



**IDAHO**  
DEPARTMENT OF FINANCE

C. L. "BUTCH" OTTER  
Governor

GAVIN M. GEE  
Director

January 5, 2016

Re: Request for No Action Opinion

Dear Mr. \_\_\_\_\_:

I have reviewed your request for a no action opinion as it relates to your sale of bitcoin to members of \_\_\_\_\_. We understand that you formed the volunteer group called \_\_\_\_\_ with the intent of introducing members to bitcoin and if members express interest, you offer to sell members bitcoin from your own personal inventory. You represent that you own the bitcoin that you offer to sell and that you never purchase bitcoins with the intent of turning around and selling your inventory to members of the \_\_\_\_\_.

Based on the information you provided, it appears that you are acting as a virtual currency "exchanger" - or a person that exchanges virtual currency for fiat currency. An exchanger that *sells its own inventory* of virtual currency is generally not considered a virtual currency transmitter under the Idaho Money Transmitters Act. Alternatively, an exchanger that holds customer funds while arranging a satisfactory buy/sell order with a third party, and transmits virtual currency and fiat currency between buyer and seller, will typically be considered a virtual currency transmitter.

Given your representation that you only sell your own personal inventory of bitcoin, the Department of Finance will take a no action position as to the licensing provisions of the Idaho Money Transmitters Act. Should your business activities deviate from the facts outlined above, it is possible that the Department would take a different position than the one noted in this letter. Further, the Department strongly recommends that you provide potential purchasers with full disclosure as it relates to any mark-up that you may charging to sell your own personal bitcoin inventory.

Please feel free to contact me if you have questions.

Sincerely,

Coleen Hodson, Supervising Investigator/Examiner  
Securities Bureau

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<http://finance.idaho.gov>

## Coleen Hodson

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**To:** Coleen Hodson  
**Subject:** FW: Request for "No Action Petition"

-----Original Message-----

**From:**  
**Sent:** Tuesday, October 27, 2015 4:00 PM  
**To:** Jim Burns  
**Subject:** Request for "No Action Petition"

Dear Mr. Burns

I am writing this letter in an effort to obtain a No Action Petition from the Idaho Department of Finance relating to the sale of Digital Currencies, specifically bitcoin.

I am the founder of the [Bitcoin Community](#), a volunteer group that helps "on-board" new members into the Bitcoin Community. As part of the "on-boarding" process there are times when I sell my personal bitcoin to new members in an effort to educate and expedite the process.

The bitcoins I sell to members are not bitcoins I buy for the purpose of selling but instead to satiate my personal financial goals that, as a Bitcoiner, are to use bitcoin as my exclusive store of value and labor.

This means anytime I have additional income I convert or receive that revenue in the form of bitcoin. Whereas some people in society convert their extra income into redeemable securities such as stocks or 401Ks etc. I choose bitcoin as my medium for storage and growth.

So regardless of whether or not I were to sell bitcoin I would and will always be accumulating more bitcoin. It just so happens that it is easier and safer to also provide bitcoins to "newbies" (persons new to Bitcoin) during their initial learning phase. I advertise and use this opportunity to sell bitcoin as a chance to introduce persons into the Bitcoin Community. It is an absolute necessity to have legitimate Bitcoiners "on-boarding" newbies into the Bitcoin Ethos and helping them avoid the scams and charlatans (i.e. Bernie Madoffs) that often parasitically associate themselves with opportunities of quick money.

I have interpreted the rules and regulations (established by Idaho and FinCEN) to imply licensing is only a requisite when a person/corporation are to engage in the process of holding other person's "monies" by establishing accounts for said persons. It is in this process where the corporations establishes accounts for individuals, holds "monies" for these same individuals and then allows for exchange to take place between these individuals and or Corporation where regulation becomes necessary.

My goal is to very simply provide my personal use bitcoins for sale and use this opportunity to build and educate our group. I do have a slight markup, but the markup is used to offset price volatility and time.

This is necessary due to the fact that I might not be buying bitcoins on the same days I sell bitcoins.

Please feel free to contact me on my mobile number below with any questions.

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