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WASHINGTON
March 5, 2025

MEMORANDUM FOR DAVID O. SACKS, SPECIAL ADVISOR FOR A.I. AND CRYPTO

FROM: DAVID A. WARRINGTON, COUNSEL TO THE PRESIDENT

SUBJECT: Limited Waiver Pursuant to 18 U.S.C. § 208(b)(1)

[Handwritten signature]
3/5/25

This memorandum provides you with a waiver, pursuant to 18 U.S.C. § 208(b)(1) and subject to the limitations stated below, that will allow you to participate as a special government employee in certain particular matters regarding regulation and policy related to the digital asset industry, including cryptocurrency and blockchain. This waiver is being issued based on your full disclosure of your financial interests and with consideration for the nature and circumstances of matters in which you may be involved in the position referred to as the Special Advisor for AI and Crypto. For the reasons outlined below, I, as the President's designee for Section 208(b)(1) waivers issued on his authority, have determined that the financial interests covered by this waiver are not so substantial as to be deemed likely to affect the integrity of your services to the Government.

The digital asset industry will increasingly play a crucial role in our nation's technological innovation, economic development, and its competitiveness abroad. For this reason, the President is committed to supporting the responsible growth and use of digital assets. Transparent and level-headed regulation of the industry—that also protects economic liberty—will be critical to securing those aims. Some of the novel and complex priorities the United States must pursue in this area are: protecting individual citizens' ability to safely and confidently access and use blockchain networks for a variety of lawful purposes without the fear of censorship; protecting the sovereignty of the U.S. dollar, including through the development of dollar-backed stablecoins; providing fair access to all law-abiding citizens to banking services without discrimination; providing regulatory clarity for the digital asset industry founded on technology-neutral regulation, the prioritization of emerging technologies, and transparent decision-making; and protecting Americans from Central Bank Digital Currencies (the "President's Digital Asset Priorities"). *See* Exec. Order 14178, Strengthening American Leadership in Digital Financial Technology, WHITEHOUSE.GOV (Jan. 23, 2025) (the "Crypto E.O.").

You have been appointed to lead the White House's digital asset industry policy based on your deep track record and experience in the financial and emerging technology sectors. As the former Chief Operating Officer of PayPal, the founder of billion-dollar enterprise social networking platform Yammer, and the co-founder and general partner of a venture capital fund, Craft Ventures, that specializes in investing in emerging software businesses, you bring a unique and invaluable perspective to the White House regarding the opportunities for responsible growth of the digital asset industry. As President Kennedy recognized when he pushed to modernize the United States' conflict of interest laws,



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[These conflict-of-interest] regulation[s], while setting the highest moral standards, must not impair the ability of the Government to recruit personnel of the highest quality and capacity. Today’s Government needs men and women with a broad range of experience, knowledge, and ability. It needs increasing numbers of people with topflight executive talent. It needs hundreds of occasional and intermittent consultants and parttime experts to help deal with problems of increasing complexity and technical difficulty.

U.S. House Doc. No. 87-145, Ethical Conduct in the Government, Message from the President, April 27, 1961, at 2. Our conflict-of-interest laws, in short, were designed with an eye towards allowing leaders and innovators of the private sector, such as yourself, to serve the public, on a temporary basis and as needed, in addressing the complex issues of the day.

I. YOUR ROLE AS SPECIAL ADVISOR FOR A.I. AND CRYPTO

You have agreed to be a special government employee serving as Special Advisor for AI and Crypto. In this role, you will help guide the President’s policy related to the digital asset industry. More specifically, you will serve as Chair of the President’s Working Group on Digital Asset Markets (the “Working Group”) within the National Economic Council. *See* Crypto E.O. The Working Group will identify current regulations and guidance documents affecting the digital asset industry and assess them in light of the President’s Digital Asset Priorities (*see supra*). The Working Group will also recommend other regulatory and legislative proposals related to these Priorities, including a comprehensive regulatory framework regarding the issuance and operation of digital assets in the United States, and an assessment of the potential creation of a national digital asset stockpile.

Additionally, you have agreed to co-chair the President’s Council of Advisors on Science and Technology (“PCAST”). *See* Presidential Action: President’s Council of Advisors on Science and Technology, WHITEHOUSE.GOV (Jan. 23, 2025). PCAST is tasked with advising the President on matters related to science, technology, education, and innovation policy, and with providing the President with scientific and technical information needed to inform national public policy. *Id.*

As a special government employee, you are expected to work as Special Advisor for AI and Crypto for 130 days or less in a one-year period. *See* 18 U.S.C. § 202(a).



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II. FEDERAL CONFLICTS OF INTERESTS AND SECTION 208(b)(1) WAIVERS

As a special government employee, you are subject to the conflict of interest prohibition at 18 U.S.C. section 208(a). This provision prohibits an executive branch employee from “participat[ing] personally and substantially . . . in a . . . particular matter in which, to his knowledge, he, his spouse, minor child, general partner, organization in which he is serving . . . has a financial interest.” Regulations of the U.S. Office of Government Ethics (“OGE”) further specify that the particular matter must have a “direct and predictable effect on that interest” for there to be a violation of the conflict of interest prohibition. 5 C.F.R. § 2640.103(a).

The term “particular matter,” in turn, includes only matters that involve deliberation, decision, or action that is focused on the interests of specific persons, or a discrete and identifiable class of persons. The term may include matters that do not involve formal parties and may extend to legislation or policymaking that is narrowly focused on the interests of a discrete and identifiable class of persons. *See* 5 C.F.R. § 2640.103(a)(1). Thus, legislation regarding health care reform generally may not be a particular matter, but work on a regulation that implements a section of a health care bill regarding prescription drugs is likely a particular matter affecting an identifiable class of pharmaceutical companies. *See id.*, example 8.

Assuming that an executive branch employee has a potential conflict of interest, the employee may nonetheless participate in the particular matter at issue without violating Section 208(a) if they receive a prior written determination that “the [financial] interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such officer or employee.” 18 U.S.C. § 208(b)(1). This Section 208(b)(1) waiver determination must come from the Government official responsible for appointing the employee to their position, or from the appointing official’s lawful designee. I am the President’s designee for Section 208(b)(1) waivers regarding employees that the President has directly appointed, such as yourself.

OGE regulations outline various factors that the agency should consider when evaluating the propriety of a Section 208(b)(1) waiver. These include the “value of the financial instrument or holding from which the disqualifying financial interest arises . . . and its value in relationship to the individual’s assets,” the “sensitivity of the matter,” and the “need for the employee’s services in the particular matter.” 5 C.F.R. § 2640.301(b)(4), (6). Ultimately, the waiver decision is within the sound discretion of the agency. *See* Office of Government Ethics, DO-07-006 (“Waivers Under 18 U.S.C. § 208”) at 5 (Feb. 23, 2007).



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III. YOUR DIGITAL ASSET INDUSTRY INTERESTS

Crucially, you have already taken significant steps to minimize potential conflicts of interest due to digital asset holdings—divesting from hundreds of millions of dollars in digital assets or digital asset-related industry entities. These divestiture efforts include:

- You and Craft Ventures sold all your liquid cryptocurrency (including Bitcoin, Ethereum, and Solana) prior to the start of the President’s second term on January 20, 2025, and you sold your directly held position in the Bitwise 10 Crypto Index Fund (BITW) on January 22, 2025.
- You sold your directly held stock in the public companies Coinbase (COIN) and Robinhood (HOOD), and you sold (or have initiated the sale of) your directly held shares in private digital asset companies.¹
- You sold your directly held limited partner interests in digital asset-focused investment funds, including Multicoin Capital and Blockchain Capital. Craft Ventures also sold its interest in Multicoin Capital and Bitwise Asset Management, Inc.
- Finally, out of an abundance of caution, you have initiated the sale of your limited partner interests in Sequoia Funds and approximately 90 other venture capital funds that hold positions in thousands of companies as a precautionary measure given that digital asset industry entities could be among them.²

¹ You disclosed that you still own three minor digital asset industry holdings (Animoca Brands Co.; Open Deal, Inc. (d/b/a Republic); and Amalgamated Token Services, Inc. (d/b/a CoinList)) that you are in the process of divesting. These holdings together amount to less than 0.1% (one tenth of one percent) of your total investment assets, and their divestment is certain and imminent, though not completed. These holdings are listed in the attached Schedule C.

² You disclosed that you have concluded sale agreements setting fixed prices for your interests in all the venture capital funds with digital asset industry holdings. These transactions have not fully closed as of this writing, but your financial interest in all but one set of these holdings is now fixed and therefore unaffected by anything you might do as Special Advisor. For the one remaining group of funds (the five “Sequoia Funds,” namely, Sequoia Capital Fund, L.P.; Sequoia Capital U.S. Growth Partners Fund VIII, L.P.; Sequoia Capital U.S. Growth Partners Fund IX, L.P.; Sequoia Capital U.S. Venture Partners Fund XVII, L.P.; and Sequoia Capital U.S. Venture Partners Fund XVI (Q), L.P.) the sale agreement allows for minor price adjustments pending the transaction’s closing on March 31, 2025. The Sequoia Funds place an immaterial fraction of their holdings in digital asset industry entities, and the total value of your investment across all the Sequoia Funds holdings amounts to just 1.2% of your total assets. The Sequoia Funds holding is also listed in the attached Schedule C.



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Altogether, you and Craft Ventures have divested over \$200 million of positions related to the digital asset industry, of which at least \$85 million is directly attributable to you. Because special government employees (such as yourself) are not entitled to certificates of divestiture, your divestments of directly held interests have come at a significant tax cost.

As for your remaining holdings, you have disclosed a financial interest in several venture capital funds managed by Craft Ventures, of which you are a general and limited partner (the “Craft Funds” or simply “Funds”). You have a capital interest in the Funds as a limited partner (LP); and as a general partner you may earn a carried interest in a Fund if it earns a profit after returning all capital to LPs. The Craft Funds own some remaining holdings in the private equity of digital asset-related companies that are highly illiquid and thus not easily divested (the “Private Company Interests”). In several cases, the Private Company Interests are portfolio companies of another venture fund that a Craft Fund invested in (and are therefore beyond your control). The Craft Funds’ Private Company Interests are listed in the attached Schedule A.

Altogether, these Private Company Interests represent a small fraction of your and Craft Ventures’ holdings. Notably, none of the Interests individually, save two, represent more than 0.03% (that is, three one-hundredths of one percent) of the value of your total investment assets. The two remaining Interests are BitGo, Inc. and Lightning Labs Inc., which respectively represent less than 2.5% and less than 1.2% of your total investment assets. Considered across the whole set, the *average* value of each individual Private Company Interest in relation to your total assets is less than 0.19% (less than nineteen one-hundredths of one percent). Finally, all the Private Company Interests in the Craft Funds combined—across all the types of digital asset industry entities they represent—amount to less than 3.8% of your total investment assets.

You have additionally disclosed that you have a direct interest in Beldore Capital Fund LLC, an exchange fund (the “Beldore Fund”) that holds hundreds of portfolio company investments and that has tens of billions of dollars of assets under management. The Beldore Fund seeks to emulate the S&P 500 in its composition and returns and is virtually identical to an index fund. The yield on the Beldore Fund matched that of the S&P 500 over a decade-long period. Your total interest in the Beldore Fund as of February 2025 is 5.07% of your total assets. Of that only a tiny fraction is attributable to digital asset industry entities. In fact, your interest in the *largest* of the Beldore Fund’s portfolio holdings (which is not a digital asset-related company) is less than 0.4% of your total assets, based on the most recent reporting received. The Beldore Fund holding is listed in the attached Schedule B.



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Finally, you have disclosed an interest in AL Venture, LLC (d/b/a AngelList), a platform for venture capital investing that may presently have some minor digital asset industry holdings or might in the future, as part of a wide set of diversified venture investments. Your interest in AL Venture represents just 0.03% of your total assets. The AL Venture holding is also listed on Schedule B.

IV. WAIVER DETERMINATION

Your work in promoting the President's Digital Asset Priorities and on the Working Group and the PCAST will likely require your substantial involvement on "particular matters" affecting an identifiable class of persons and entities in the digital asset industry. This involvement could be analogous to legislation that targets an identifiable class of pharmaceutical companies. *See* example in 5 C.F.R. § 2640.103(a)(1), *supra*. It is also likely that most of the Working Group's proposals and recommendations regarding the digital asset industry will have a direct and predictable effect on the value of the Private Company Interests, among others.

Therefore, after careful consideration of the facts, and subject to the limitations stated below, I am granting you a waiver pursuant to 18 U.S.C. § 208(b)(1), of any conflict of interest regarding particular matters of general applicability concerning the digital asset industry that will directly and predictably affect the value of any one, or all, of the Craft Funds in which the Private Company Interests described in Schedule A are held or of the direct holdings described in Schedules B and C. Under the totality of the circumstances, I find your personal financial interest in the digital assets holdings set forth therein not so substantial as to be deemed likely to affect the integrity of your services to the Government.

In determining that a Section 208(b)(1) waiver is warranted here, I have considered the factors that OGE has highlighted in 5 C.F.R. § 2640.301(b), and the following in particular:

The value of the financial holding in relationship to the individual's assets (§ 2640.301(b)(4)). In the most extreme instance of a particular matter directly and predictably affecting your interests in every one of the Craft Funds, the value of the Private Company Interests affected is still less than 3.8% of your total estimated assets. Moreover, it is highly unlikely that any particular matter you are involved in will have such a broadly predictable effect across all Funds. For all of the Craft Funds, non-digital asset holdings far outweigh the Private Company Interests, and it is difficult or impossible to predict how regulation and legislation impacting the Private Company Interests will affect these larger non-digital asset interests, such as traditional non-blockchain technology companies or finance entities, not to mention manufacturing or energy entities. With this in mind, the financial interests you hold that might



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directly and predictably be affected by your work as special government employee are even more insubstantial.³

The sensitivity of the matter, and the related need for the employee's services in the particular matter (5 C.F.R. § 2640.301(b)(6)). As discussed above, the digital asset industry presents a critical frontier for the United States, in technology, finance, and digital privacy innovations. By its very nature, the position of Special Advisor for AI and Crypto requires an appointee with extensive and hands-on experience in financial technology and innovation, with intimate knowledge of the digital asset industry. It would be exceedingly difficult to find such expertise if financial technology executives, software company founders, and venture capital investors in the digital asset industry were excluded from the position. A core impetus for the nation's modern conflict of interest laws, including Section 208, was a recognition that in matters of technology, science, and innovation, the Government required leaders from the private sector to lend their knowledge and experience to the shaping of national public policy. *See* House Doc. No. 87-145, *supra*; *see also* Organizing for National Security: The Private Citizen and the National Service, Study Submitted to the Senate Government Operations Committee by Its Subcommittee on National Policy Machinery, 87th Congress, 1961, at 1 (“[T]he private citizen in the national service . . . personally chosen by the President himself . . . may bring to his job some special combination of skill and experience. He may have unique abilities in space science, atomic energy, economic policy, or the like, fresh and different perspectives, and the ability to ask ‘Why?’ He is not beholden to formulas of the past.”).

V. WAIVER LIMITATIONS

This waiver has limitations: you, your spouse, and minor children agree to refrain from directly acquiring any new or additional financial interest in digital asset industry holdings (such as those listed in Schedule A), and you agree, as general partner of Craft Ventures, to instruct Craft Ventures to refrain from doing the same. You, your spouse, and minor children also will not acquire any additional interest in AL Venture LLC. You also agree that you, your spouse, and minor children will refrain from acquiring new private investment funds that may invest in digital asset industry holdings.

³ Your financial interest in the three digital asset industry holdings in Schedule C is even more insubstantial, amounting to less than 0.1% of your total assets. Moreover, you will complete divestment of these minimal holdings shortly. Likewise, for the Sequoia Funds (Schedule C), where—in addition—the non-digital asset interests far outweigh any digital asset interests, and the entire holding represents just 1.2% of your total assets. Further, the Beldore Fund's underlying holdings in any digital asset industry entities amount to no more (and likely far less) than 0.36% of your total assets. Finally, the AL Venture holding (Schedule B) represents just 0.03% of your total assets, and only an insignificant fraction of that might relate to digital asset industry entities.



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Relatedly, if Craft Funds, Beldore Capital Fund LLC, or AL Venture LLC, either individually or in the aggregate, acquire digital asset industry holdings that represent more than 5% of your total estimated assets, you must consult with a White House ethics official. If the aggregate value of your total interest in the Beldore Capital Fund LLC and AL Venture LLC exceeds 12% of your estimated assets, you must also seek guidance from a White House ethics official.

Lastly, this waiver is limited to your participation in particular matters of general applicability that are focused on the interests of entities in the digital asset industry. This waiver does not extend to your participation in particular matters involving specific parties.

VI. PRIOR CONSULTATION WITH THE U.S. OFFICE OF GOVERNMENT ETHICS

In accordance with 5 C.F.R. § 2640.303, I have consulted with the U.S. Office of Government Ethics prior to granting this waiver. A signed, final copy of this waiver will be forwarded to that office. A copy of this waiver will be made available upon request to the public in accordance with the procedures described in 5 C.F.R. § 2640.304.

If any questions arise as to whether this waiver permits your participation in any particular matter, please consult with a White House ethics official.

This waiver is effective upon signature.



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Schedule A

Craft Funds Interests in Digital Asset-Related Companies

Ultimate Underlying Portfolio Company	Portfolio Position % of Total Assets
BitGo, Inc.	2.468%
Chia Network Inc.	0.029%
Claim Digital Assets Inc.	0.000%
Dapper Labs	0.015%
dYdX Trading Inc.	0.023%
Dynamic Labs, Inc.	0.000%
Elliot Technologies, Inc.	0.011%
Entendre Finance, Inc.	0.000%
Fold, Inc.	0.011%
Galoy Inc.	0.002%
Invariant Labs	0.000%
Kresus Labs, Inc.	0.001%
Lightning Labs, Inc.	1.131%
Mythical Games	0.001%
Polarity LN, Inc.	0.002%
River Financial, Inc.	0.009%
Signify Holdings, Inc.	0.000%
Talos Trading Inc.	0.005%
THNDR Ltd	0.001%
Voltage Incorporated	0.006%
Craft Total	3.714%



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Schedule B

Other Direct Interests

Company	Position % of Total Assets	Digital Asset Co. Portfolio Position % of Total Assets
Beldore Capital Fund, LLC	5.07%	<0.36%
AL Venture, LLC	0.03%	<0.03%
Total Other Direct	5.1%	<0.39%



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Schedule C

Direct Interests Pending Divestment

Company	Portfolio Position % of Total Assets
Animoca Brands Co.	0.023%
Open Deal, Inc. (d/b/a Republic)	0.03%
Amalgamated Token Services, Inc. (d/b/a CoinList)	0.03%
Sequoia Funds	1.2%
Total	1.283%