

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF FINANCE
OF THE STATE OF IDAHO**

In the matter of
BITSTAMP, LTD.,

Docket No. 2022-12-03
AGREEMENT AND ORDER

The Department of Finance, acting through its Securities Bureau (“Department”), pursuant to authority under the Idaho Money Transmitter Act, Idaho Code § 26-2901, *et seq.*, has reasonable grounds to believe that violations of the Idaho Money Transmitter Act (“Act”) have occurred. Bitstamp, LTD. (“Respondent”) and the Department have agreed to resolve this matter without a public hearing or adjudication of this matter. Therefore, the Director of the Department (“Director”) deems it appropriate and in the public interest, that this Agreement and Order be entered into, and Respondent consents to the entry of this Agreement and Order.

BACKGROUND

1. Respondent is an entity established in the United Kingdom where it operated a virtual currency exchange whereby it facilitates the purchase and sale of virtual currency.
2. Respondent is the direct owner of Bitstamp USA, Inc. (“Applicant”) which has applied for an Idaho money transmitter license to migrate and onboard existing customers to the affiliate entity compliant to regulation in the United States. Applicant presently maintains money transmitter licenses in thirty-four states and has money transmitter license applications pending in four additional states, including Idaho. Applicant filed a certificate of incorporation in Delaware on February 12, 2014. Applicant’s principal office and mailing address is 27 Union Square West, Suite 205, New York, NY 10003. Applicant has been assigned National Multistate Licensing System (NMLS) company identification number 1905429.

3. As part of the Applicant's Idaho money transmitter license application review, the Department requested confirmation that the Applicant did not conduct money transmitter activity in Idaho without licensure. In connection with this request, the Applicant disclosed Respondent conducted money transmission activity, which the Department has determined requires a license, occurring from January 1, 2017, through the present, involving twenty-eight thousand one hundred sixty-nine (28,169) transactions totaling \$115,284,017.

4. Furthermore, the Respondent disclosed that the Applicant has not operated in Idaho, but it intends to migrate all customers from the Respondent to the Applicant once licensed.

5. The Department has never received a complaint regarding the Respondent's business activities.

FINDINGS OF VIOLATIONS

6. Idaho Code § 26-2903(1) provides that "no person except a person exempt pursuant to the provisions of section 26-2904, Idaho Code, shall engage in the business of money transmission without a license as provided in accordance with the provisions of this chapter."

7. Respondent is not an exempt entity as identified under Idaho Code § 26-2904, or any other applicable law or rule.

8. The Respondent's business activities were conducted in violation of the Act from at least January 1, 2017, through at least March 21, 2022.

9. Idaho Code § 26-2923(1) provides that the Director may order a civil penalty of up to one thousand dollars (\$1,000) for each violation, or in the case of continued violation one thousand dollars (\$1,000) for each day the violation continues, not to exceed twenty-five thousand dollars (\$25,000) in the aggregate.

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ACKNOWLEDGMENT AND REMEDIES

10. To economically and efficiently resolve the pending dispute, the parties agree to this Agreement and Order in lieu of other proceedings.

11. Respondent admits the foregoing facts and Findings of Violations.

12. Respondent waives its right to notice and opportunity for hearing on this matter provided by Idaho Code § 26-2923 and under the contested case provisions of the Idaho Administrative Procedures Act at Title 67, Chapter 52, Idaho Code. Respondent further waives its right to seek judicial review of this Agreement and Order. The terms contained in this Order herein constitute the entire agreement between the Department and Respondent.

13. Respondent, on its behalf and as direct owner of Applicant, represents that the information provided to the Department in its investigation of this matter, and in the course of the licensing application review process, is complete and accurate.

14. In the event that Respondent fails to adhere to the terms of this Agreement and Order, Respondent acknowledges the Department can incorporate the facts and findings giving rise to this Order in any future proceedings. Respondent also acknowledges, as direct owner of Applicant, once Applicant is licensed it will be required to migrate all customers from the Respondent to the Applicant and to operate in full compliance with the Act.

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15. Respondent agrees to pay a civil penalty of twenty-five thousand dollars (\$25,000.00) to the Department for the violations of the Act, pursuant to Idaho Code § 26-2923. Said civil penalty is to be paid not later than thirty (30) days from the date the Director executes this Order. Payment shall be made payable to the "Idaho Department of Finance."

AGREED TO and ACKNOWLEDGED this 26th day of May, 2022.

DocuSigned by:

Jean-Baptiste Graftieaux

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BITSTAMP, LTD.

BY: Jean-Baptiste Graftieaux

ITS (TITLE) Chief Executive Officer

DATED: 6/6/22

[Signature]

PATRICIA HIGHLEY, Securities Bureau Chief
Idaho Department of Finance

IT IS SO ORDERED

DATED this 6th day of June, 2022.



[Signature] on behalf of

PATRICIA R. PERKINS, Director
Idaho Department of Finance