

— DIGITAL ASSETS / CUSTODY PHYSICS

On-Chain Wealth: *Keys* Are the Balance Sheet

On-chain is not anonymous freedom by default; it is operational security, disclosure, and succession with fewer excuses when something breaks.

SYSTEM ARCHETYPE 047

On-Chain / *Custody* /

On-chain wealth is the discipline of holding and transferring value on decentralized ledgers while custody, tax, and law still apply to humans. Anchor it with tokenization context, boundary critique across wallets

and entities, asset location, and inversion on key-loss and bridge failure modes—because programmable money still punishes missing procedures.

*"On-chain wealth is custody plus continuity—
not a profile picture of laser eyes."*

1. Custody *Architecture*

Layer-two routing changes finality assumptions and fee economics; the asset you think you moved may still be arguing with bridges. The adult version of keys is to document assumptions about signer loss, divorce, and corporate dissolution without a quorum to rotate keys. Custody is a marriage contract with mathematics. Stress network effects where liquidity begets liquidity—or vanishes in coordinated exits.

Exchanges are convenience layers with regulatory and rehypothecation footnotes; treat them like banks you audit, not vaults you worship. If DeFi exposure stacks, interrogate exchange proof-of-reserves claims versus your

own withdrawal tests and cold-wallet segregation rules. Chains fork; claims persist—track both. Read [tokenization rails](#) when legal claims and ledger entries disagree under stress.

Operational security without succession is theater: death disables seed phrases faster than hackers. Stress inheritance by assuming whether to unwind leverage automatically, manually, or hybrid—and who has authority at 3 a.m. Disclosure beats dashboard glitter. Sketch [causal loop diagrams](#) for reflexive loops between TVL, token price, and leverage.

Staking, restaking, and yield interfaces reintroduce credit and smart-contract risk under friendlier typography. Second-order planners ask how L2 routing interacts with oracle dependencies, admin keys, and upgradeable proxies hiding inside 'set and forget' vaults. When doubt appears, shrink leverage before narratives. Sketch [causal loop diagrams](#) for reflexive loops between TVL, token price, and leverage.

Self-custody trades counterparty risk for key risk—both are balance-sheet items even if only one has a logo. When volatility spikes, the policy should specify who holds which keys, which multisig quorum applies to which treasury, and who can replace signers. If two people cannot rotate multisig, you do not have continuity. Stress [network effects](#) where liquidity begets liquidity—or vanishes in coordinated exits.

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wrapped positions. Boring backups beat brilliant yield farming. Run [inversion](#) on seed phrase backup: three ways heirs lose access without drama on TV.

2. Keys *and Multisig*

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Multisig and hardware wallets add governance; they also add quorum failure modes and travel scenarios nobody rehearses. A serious household runbook should publish who holds which keys, which multisig quorum applies to which treasury, and who can replace signers. Convenience tax is still a tax. Budget [entropy](#) for wallet UX churn, RPC outages, and tax-lot tooling decay.

On-chain wealth is not a personality trait; it is custody, key management, tax character, and operational continuity written into procedures your heirs can execute. Before sizing on-chain allocation, verify whether taxable staking income recognition versus unrealized appreciation in wrapped positions. Keys without policy are jewelry that can bankrupt you. Coordinate [asset location](#) when taxable realization fights on-chain rebalance scripts.

Layer-two routing changes finality assumptions and fee economics; the asset you think you moved may still be arguing with bridges. The adult version of keys is to document assumptions about executor literacy: can probate counsel verify balances without DMs with a dead founder? Custody is a marriage contract with mathematics. Read [tokenization rails](#) when legal claims and ledger entries disagree under stress.

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3. Exchanges *and Counterparties*

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5. Staking *and DeFi Coupling*

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6. L2 *and Bridges*

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ON-CHAIN WEALTH RUNBOOK

01 Custody map

Self, exchange, multisig—who signs what.

02

Key ceremony log

Rotation dates, quorums, backups verified.

03

Tax lot hygiene

Chains, wraps, forks—reconciliation owner.

04

Stress and inheritance

Executor brief, vendors, continuity test.

8. Atlas *Integration*

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Build the *lattice*, not the legend.

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