 80% of their token holdings, unable to sell into a market that has already moved sharply against them.”<sup>20</sup> Meanwhile, the President profits, as one economist underscored: “‘It is surreal to have the Trump family not only profiting off this financial venture that features glaring conflicts of interest but doing so in a way that blocks other investors from sharing in the gains,’ said Eswar Prasad, a professor at Cornell University.”<sup>21</sup>

All securities transactions, including transactions exempt from registration, must adhere to the antifraud provisions of the securities laws.<sup>22</sup> These rules prohibit companies from “employ[ing] any device, scheme, or artifice to defraud”<sup>23</sup> or making “false or misleading statements... whether made by [the] company or on behalf of the company, and regardless of whether they are made orally or in writing.”<sup>24</sup> Securities antifraud protections for investors apply to all securities transactions—regardless of technological form or whether the company is connected to the President and his family.

To help me better understand the extent to which WLF’s recent actions comply with federal securities laws, please respond to the following questions by May 26, 2026:

1. In connection with several rounds of fundraising that netted WLF \$715 million from investors, WLF filed a Form D with the SEC for issuance of its digital tokens, in which it disclaims that the sale was an issuance of securities.<sup>25</sup>
  - a. This disclaimer notwithstanding, has the SEC evaluated whether WLF is a security subject to the securities laws?
  - b. How does the SEC evaluate a disclaimer from application of the securities laws?<sup>26</sup>
2. Has the SEC investigated whether in the course of, or with respect to, the following actions, WLF made material misrepresentations to investors about WLF’s business, future plans, or the transactions in question, in violation of the securities laws?
  - a. Transaction with Dolomite in which WLF borrowed \$75 million against \$440 million of its WLF tokens

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<sup>20</sup> *Supra* note 3.

<sup>21</sup> *Id.*

<sup>22</sup> U.S. Securities and Exchange Commission, Frequently Asked Questions about Exempt Offerings, <https://www.sec.gov/resources-small-businesses/exempt-offerings/frequently-asked-questions-about-exempt-offerings>.

<sup>23</sup> 17 CFR s. 240.10b-5

<sup>24</sup> *Supra* note 19.

<sup>25</sup> U.S. Securities and Exchange Commission filing, World Liberty Financial, Inc., Form D, [https://www.sec.gov/Archives/edgar/data/2043140/000204314024000002/xslFormDX01/primary\\_doc.xml](https://www.sec.gov/Archives/edgar/data/2043140/000204314024000002/xslFormDX01/primary_doc.xml).

<sup>26</sup> *See* Securities and Exchange Commission v. Telegram Group Inc. et al, 1:2019cv09439 (SDNY), (finding that, notwithstanding a disclaimer, the tokens were a security within the meaning of the Securities Act of 1933; “Disclaimers, if contrary to the apparent economic reality of a transaction, may be considered by the Court but are not dispositive.” (citing *S.E.C. v. SG Ltd.*, 265 F.3d 42, 54 (1st Cir. 2001)).

- b. Slower than anticipated release of tokens from lock-up
  - c. Circular nature of transaction with Dolomite
3. Has the SEC investigated what investors were told and what the inducements for token purchases were, and whether any of these inducements were materially false?
  4. Has the SEC examined the totality of the circumstances surrounding token sales and what investors' reasonable expectations were with respect to the sales?
  5. Has the SEC contacted WLF investors to understand the communications they received and their expectations?<sup>27</sup>

Sincerely,



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Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs

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<sup>27</sup> *SEC v. W. J. Howey Co.*, [328 U. S. 293](#), *SEC v. Edwards*, 540 U.S. 389 (2004).