

VERMONT DEPARTMENT OF FINANCIAL REGULATION

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Vermont Joins \$1.5 Million Multistate Securities Settlement Against Crypto Platform, TradeStation

For Immediate Release

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MONTPELIER, Vt., February 16, 2024 — The Vermont Department of Financial Regulation (DFR) recently entered into a settlement with TradeStation Crypto, Inc. (TradeStation) to resolve Vermont’s securities investigation into TradeStation’s crypto interest-earning program.

TradeStation, a Florida corporation formed in 2018, provides crypto-asset-related financial services to retail and institutional customers in the United States, including investing and trading services. From August 2020 to June 2022, TradeStation offered a crypto interest-earning program to Vermont investors. Under this program, investors passively earned interest on crypto assets by loaning them to TradeStation. TradeStation maintained total discretion over the revenue-generating activities utilized to earn returns for investors. The company offered and promoted their crypto interest-earning program in Vermont and the United States at large via its website and various platforms.

The task force determined that during the offering period, TradeStation engaged in the unregistered offer and sale of securities via its crypto interest-earning program. For the states participating in the settlement, TradeStation will pay each state a fine of \$29,411.76 and cease to offer, sell, or renew its crypto interest earning program, unless registered or exempt.

“The Order reflects DFR’s core mission to protect the Vermont investor. Crypto-related businesses must comply with Vermont law when engaging in the offer and sale of securities. We urge investors to take the time to investigate a cryptocurrency-related investment before investing,” Securities Deputy Commissioner Amanda Smith said.

The \$1.5 million multistate settlement, on behalf of 51 United States jurisdictions, is the result of a North American Securities Administrators Association (NASAA) task force of eight state securities regulators from Alabama, California, Mississippi, North Carolina, Ohio, South Carolina, Washington, and Wisconsin.

The Department’s investigation was handled by Sarah Heim, Director of Examinations and Enforcement for the Securities Division, and Assistant General Counsel Ethan McLaughlin.

The [consent order can be found](#) on the Vermont Department of Financial Regulation website. Investors can contact DFR Securities with any questions or concerns by calling 1-877-550-3907 or emailing dfr.securitiesinfo@vermont.gov.

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