

OTCM Protocol Publishes Cross-Border Liquidity Framework for Abandoned Securities Under GENIUS Act

*SEC Category 1 Tokenization Platform
Integrates GENIUS Act Stablecoin
Settlement for Abandoned OTC Securities*

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February 19, 2026 /EINPresswire.com/
-- Groovy Company, Inc. dba OTCM Protocol "Over The Counter Microcap Protocol" (OTC:GROO), a Wyoming Digital Asset Corporation developing an infrastructure for tokenized securities on Solana for securities tokenization, today [published its comprehensive strategy](#) for leveraging the GENIUS Act's cross-border stablecoin provisions to deliver global liquidity to the 5 million+ shareholders currently trapped in abandoned over-the-counter securities positions.



The Company's new strategic document, *Cross-Border Liquidity for Abandoned Securities*, details how OTCM Protocol's Federated Liquidity Protocol — combined with settlement through stablecoins regulated under the Guiding and Establishing National Innovation for U.S. Stablecoins Act ("GENIUS Act") signed into law by President Trump on July 18, 2025 — creates the first globally accessible marketplace for securities that traditional finance has systematically abandoned.

"For years, millions of Americans have watched their OTC holdings show 'no bid' day after day — not because their companies are worthless, but because no market infrastructure exists," said Frank Yglesias, Chief Technology Officer of OTCM Protocol. "The GENIUS Act changes the equation entirely. International investors can now access ST22 Security Tokens through federally-regulated stablecoin rails, bypassing the 6.4% average cost of traditional cross-border remittances. We're not disrupting functioning markets — we're creating permanent, globally

accessible markets where none exist."

Four-Pillar Regulatory Architecture

The strategy document introduces OTCM Protocol's four-pillar regulatory architecture, which the Company believes represents the most comprehensive compliance stack in the tokenized securities space:

Pillar 1 — SEC-Registered Custody: Empire Stock Transfer, an SEC-registered transfer agent, holds all backing Preferred Series "M" shares in perpetuity with CUSIP assignment and Golden Medallion Guarantee, providing institutional-grade 1:1 equity backing for every ST22 Security Token.

Pillar 2 — Programmatic Security Controls: 42 Transfer Hook security controls built on Solana's SPL Token-2022 standard enforce circuit breakers, wallet concentration limits (4.99% maximum per wallet), permanent liquidity locks, and vesting schedules — making rugpulls mathematically impossible rather than merely policy-prohibited.

Pillar 3 — SEC Category 1 Securities Compliance: ST22 Security Tokens satisfy every requirement of the SEC's January 28, 2026 joint guidance for issuer-sponsored tokenized securities, including direct issuer board authorization, shareholder register integration, and protective conversion triggers.

Pillar 4 — GENIUS Act Payment Infrastructure: Settlement through GENIUS-compliant stablecoins backed 1:1 by high-quality liquid assets, with mandatory AML/KYC requirements, monthly audited reserve disclosures, and first-priority consumer claims in issuer insolvency.

Cross-Border Opportunity

The GENIUS Act's reciprocity provisions (Sections 15 and 18) direct the U.S. Treasury to establish bilateral agreements with foreign jurisdictions maintaining comparable stablecoin regulatory regimes. OTCM Protocol's strategy document outlines a phased international expansion: Phase 1 (Q4 2026): Anglo markets including the United Kingdom, Canada, Singapore, and Australia — jurisdictions with high reciprocity readiness and established stablecoin regulatory frameworks.

Phase 2 (H1 2027): Developed markets including the European Union (under MiCA), Japan, Hong Kong, and South Korea.

Phase 3 (H2 2027): Emerging markets including Brazil, UAE, and select ASEAN jurisdictions where stablecoin adoption compensates for local currency instability.

The Company projects scaling from 100 issuers in Year 1 to 5,000 issuers across 30+ jurisdictions by Year 5, with stablecoin settlement volume growing from \$50 million to \$25 billion over the same period.

"The GENIUS Act validates the thesis behind everything we've built," added Yglesias. "The conversation in Washington has shifted from 'should we tokenize?' to 'how do we implement?' For the abandoned securities market, OTCM Protocol already has the answer — and now it's backed by the first federal digital asset legislation in American history."

About the GENIUS Act

The Guiding and Establishing National Innovation for U.S. Stablecoins Act of 2025 is the first comprehensive federal legislation governing digital assets in the United States. Signed into law on July 18, 2025, it passed with bipartisan support (68-30 in the Senate, 308-122 in the House) and establishes a regulatory framework for payment stablecoins including 1:1 reserve backing requirements, consumer protections, AML/KYC mandates, and reciprocal arrangements for cross-border interoperability with comparable foreign jurisdictions.

ABOUT OTCM PROTOCOL

<https://otcm.io> Groovy Company dba OTCM Protocol "Over The Counter Microcap Protocol" is an SEC Category 1 compliant blockchain platform that tokenizes micro-cap equity securities. By providing capital formation for the 11,000+ OTC companies abandoned by traditional finance, OTCM Protocol enables issuers to restore value to approximately \$50 billion in trapped common shareholder equity. The platform utilizes Solana's Token-2022 standard with shares held in custody by Empire Stock Transfer

FORWARD-LOOKING STATEMENT

This document contains certain forward-looking statements within the meaning of the U.S. federal securities laws with respect to Groovy Company dba OTCM Protocol "Over The Counter Microcap Protocol" ("OTCM Protocol" or the "Company"), including expectations, hopes, beliefs, intentions, plans, prospects, financial results or strategies regarding OTCM Protocol and the OTCM Protocol platform, including expectations regarding the SEC's Category 1 (Issuer-Sponsored) framework for tokenized securities, the anticipated benefits and timing of platform development and issuer onboarding, the ST22 Security Token infrastructure, the assets held by the Company, the macro and political conditions surrounding digital assets and tokenized securities, the planned business strategy, plans and use of proceeds, objectives of management for future operations, the upside potential and opportunity for investors, the Company's plan for value creation and strategic advantages, market size and growth opportunities, investor benefits, regulatory conditions, competitive position, technological and market trends, future financial condition and performance, and the Company's expectations, intentions, strategies, assumptions or beliefs about future events, results of operations or performance or that do not solely relate to historical or current facts.

These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "potential," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events or conditions that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties.

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