



CASE STUDY: HOKAN

HOKAN SHIELDED BY LOKBLOK:

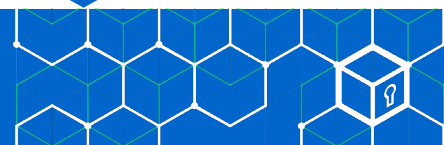
SECURE TREASURY MANAGEMENT FOR DIGITAL ASSETS

BACKGROUND:

Hokan, a US-based platform dealing with cryptocurrency transactions and issuing ERC20 tokens, required a secure treasury management system to protect its assets from both internal and external threats. The company's existing solution relied on multiple wallets with a multisignature (multisig) approval process, but it faced several critical limitations:

- Internal personnel retention risk: if key holders left, they retained critical knowledge.
- Visibility issue: Bitcoin multisig wallets were easily identifiable, raising potential vulnerability.
- Delays: All parties needed to participate simultaneously for transaction signing, causing delays.
- Limited compatibility: Only assets with multisig protocol compatibility could be managed, restricting asset diversity.

"If you're holding digital assets for your clients and you're not using Lokblok, you're leaving your organisation vulnerable"



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THE CHALLENGE:

Hokan needed a flexible and secure treasury solution that could manage various cryptocurrencies and tokens beyond Bitcoin, while ensuring a robust segregation of duties. They also needed to streamline transaction approvals without compromising security and to protect the system from identification vulnerabilities associated with multisig wallets.

THE SOLUTION:

Hokan implemented the "Hokan Shielded by Lokblok" solution using Lokblok's Toughbox. This technology provided an N-of-M configuration, meaning a designated subset of approved signatories could authorize transactions asynchronously, removing the need for all signatories to be present simultaneously. This approach significantly enhanced the platform's flexibility and security.

Using Toughbox has created a secure, non-custodial digital asset environment. Toughkey hardware devices issued to each authorized officer ensured that transactions could only proceed if approved through Lokblok's secure signing environment.

BENEFITS:

Enhanced Security and Flexibility: The platform no longer used easily identifiable multisig wallets, which reduced the risk of external threats. Additionally, the use of TSS allowed signatories to approve transactions without simultaneous participation, improving efficiency.

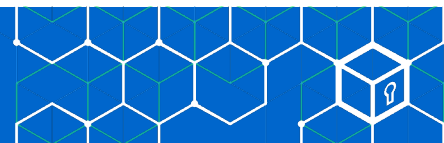
- **Expanded Asset Support:** Hokan could now securely manage various digital assets

beyond Bitcoin, including ERC20 tokens and NFTs, leveraging Lokblok's robust solution.

- **Improved Segregation of Duties:** The ability to manage multiple wallets and approve transactions asynchronously ensured that no single party could act independently, providing a clear audit trail and enhancing compliance.
- **Efficient Auditing Process:** The system's secure, asynchronous approval method made it easy for Hokan to demonstrate robust internal controls to auditors.
- **Scalability and Risk Mitigation:** The flexible wallet management system enabled Hokan to create as many wallets as needed, reducing reliance on a single master wallet and further mitigating security risks.

FUTURE ROADMAP:

Hokan plans to expand its platform capabilities to include Toughbox's hierarchical signatures feature, allowing Hokan to replicate real-world sign-off processes in the digital realm.





READY TO ELEVATE YOUR DIGITAL ASSETS SECURITY STRATEGY?

Contact us today to learn how Lokblok can safeguard your client's digital assets and revolutionize your business operations.

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