

# Knowpia Inc. Presents STO+ Compliance Framework to SEC, Embraces US Digital Asset Reform

*Funs.AI unveils STO+ to SEC, aligning with U.S. crypto reform to bridge utility and compliance, paving the way for regulated, user-driven Web3 platforms.*

FREMONT, CA, UNITED STATES, May 12, 2025 /EINPresswire.com/ -- In a significant step forward for Web3 regulatory development and innovation, [Knowpia Inc.](#), the Silicon Valley-based startup behind the emerging SocialFi platform [Funs.AI](#), held a closed-door meeting on May 5, 2025 with the U.S. Securities and Exchange Commission's Crypto Task

Force. The team formally presented its pioneering STO+ (Security Token Offering Plus) compliance framework and engaged in detailed discussions on the future of tokenized securities regulation.

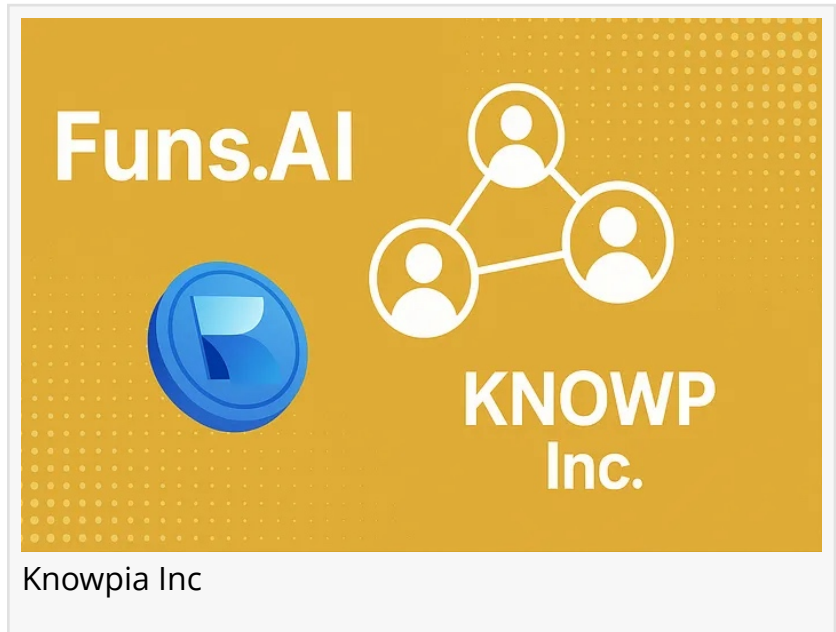
The core purpose of the meeting was to introduce the [STO+ framework](#) — a hybrid token model that integrates the benefits of security tokens (such as profit rights and equity) with the functional applications of utility tokens (such as payments, rewards, and governance). The STO+ model aims to provide a regulatory-compliant foundation for next-generation Web3 platforms.

Policy Support Strengthens Legal Foundation for STO+

Coinciding with the meeting, on May 5, 2025, the U.S. House of Representatives released the Digital Asset Market Structure Discussion Draft, marking a milestone in digital asset legislation. For the first time, the bill provides federal-level definitions for:

End User Distribution — token distributions made without financial consideration, distributed fairly through transparent mechanisms, and not considered securities sales;

Mixed Digital Asset Transactions — digital assets that exhibit both utility and security characteristics, capable of transitioning between use cases across platforms and exchanges.



## “One Token, Two States”: Bridging Utility and Compliance

During the meeting, Knowpia’s leadership team — including CEO Keven Lai, legal counsel, financial advisors, and engineering leads — outlined the design and operational mechanics of the STO+ framework.

Unlike traditional STOs that rely on centralized issuance and distribution, STO+ introduces a novel “one token, two states” mechanism, meaning:

As long as the Digital Asset Market Structure bill passed, within the renovated Funs.AI platform, the token functions as a utility token, distributed through end-user activities and used for incentives, payments, content rewards, and governance;

Outside the platform, on regulated Alternative Trading Systems (ATS), the same token operates as a security token, eligible for trading and dividend distribution.

STO+ social mining distribution aligns directly with the End User Distribution definition, while its “one token, two states” architecture is a prime example of a Mixed Digital Asset.

This positions STO+ as one of the first Web3 token frameworks naturally aligned with the proposed U.S. digital asset regulatory structure — offering a legal foundation while preserving decentralization and fair access.

## Over 70% of Tokens Are Socially Mined: A User-Governed Model

Differing from traditional token sales, over 70% of STO+ tokens are generated via “social mining” on the platform — where users earn tokens through posting, liking, commenting, and other participatory actions. This ensures a fair, decentralized, and community-driven distribution model, free from speculative or centralized control.

## Parallel Technical Architecture: Building an Auditable and Regulated Web3 Platform

At the technical level, the STO+ framework is based on a parallel structure between the platform side and the broker-dealer side:

Platform side: As long as the Digital Asset Market Structure bill passed, the renovated Funs.AI is responsible for managing user incentives, platform payments, and community governance.

Broker-dealer side: Licensed and compliant institutions are responsible for managing the security-related aspects of the token, including trading and dividend distribution.

To ensure full compliance, the system includes built-in KYC/AML identity verification, auditable smart contracts, and custodied wallets, enabling end-to-end transparency and regulatory traceability.

At the conclusion of the meeting, both parties agreed to continue follow-up meetings to address critical regulatory issues surrounding tokenized securities.

## Looking Ahead to 2025: Funs.AI Emerges as a Global Model for Regulated Web3 Innovation

With the STO+ framework now formally on the SEC’s radar — and aligned with the U.S. House’s

definitions of End User Distribution and Mixed Digital Assets — Funs.AI is not only pioneering a compliant model, but also redefining the future of decentralized social economies.

At a time when global attention is focused on digital asset regulation, equitable distribution, and platform transparency, Knowpia's innovative "dual-state" structure and community-driven issuance set a new standard for sustainable and inclusive Web3 ecosystems.

Looking forward to 2025, Funs.AI is expected to become one of the first hybrid platforms validated under the U.S. regulatory framework — establishing a global benchmark that proves compliance is empowerment, and decentralization is value.

Funs.AI is rapidly emerging as one of the most promising and influential Web3 projects on the global stage.

Keven Lai

Knowpia Inc.

+1 510-507-8000

[email us here](#)

Visit us on social media:

[LinkedIn](#)

[Other](#)

---

This press release can be viewed online at: <https://www.einpresswire.com/article/811240242>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2025 Newsmatics Inc. All Right Reserved.