

July 15, 2026

The Honorable John Cornyn
United States Senate
Washington, D.C. 20510

CC: The Honorable Ted Cruz, United States Senate

Re: Support for the Digital Asset Market Clarity Act (H.R. 3633) — An Economic and Historical Imperative

Dear Senator Cornyn,

I am writing as a Texas-based business owner and Managing Member of Stellae Liquiditas LLC, a principal-only digital asset treasury headquartered in Dallas, to urge your decisive support for the Digital Asset Market Clarity Act as the Senate returns to session this week. The window is narrow — analysts across Wall Street and Washington have identified the weeks before August recess as the last realistic gate for passage this Congress — and the cost of missing it is not merely legislative delay. It is the loss of American economic leadership in a domain that will define the next century of global finance.

I write not as a speculator, but as the owner of a Texas company that holds digital assets on its own corporate balance sheet — principal funds only, no client accounts — structured in the same manner as any corporate treasury investing in instruments it believes in. What I need, and what every legitimate participant in this industry needs, is not permission. It is clarity. The absence of a statutory framework does not prevent activity — it prevents responsible activity from scaling and drives the most consequential innovation to jurisdictions that have already acted.

I want to make the case for passage on two grounds I believe are underrepresented in the debate: the historical pattern America has followed with every prior financial innovation, and the concrete economic damage the absence of clarity inflicts on working Americans today.

I. The Pattern: America Resists, Then Regrets the Delay

The United States has a consistent, documented history of resisting financial innovation at the institutional level — not because the innovation was unsound, but because incumbents with regulatory influence treated every new mechanism as a threat to their existing business model. In every case, the resistance delayed adoption, harmed consumers, and was eventually overcome. In every case, the delay was the most expensive part.

The Automated Teller Machine (1969–1980s)

When the first ATMs appeared in the late 1960s and early 1970s, the banking industry's dominant response was resistance. Banks argued that machines could not safely handle cash transactions, that customers would never trust them, and that teller jobs would be destroyed. State banking regulators in multiple jurisdictions initially blocked ATM deployment under branching restrictions — treating a machine dispensing cash as an unauthorized bank branch. The Independent Bankers Association of America actively lobbied against interstate ATM networks. It took more than a decade of state-by-state legal battles before ATMs became ubiquitous. Today, the ATM network is the backbone of consumer cash access worldwide, and no serious person argues it should not exist. The delay did not protect consumers. It denied them convenience and access for years while the legal arguments played out.

Electronic Payments and ACH (1970s–1990s)

The Automated Clearing House system was developed in the early 1970s as an alternative to paper checks. Banks resisted adoption for decades, because check processing — with its float, its fees, and its manual handling — was a profit center. The Federal Reserve had to actively push ACH adoption against institutional reluctance. It was not until the late 1990s and early 2000s that electronic payments began to overtake paper checks in volume. The cost to the American economy of that multi-decade delay — in processing overhead, in fraud from forged and stolen checks, in settlement time measured in days rather than seconds — is incalculable. The resistance was never about consumer safety. It was about preserving a revenue model built on inefficiency.

Money Market Funds (1970s–1980s)

When Bruce Bent and Henry Brown created the first money market fund in 1971, the banking industry moved aggressively to have them regulated out of existence. Banks argued that money market funds constituted unauthorized deposit-taking and should be subject to the same reserve requirements and interest-rate ceilings as savings accounts. The American Bankers Association lobbied Congress to restrict or ban them. The funds survived because consumers recognized that earning market-rate interest on liquid savings was better than accepting the artificially suppressed rates banks were permitted to offer under Regulation Q. Today, money market funds hold trillions of dollars and are a standard component of institutional and retail portfolios. The attempt to kill them is remembered as a case study in incumbent overreach.

Online and Mobile Banking (1990s–2010s)

When internet banking emerged in the mid-1990s, the initial response from large segments of the banking establishment was that online transactions were inherently insecure, that consumers would never trust a website with their money, and that regulatory frameworks designed for physical branches could not accommodate virtual ones. Community banks lobbied for rules that would disadvantage online-only competitors. The Office of the Comptroller of the Currency issued cautious guidance that slowed early adoption. Mobile banking faced a second wave of the same resistance in the 2000s. Today, digital banking is not a niche product. It is the primary channel through which most Americans interact with their financial institutions. Every year of delay represented millions of Americans unable to access services that were technically available but regulatorily constrained.

Chip-and-PIN Card Technology (2000s–2015)

EMV chip technology — the same chip now embedded in every American credit and debit card — was deployed across Europe beginning in the early 2000s. The United States did not broadly adopt it until 2015, more than a decade later. The reason for the delay was not technical. It was institutional: American card networks, issuers, and merchants resisted the cost of upgrading terminals, and the liability framework gave no party sufficient incentive to move first. During that decade-plus of delay, the United States became the global epicenter of card-present fraud. Criminals migrated from chip-protected European markets to the magnetic-stripe American market. American consumers and businesses bore billions of dollars in fraud losses that the available technology could have prevented. The chip was not speculative. It was proven, deployed, and working — in other countries. America simply chose to wait, and American consumers paid the price.

The Pattern Is the Point

In every one of these cases, the technology worked. The resistance came from institutions whose existing revenue depended on the inefficiency the innovation would eliminate. The regulatory system, captured by those institutions, moved slowly. And the people who paid for the delay were not the banks or the regulators — they were ordinary Americans who were denied access to better, cheaper, faster, safer financial tools for years or decades longer than necessary.

Digital asset settlement is the current chapter of this pattern. The technology works. Cross-border transactions that take days through correspondent banking settle in seconds on modern digital ledgers. Remittance fees that consume five to seven percent of a transfer — money taken directly from working families sending funds to relatives — drop to fractions of a cent. Settlement infrastructure that requires trillions of dollars trapped in pre-funded nostro accounts around the world frees that capital for productive use. The innovation is not theoretical. It is operational, today, on multiple public networks. What is missing is the statutory framework that lets American institutions participate at scale — and that framework is the Digital Asset Market Clarity Act.

II. The Economic Case: What Ambiguity Costs Working Americans

The absence of regulatory clarity is not a neutral condition. It is an active economic harm — one measured in dollars lost, opportunities forfeited, and competitive ground ceded every day the current ambiguity persists.

Card and Payment Fraud

The Federal Trade Commission's Consumer Sentinel Network recorded \$12.5 billion in reported consumer fraud losses in 2024 — up more than \$2 billion from the prior year. The FBI's Internet Crime Complaint Center logged \$20.9 billion in potential losses from over one million cybercrime complaints in 2025 alone. Credit card fraud accounts for nearly forty-four percent of all identity theft reports. These are not abstract statistics. They are the financial wreckage of a system built on shared secrets — card numbers, security codes, Social Security numbers — transmitted and stored across thousands of databases, each one a target.

Blockchain-based settlement eliminates the architectural flaw. There is no card number to skim because there is no card number. There is no shared secret to breach because the system does not require one. A consumer authorizes a specific transaction with a private key that never leaves their device. The merchant receives payment without ever possessing a credential that could be reused. The technology to cut card fraud by an order of magnitude exists today, operational and proven. What prevents American institutions from deploying it at scale is not a technical barrier — it is the absence of a clear statutory framework that defines what a digital asset is, who regulates it, and how compliant participation works.

Remittance Fees and the Working-Class Tax

The World Bank estimates the global average cost of sending \$200 across borders at approximately six to seven percent. For the millions of American families — including hundreds of thousands of Texas families — who send money to relatives abroad, that fee is a direct tax on their labor. A worker earning \$15 per hour who sends \$500 home loses \$30 to \$35 in fees — more than two hours of pre-tax wages — to a system of correspondent banks and intermediaries that adds no value the technology cannot deliver for a fraction of a cent.

Modern digital settlement networks process cross-border transfers in three to five seconds with cryptographic finality, at costs measured in thousandths of a dollar. The infrastructure to cut remittance fees by ninety percent or more is not speculative. It is live, today, processing real value across real corridors. What keeps it from reaching the families who need it most is the regulatory uncertainty that prevents American financial institutions from integrating these rails into consumer-facing products with confidence.

Trapped Capital and Settlement Delay

The current correspondent banking system requires financial institutions to maintain pre-funded accounts — called nostro accounts — in banks around the world. A 2016 McKinsey Global Payments report estimated approximately five trillion dollars sits dormant in these accounts at any given time, trapped as a cost of doing business in a system that cannot settle in real time. That is five trillion dollars of productive capital immobilized by an architectural limitation that digital settlement eliminates entirely. On-demand liquidity systems allow institutions to settle cross-border transactions in seconds without pre-funding, freeing capital for lending, investment, and economic activity. Every day the current system persists is a day that capital remains trapped.

Small Business and Consumer Transaction Costs

American small businesses pay between 1.5 and 3.5 percent of every credit card transaction to a chain of processors, networks, and issuers. For a business operating on thin margins — a restaurant, a dry cleaner, a family farm selling at market — those fees are the difference between viability and closure. Blockchain-based payment rails offer settlement at a fraction of that cost, with finality in seconds rather than the two-to-three-day window during which chargebacks, holds, and reconciliation create additional overhead. The savings flow directly to the consumer in the form of lower prices, or to the business owner in the form of survival.

Speed Saves Lives — Literally and Economically

When a natural disaster strikes, emergency funds routed through traditional banking channels can take days to reach affected families. When a worker is injured abroad, medical payments through correspondent banking are measured in business days, not minutes. When a family faces an unexpected crisis and needs funds transferred from a relative in another country, the system interposes delays and fees at the moment of greatest vulnerability. Instant settlement is not a convenience feature. For families living paycheck to paycheck — which describes a significant share of American households — the difference between funds arriving in three seconds and funds arriving in three days is the difference between making rent and facing eviction, between filling a prescription and going without.

Capital Flight to Competing Jurisdictions

While the United States debates, the world acts. The European Union's Markets in Crypto-Assets Regulation is fully operational. The United Kingdom, Singapore, Hong Kong, the UAE, Switzerland, and Japan all have functioning digital asset frameworks. DTCC — the Depository Trust and Clearing Corporation, which custodies assets valued at over one hundred fourteen trillion dollars — announced in May 2026 that it will begin limited production trades of tokenized real-world assets in July 2026, with a full-service launch in October, involving more than fifty firms including BlackRock, Goldman Sachs, J.P. Morgan, and Ripple Prime. The infrastructure is being built. The only question is whether it will be built under American regulation or foreign regulation. Every month without clarity is a month in which

companies, capital, talent, and tax revenue migrate to jurisdictions that have already answered the questions the CLARITY Act addresses.

III. The Texas Imperative

Texas has already moved. Governor Abbott signed Senate Bill 21 on June 20, 2025, establishing the Texas Strategic Bitcoin Reserve — one of the first state-level digital asset reserves in the nation. The Texas Comptroller's office named its Strategic Bitcoin Reserve Advisory Committee in May 2026 and issued a request for proposals for qualified custodial firms. The state has invested in Bitcoin ETFs and is actively exploring direct custody. In January 2026, Representative Capriglione filed legislation to expand the reserve to include additional digital assets. Texas is not waiting for Washington. Texas is leading.

But state action, however bold, cannot substitute for federal clarity. Texas companies operating in the digital asset space face a patchwork of state-by-state licensing requirements, conflicting federal agency interpretations, and enforcement-by-litigation from agencies that have declined to write clear rules. A Texas company that is fully compliant with state law can still face federal enforcement action under theories that have never been tested in rulemaking — because no rulemaking has occurred. The CLARITY Act resolves this by defining, for the first time, the boundary between SEC and CFTC jurisdiction over digital assets, establishing registration pathways, and creating the statutory certainty that allows American businesses to operate, hire, invest, and compete.

Texas built the energy infrastructure that powered American industry for a century. Texas is building the digital asset infrastructure that can power American finance for the next century. The federal framework must match the state's ambition — not constrain it.

IV. The Cost of Inaction

The Digital Asset Market Clarity Act passed the House of Representatives on July 17, 2025, by a vote of 294 to 134 — with more than seventy Democrats crossing the aisle, the strongest bipartisan endorsement of digital asset legislation in congressional history. The Senate Banking Committee advanced it on May 14, 2026, in a bipartisan vote. The bill is on the Senate Legislative Calendar. The pathway exists. What remains is the will to walk it.

The cost of inaction is not stasis. It is active deterioration. Every week without a framework is a week in which American innovation relocates, American consumers overpay, American small businesses absorb unnecessary costs, and American families sending money to loved ones lose dollars they earned to a system that technology has already made obsolete. The pattern described in this letter — resist, delay, then adopt after the damage is done — does not have to repeat. For once, the United States has the opportunity to lead rather than follow.

I respectfully urge you to bring the Digital Asset Market Clarity Act to a floor vote before the August recess and to vote in its favor. The technology is proven. The economic case is overwhelming. The historical pattern is clear. And the cost of one more cycle of delay will be borne, as it always has been, by the American consumer and the American worker.

Respectfully,

Isaac D. Arnold

Managing Member

Stellae Liquiditas LLC

A Division of Stellae Group

1910 Pacific Avenue, Suite 2000-2332

Dallas, Texas 75201

isaac@starpointeinsurance.com