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# Trump Family Crypto Project Quietly Sold as Holders Got Stuck

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## ✦ Takeaways by Bloomberg AI

- Investors put in more than \$550 million across two fundraising rounds for the cryptocurrency venture of Donald Trump and his family.
- The project sold an additional 5.9 billion tokens to accredited private investors, transactions worth hundreds of millions of dollars, with much of the proceeds directed to founder-affiliated entities.
- Early investors remain locked out of 80% of their token holdings, unable to sell into a market that has already moved sharply against them, with WLFI trading below 6 cents.

The pitch was straightforward: Invest in the cryptocurrency venture of Donald Trump and his family, back the industry's most powerful ally at the peak of their influence, and share the spoils.

Investors said yes, putting in more than \$550 million across two fundraising rounds.

What happened next was not publicly explained. After those rounds closed, the project sold an additional 5.9 billion tokens to accredited private investors, transactions worth hundreds of millions of dollars, with much of the proceeds directed to founder-affiliated entities.

The sales came to light when intelligence platform Tokenomist.ai, examining World Liberty's governance [filings](#) at Bloomberg's request, found that the number of tokens listed under founder, team, adviser and partner allocations had risen without apparent explanation, a discrepancy the project had not explained to its broader investor base.

World Liberty confirmed the sales to Bloomberg, describing them as “white glove” transactions with private purchasers, but declined to say who the buyers were or where the money went.



Zach Witkoff *Photographer: Adam Gray/Bloomberg*

What is unfolding has no precedent in American financial life. A sitting president’s family holds financial stakes in a live token project – one setting governance rules, directing treasury sales, collecting proceeds – while the people who signed up find themselves with limited options to exit.

World Liberty Financial was co-founded by members of the Trump and Witkoff families alongside other business partners, with Zach Witkoff serving as chief executive. Both Trump and Steve Witkoff, who serves as the president’s special envoy to the Middle East, were listed as co-founder emeritus on the project’s website. The project recently removed a page listing its co-founders; a spokesperson said the company regularly updates its site.

Under the project’s disclosures on its website, DT Marks DEFI LLC – an entity affiliated with Donald Trump and certain family members – is entitled to receive 75% of WLF token sale proceeds after deduction of agreed reserves and expenses. DT Marks and certain Trump family

members also hold 22.5 billion WLFI tokens. World Liberty declined to say who received the money from the additional sales.

The project's early investors were given the chance to sell 20% of their holdings last year – tokens acquired for as little as 5 cents – but cannot sell the rest. Unlike most token sales, World Liberty did not provide investors with an unlocking schedule in advance.

The White House said Trump is not involved in managing the family's crypto ventures, handing control to family and business associates.

“President Trump’s assets are in a trust managed by his children. There are no conflicts of interest,” said White House spokesperson Anna Kelly.



The World Liberty Financial website. *Photographer: Gabby Jones/Bloomberg*

White House Counsel David Warrington said Witkoff has divested from World Liberty Financial and does not participate in official matters that could affect his financial interests.

Under a governance proposal now before investors, no one – founders or early buyers – will be able to sell their holdings for at least two years, after which tokens would begin unlocking gradually over several more years. Investors who do not accept the new terms risk having their tokens locked indefinitely. Insiders who accept the vesting schedule would also

be required to permanently burn 10% of their token allocation, a structure the project said is designed to align founder and investor interests.

“We have enormous conviction in this vision and take a long-term view towards everything we do, from our fundraising efforts to the careful crafting of governance proposals designed to benefit the entire ecosystem,” said David Wachsman, spokesman for World Liberty Financial.

The broader Trump family business has been reshaped by crypto. The family built its fortune on licensing the Trump name – real estate, Bibles, sneakers – but digital assets have opened a new revenue stream.

For World Liberty’s investors, things have worked out differently from what many expected. Early buyers remain locked out of 80% of their token holdings, unable to sell into a market that has already moved sharply against them. WLF1 traded below 6 cents this week to new lows in open trading.

“It is surreal to have the Trump family not only profiting off this financial venture that features glaring conflicts of interest but doing so in a way that blocks other investors from sharing in the gains,” said Eswar Prasad, a professor at Cornell University.



Justin Sun *Photographer: Suhaimi Abdullah/Bloomberg*

The project’s highest-profile external backer has decided to intervene.

Justin Sun, the billionaire founder of the Tron blockchain, sued the venture in April in San Francisco federal court alleging extortion and an illegal scheme to seize his tokens – charges the project’s co-founders deny. Sun alleged he invested \$45 million into WLF1 and has not been allowed to sell a single token.

Syed Sameer, chief executive of Sameer Group – a Dubai-based investment firm that Syed said has invested in WLF1 token alongside UAE institutional partners – posted an offer on X directed at Sun, offering to help negotiate a resolution.

“Instead of a legal fight,” Syed told Bloomberg, Sun could “reach an amicable solution through neutral intermediaries.” Sun told Bloomberg he relayed Syed’s contact to his lawyers.

Beyond the lawsuit, the project has deposited 5 billion of its own WLF1 tokens into Dolomite, a decentralized lending protocol whose co-founder holds a role at World Liberty, and borrowed roughly \$75 million in stablecoins against them. Critics say the structure may allow insiders to convert holdings to cash instead of waiting for an unlock that could be years away. World Liberty said the position was “nowhere near

liquidation” and had repaid \$25 million of the loan, with \$50 million outstanding as of mid-April.



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With token prices falling, World Liberty’s broader corporate orbit is showing strain. Alt5 Sigma, a Nasdaq-listed company that raised \$1.5 billion in August 2025 to accumulate WLF1 tokens, announced a pivot to artificial intelligence. A recent filing said it may “redeem or monetize a portion of its token holdings to fund operations, satisfy obligations, or pursue strategic initiatives.” Tony Isaac, Alt5’s chief executive, told Bloomberg the company has no plans to sell the token, and may in fact continue to accumulate it.



Alt5 Sigma, a Nasdaq-listed company that raised \$1.5 billion in August 2025 to accumulate WLF1 tokens, announced a pivot to artificial intelligence. *Photographer: Adam Gray/Bloomberg*

Zach Witkoff, World Liberty’s co-founder and chief executive, chairs Alt5’s board. Zak Folkman, a World Liberty co-founder, also sits on Alt5’s board.

The troubles are unfolding against a broader reckoning. Across the Trump family’s crypto empire – a memecoin that’s down more than 40% this year and 93% from its post-inauguration peak, a Bitcoin mining venture whose shares have lost much of their value, and now Alt5, down roughly 90% since its pivot to accumulate WLFI – the pattern is similar: projects that rose on the Trump brand are now pivoting or restructuring, as the political trade that drove initial enthusiasm collides with a cooling crypto market. Anyone who bought shares of Trump Media & Technology Group, the parent of Truth Social, over inauguration weekend 2025 has lost roughly three-quarters of their money.

For the investors impacted by the market disruption, there is little formal recourse. Token projects operate outside the requirements governing public companies – no audited financials, no mandatory reporting of insider transactions, no independent board oversight.

“Foundation treasuries are at the project’s discretion, and there’s no enforced requirement to disclose or restrict how they’re used,” Tanawat Chiewhawan, of Tokenomist.ai, said. “Some projects similarly allocate treasury tokens for private investor rounds.”

– *With assistance from Annie Massa and Jeff Mason*



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