

STATE OF NORTH CAROLINA

WAKE COUNTY

IN A MATTER  
BEFORE THE COMMISSIONER OF BANKS  
DOCKET NO. 22:092:MT

IN RE: )  
 )  
BLOCKFI TRADING LLC )  
 )  
NMLS ID No. 1873137 )  
 )  
\_\_\_\_\_ )

**CEASE AND DESIST ORDER**

The Commissioner of Banks (Commissioner) issues this Cease and Desist Order (Order) because she has reason to believe that:

1. On July 15, 2020, BlockFi Trading LLC (BlockFi), was initially licensed by the North Carolina Office of the Commissioner of Banks (NCCOB) as a money transmitter under Article 16B of Chapter 53 of the North Carolina General Statutes, per an Approval Order bearing Docket No. 20:080:MT. BlockFi has been so licensed since that date.
2. The Commissioner has been notified by BlockFi’s surety that its bond will be cancelled effective February 13, 2023.
3. As of November 10, 2022, BlockFi suspended payment of its obligations to its customers. BlockFi limited its platform activity, preventing customers from transferring or withdrawing their digital assets (virtual currency) stored on the platform. These practices are prohibited pursuant to N.C.G.S. § 53-208.51(1).
4. On or about November 18, 2022, the State of Washington Department of Financial Institutions Consumer Services Division entered a Temporary

Order to Cease and Desist against BlockFi, Case No. C-22-3488-22-TD01. Among other things, this order found that BlockFi suspended payment of obligations, commingled customer assets, and the bond was noticed for cancellation.

5. Pursuant to N.C.G.S. § 53-208.57(d), the Commissioner may issue a cease and desist order if she has reason to believe that such a violation or failure to comply with the MTA presents an imminent threat to the public.
6. BlockFi's suspension of its obligations to customers and its bond cancellation place North Carolina consumers at risk and requires emergency action.

BASED UPON THE FOREGOING, the Commissioner finds that it is in the public interest to order BlockFi to cease and desist from the solicitation or acceptance of all money transmission activities.

IT IS, THEREFORE, ORDERED THAT:

1. BlockFi shall cease and desist from engaging in any new money transmission activity within the State of North Carolina.
2. As of the effective date of this Order, no new money transmission activities or new transmission business shall be conducted under BlockFi's MTA license with residents of the State of North Carolina.
3. Until such time as BlockFi's existing surety bond is reinstated or a new bond is secured, BlockFi shall not onboard any new North Carolina consumers to its platform. BlockFi shall not resume any money transmission activities in the state without the approval of the Commissioner.
4. Within ten (10) days of the effective date of this Order, BlockFi shall furnish a list of all its North Carolina consumers with outstanding transmission obligations and the dollar amount of those obligations to Chief Deputy Commissioner of Banks Stephanie White via secure electronic transmission method. BlockFi shall comply with any requests for records from the NCCOB.

5. BlockFi shall ensure that all outstanding payment instruments and stored value of North Carolina consumers are safeguarded and held in trust for the benefit of the purchasers and holders.
6. Pursuant to N.C.G.S. § 53-208.57(b), BlockFi may request a hearing regarding the issuance of this Order within twenty (20) days of its effective date. Such a request shall be made in writing to Angela Maynard at [REDACTED] and a hearing shall be calendared within fifteen (15) days thereafter or at such time as may be agreed upon by the parties.
7. This Order shall be effective immediately. If BlockFi does not request a hearing, this Order shall remain in full force and effect until such time as it is modified or vacated by the Commissioner.

Date: 11/21/2022

[REDACTED]

Katherine M.R. Bosken  
Commissioner of Banks

**CERTIFICATE OF SERVICE**

THE UNDERSIGNED hereby certifies that she has this day served a copy of the foregoing Cease and Desist Order by email to the individual identified below and by placing a copy of the same with a delivery service authorized by law and addressed to:

BlockFi Trading LLC  
201 Montgomery St  
Suite 263  
Jersey City, NJ 07302  
[REDACTED]

Date: 11/21/2022

Office of the Commissioner of Banks

[REDACTED]

\_\_\_\_\_  
Kristin A. Rice  
Director and Counsel  
Division of Legal Affairs  
Office of the Commissioner of Banks  
4309 Mail Service Center  
Raleigh, North Carolina 27699-4309  
Phone: (919) 733-3016  
Fax: (919) 733-6918  
Email: [REDACTED]