

**STATE OF VERMONT
DEPARTMENT OF FINANCIAL REGULATION**

IN RE:)
)
BITSTAMP, LTD.) **DOCKET NO. 20-033-B**
)

STIPULATION AND CONSENT ORDER

The **Vermont Department of Financial Regulation** (the “Department”) and **Bitstamp, Ltd.** (“Respondent”) hereby stipulate and agree as follows:

1. Pursuant to 8 V.S.A. Chapters 1, 72, and 79, the Commissioner of the Vermont Department of Financial Regulation is charged with administering and enforcing Vermont law as it pertains to money transmitters in the State of Vermont.

2. Respondent is an entity organized under UK law with a principal place of business at 5 New Street Square, London EC4A 3TW, United Kingdom.

3. Respondent acknowledges and admits the jurisdiction of the Commissioner over the subject matter of this Stipulation and Consent Order.

4. Respondent provides virtual currency services via a secure internet portal.

5. Respondent has provided online virtual currency services to Vermont customers since 2012.

6. A Vermont money transmitter license is required to provide the virtual currency services Respondent provides to Vermont customers.

7. Respondent is not currently, nor has it ever been, licensed to engage in the business of money transmission in Vermont.

8. Respondent has formed a wholly owned subsidiary (the “Subsidiary”) for the purpose of increasing Respondent’s regulatory presence in the United States, including obtaining

money transmitter licenses for the Subsidiary in those states that require a license to engage in the services offered by Respondent.

9. The Subsidiary has applied for a Vermont money transmitter license. Upon receipt of the license, Respondent intends to transfer all of its existing Vermont customers to the Subsidiary.

10. The Department asserts that Respondent engaged in the business of money transmission in Vermont without the license or authorization required by 8 V.S.A. Chapter 79.

11. Respondent has provided the Department with information about its Vermont activities from 2012 to 2020.

12. Respondent acknowledges that the Department is relying upon Respondent's representations and warranties in making its determinations in this matter.

13. Respondent has cooperated with the Department at all times.

14. The Department has not received any complaints stemming from Respondent's Vermont activity.

15. The parties wish to resolve this matter without administrative or judicial proceedings.

16. Respondent and the Department expressly agree to enter this Stipulation and Consent Order in full and complete resolution of the alleged violations described herein.

17. Respondent agrees to pay an administrative penalty of \$15,500 to the Department of Financial Regulation. The penalty was calculated based on licensing fees and assessments Respondent would have paid if properly licensed during the period of time Respondent conducted business in Vermont and a partial disgorgement of fees earned during the period of unlicensed activity. The administrative penalty shall be paid within ten (10) days of the execution of this

Stipulation and Consent Order.

18. The Department and Respondent believe that an immediate and sudden end of Respondent's Vermont activities could be detrimental to Vermont customers. Respondent may continue providing services to its existing Vermont customers until January 15, 2021 provided, however, Respondent shall not acquire any new Vermont customers during this period. Respondent shall complete the licensing process for the Subsidiary and transfer all existing Vermont customers to the Subsidiary by January 15, 2021. Alternatively, Respondent shall wind down and cease its operations in Vermont by January 15, 2021. In no event shall Respondent continue to engage in unlicensed activity in Vermont after January 15, 2021.

19. This Stipulation and Consent Order shall not prevent any person from pursuing any claim he or she may have against Respondent, nor shall it be understood as determining whether any such claim may or may not exist in law or equity. Nothing contained herein shall be deemed an admission by Respondent, except as set forth in paragraph 3 above.

20. Nothing contained in this Stipulation and Consent Order shall restrain or limit the Department in responding to and addressing any complaint filed with the Department involving Respondent and the Department reserves the right to pursue restitution in connection with any complaint filed with the Department.

21. The Department and Respondent are entering into this Stipulation and Consent Order to settle a dispute between them and all agree that this Stipulation and Consent Order does not constitute an adjudication of a violation of statute or regulation. Respondent neither admits nor denies the Department's allegation that it violated Vermont's money transmitter laws by engaging in money transmission without a license or authorization under Title 8, Chapter 79.

22. Respondent hereby waives its statutory right to notice and a hearing before the


Commissioner.

23. Respondent acknowledges and agrees that this stipulation is entered into freely and voluntarily and that except as set forth herein, no promise was made to induce the Respondent to enter into it. Respondent acknowledges its understanding of and agrees to all terms, conditions, and obligations contained in this Stipulation and Consent Order.

24. The terms set forth in this Stipulation and Consent Order represent the complete agreement between the parties as to its subject matter.

25. The undersigned representative of Respondent affirms that he or she has taken all necessary steps to obtain the authority to bind Respondent to the obligations stated herein and has the authority to bind Respondent to the obligations stated herein.

Bitstamp Ltd.

By:  Date: October 27, 2020

Print name & title:

JULIAN SAWYER, CEO

ACCEPTED BY:

 Date: October 13, 2020

Molly Dillon, Deputy Commissioner
Banking Division, Vermont Department of Financial Regulation

CONSENT ORDER

1. The stipulated facts, terms, and provisions of the Stipulation are incorporated by reference herein.
2. Jurisdiction in this matter is established pursuant to Chapters 1, 72, and 79 of Title 8.
3. Pursuant to the Stipulation, Bitstamp Ltd. consents to the entry of this Consent Order.
4. Bitstamp Ltd. shall comply with all agreements, stipulations, and undertakings as recited above.

Dated at Montpelier, Vermont this 13th day of ~~October~~ November 2020.



Michael S. Pieciak, Commissioner
Vermont Department of Financial Regulation

