

TROPTIONS · INSTITUTIONAL DOCUMENT SYSTEM

Private Placement Minting and Leverage Control Framework

Collateral Issuance, Treasury Leverage, and Risk Policy

For: Treasury leads, risk officers, compliance, and leverage governance teams

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Executive Summary

This framework defines how to structure minting (wrapped-receipt issuance), leverage mechanics, risk thresholds, and auto-deleveraging controls. It ties collateral proofs to leverage policy and enforces governance-approved LTV bands and margin mechanics.

Who This Document Is For

Decision-makers who authorize leverage use, risk officers who monitor thresholds, and operations teams who execute daily controls and exception workflows.

Required Information

- Collateral lane and lock proof (USDC, USDT, or dual)
- Issuance decision: native vault (no mint) or wrapped-receipt (mint 1:1 against locked collateral)
- Target leverage use case and max LTV policy by tenor
- Counterparty and lender eligibility criteria
- Threshold triggers: warning, margin-call, hard-stop levels
- Escalation and auto-deleveraging procedure

Required Documents

- & Treasury governance resolution authorizing leverage
- & Collateral lock and control evidence (multi-sig, timelock, no-spend policy)
- & Minting policy memo (if wrapped-receipt model) with 1:1 collateral backing, redemption process, and reserve audit cadence
- & Leverage term sheet with counterparty, tenor, rate, LTV band, and margin mechanics
- & Risk policy memo defining threshold triggers, monitoring procedure, and escalation authority
- & Auto-deleveraging playbook with trigger conditions, execution sequence, and fallback options

Step-by-Step Process

Step 1: Finalize Collateral Stack

Lock treasury, prove control via signed wallet messages, and achieve third-party verifier sign-off before leverage is approved.

Step 2: Approve Minting Policy

Decide: native vault (attestation only) or wrapped-receipt (mint 1:1 claim token). If wrapped, define redemption SLA, reserve audit schedule, and legal disclosure.

Step 3: Define Leverage Bands

Set target LTV (e.g., 30–50%) and establish warning (60%), margin-call (75%), and hard-stop (85%) thresholds tied to collateral current market value.

Step 4: Negotiate Counterparty Terms

Lock rate, tenor, drawdown schedule, and margin call procedures. Ensure counterparty acknowledges lock policy and no-spend covenant.

Step 5: Activate Monitoring Stack

Deploy daily collateral checks, LTV calculation, threshold alerts, and oracle-feed monitoring (Chainlink or similar).

Step 6: Execute Leverage Draw

Disbursement only after collateral verified and all approvals signed. Maintain lockup evidence throughout draw lifecycle.

Step 7: Daily/Weekly Attestation

Publish collateral balance, LTV%, leverage utilization, and exception flags. Archive each report for audit trail.

Approval Gates

- & Collateral lock proof and verifier sign-off complete
- & Treasury governance resolution authorizing leverage executed
- & Minting or leverage policy memo approved by legal and compliance
- & Counterparty term sheet finalized and signed
- & Threshold monitoring and escalation procedure tested

Readiness Checklist

- & Collateral addresses locked and controlled
- & Verifier contacts confirmed and ready
- & Minting (if applicable) policy memo approved
- & Leverage thresholds and escalation matrix documented
- & Daily attestation and reporting pipeline active
- & Auto-deleveraging playbook reviewed by risk/legal

What Stays Blocked

- No leverage without collateral lock proof
- No LTV exceeds hard-stop threshold without new collateral deposit
- No margin call override without quorum governance approval
- No wrapped-receipt minting without redemption policy and reserve audit plan

Common Blockers

- Unverified or stale collateral proofs
- Ambiguous counterparty authority or undisclosed conflicts
- Missing or untested threshold monitoring
- No formal escalation or auto-deleveraging authority
- Incomplete minting disclosure or redemption mechanics

TROPTIONS System Handling

TROPTIONS should record collateral proofs, leverage draw events, daily LTV calculations, threshold breaches, margin events, and unwind outcomes in immutable ledger. All governance approvals and escalation decisions must be timestamped and attributable.

Final Checklist Before Submission

- & Collateral lock verified and monitored
- & Minting policy (if any) approved and documented
- & Leverage counterparty terms signed
- & Thresholds and escalation authority active
- & Daily attestation reporting operational
- & Auto-deleveraging playbook tested
- & Risk governance review cycle scheduled

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