

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

In the matter of
BITPAY, INC.

Docket No. 2022-12-02
AGREEMENT AND ORDER

The Department of Finance, acting through its Securities Bureau (“Department”), pursuant to the 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. BitPay, Inc. (“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 of Finance (“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. BitPay, Inc. is a Delaware corporation which presently maintains money transmitter licenses in seventeen states and has money transmitter license applications pending in three additional states, including Idaho. BitPay, Inc. filed a certificate of incorporation in Delaware on June 4, 2012. BitPay, Inc.’s principal office and mailing address is 8000 Avalon Boulevard, Suite 300, Alpharetta, GA 30009. BitPay, Inc. has been assigned National Multistate Licensing System (NMLS) company identification number 1496848.

2. On May 9, 2017, the Department responded to BitPay’s request for opinion regarding applicability of the Act to its services offered to consumers in Idaho. The Department confirmed multiple services offered by Bitpay required licensure under the Act.

3. Respondent is in the business as a payment service provider specializing in virtual currency transactions involving digital assets with merchants worldwide. BitPay Inc.'s services include money transmission as defined under the Act.

4. On August 24, 2021, BitPay, Inc. submitted an application for a money transmitter license to the State of Idaho.

5. The Respondent self-disclosed unlicensed money transmission activity occurring in Idaho. The unlicensed activity disclosed by BitPay, Inc. occurred January 1, 2015 through December 31, 2021, and includes one thousand, five hundred and eighty-three (1,583) transactions totaling \$3,849,504.53 in value.

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

FINDINGS OF VIOLATIONS

7. 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."

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

9. The Respondent's business activities were in violation of the Act from at least January 1, 2015 through approximately December 31, 2021.

10. 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 that the violation continues, but not to exceed twenty-five thousand dollars (\$25,000) in the aggregate.

ACKNOWLEDGMENT AND REMEDIES

11. To economically and efficiently resolve the violations, the parties agree to this Agreement and Order in lieu of other proceedings.

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

13. Respondent waives their 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 Title 67, Chapter 52, Idaho Code. Respondent further waives their right to seek judicial review of this order. The terms contained in this Order herein constitute the entire agreement between the Department and Respondent.

14. Respondent represents that the information provided in the course of the processing of the licensing application to the Department in its investigation of this matter is complete and accurate.

15. Respondent represents that they shall immediately cease and desist from violating the Idaho Money Transmitters Act, specifically the unlicensed business of money transmission.

16. Respondent represents that once licensed it will be operating in full compliance with the Act. In the event that Respondent commits future violations of the Act or fails to adhere to the terms of this Agreement and Order, Respondent acknowledges that the Department can incorporate the facts and findings giving rise to this Order in any future proceedings.

17. 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 28th day of March, 2022.

Jagruti R Solanki

BITPAY, INC.

BY: Jagruti R Solanki

ITS (TITLE) CFO

Patricia Highley

DATED: March 31, 2022

PATRICIA HIGHLEY, Securities Bureau Chief
Idaho Department of Finance

IT IS SO ORDERED

DATED this 31 day of March, 2022.

Patricia R Perkins

PATRICIA R. PERKINS, Director
Idaho Department of Finance

