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**IN THE MATTER OF:** \*  
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**LSGT SERVICES LLC** \*  
**d/b/a COINHUB** \*  
**d/b/a LOWEST FEE BITCOIN ATMS** \*  
**NMLS # 2344713** \*  
\*  
**(“LSGT”)** \*  
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**CONSENT ORDER**

**WHEREAS**, the Banking Commissioner (“Commissioner”) is charged with the administration of Part V of Chapter 668, Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes, known as the “Money Transmission Act”;

**WHEREAS**, LSGT is a Nevada limited liability company with a main address at 3430 E Russell Rd, #330, Las Vegas, Nevada;

**WHEREAS**, LSGT is not currently, nor has it ever been, licensed with the Commissioner on the Nationwide Multistate Licensing System and Registry (“NMLS”) to engage in the business of money transmission in Connecticut;

**WHEREAS**, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, has conducted an investigation into the activities of LSGT pursuant to Sections 36a-17 and 36a-608(a) of the Connecticut General Statutes to determine if it had violated, was violating or was about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner;

**WHEREAS**, as a result of such investigation, the Commissioner alleges that since September 2022 LSGT engaged in the business of money transmission in this state without the required license by

operating virtual currency kiosks which allowed transmission of currency to a third party, in violation of Section 36a-597(a) of the Connecticut General Statutes;

**WHEREAS**, the Commissioner believes that such allegation would support initiation of enforcement proceedings against LSGT, including, without limitation, proceedings to issue an order to cease and desist against LSGT pursuant to Sections 36a-608(c) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty of up to One Hundred Thousand Dollars (\$100,000) per violation upon LSGT pursuant to Sections 36a-608(c) and 36a-50(a) of the Connecticut General Statutes;

**WHEREAS**, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes. Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

**WHEREAS**, LSGT has operated virtual currency kiosks in various locations within Connecticut since September 2022;

**WHEREAS**, the Division is aware of two Connecticut consumers that patronized LSGT virtual currency kiosks in Connecticut since 2022, from which the transactions resulted in virtual currency being purchased with the consumers’ funds and transmitted to third parties, thereby triggering Connecticut’s money transmission licensure requirement;

**WHEREAS**, LSGT represents that, in response to contact from the Division regarding unlicensed activity, on June 8, 2023, it voluntarily ceased operating virtual currency kiosks in Connecticut by shutting down all virtual currency kiosks making them inaccessible to consumers;

**WHEREAS**, LSGT further represents that it will continue to refrain from operating in Connecticut unless and until it obtains any required money transmitter license;

**WHEREAS**, the Commissioner and LSGT acknowledge the possible consequences of formal administrative proceedings, and LSGT voluntarily agrees to consent to the entry of the sanctions imposed below without admitting or denying the allegation set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

**WHEREAS**, the Commissioner and LSGT now desire to resolve the matters set forth herein;

**WHEREAS**, LSGT specifically assures the Commissioner that the violation alleged herein shall not occur in the future;

**WHEREAS**, LSGT has represented that it acted in good faith and has fully cooperated with the investigation of this matter;

**WHEREAS**, LSGT acknowledges that LSGT has had opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and executes this Consent Order freely;

**WHEREAS**, LSGT acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on NMLS, as applicable;

**AND WHEREAS**, LSGT, through its execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegation set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

### **CONSENT TO ENTRY OF SANCTIONS**

**WHEREAS**, LSGT, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. LSGT shall cease and desist from engaging in the business of money transmission in this state without a license, in violation of Section 36a-597(a) of the Connecticut General Statutes;
2. No later than fifteen (15) days after the date this Consent Order is executed by LSGT, it shall pay restitution to each Connecticut consumer listed in Exhibit A attached hereto, in the amount identified therein. All restitution payments shall be made by check or money order valid for 90 days, and shall be mailed by registered or certified mail, return receipt requested, with proof of mailing. No later than seven (7) days after issuance of refund payments, LSGT shall provide evidence of such payments to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or [carmine.costa@ct.gov](mailto:carmine.costa@ct.gov);
3. Any payment to an identified Connecticut consumer which remains uncashed after the 90 days in which the issued checks are valid, and therefore cannot be cashed, shall be reduced to an additional civil penalty and LSGT shall remit such civil penalty to the Department of Banking

by electronic funds transfer, cashier's check, certified check or money order made payable to the "Treasurer, State of Connecticut" no later than January 19, 2024.

4. No later than the date this Consent Order is executed by LSGT, it shall remit to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Three Thousand Dollars (\$3,000) as payment for back licensing fees;
5. No later than the date this Consent Order is executed by LSGT, it shall create and maintain a fund to be held in a non-interest bearing trust account of LSGT's attorney similar in manner as investments in lieu of a bond in the amount of Fifty Thousand Dollars (\$50,000) for the purpose of repayments to any Connecticut consumers that suffer losses from scams in which LSGT virtual currency kiosks were used for the virtual currency transmission. Said fund shall remain funded for a period of six (6) months from the issuance of this Consent Order and shall expire on April 3, 2024. LSGT agrees that any scam victim that comes forward within that time shall be entitled to restitution from that fund and upon the expiration of the six (6) months, the fund shall revert back to LSGT. In the event either party to this Consent Order receives a complaint or claim from a Connecticut consumer related to a scam, the receiving party shall furnish the other party with notice of the complaint and/or claim and all supporting documentation promptly after receipt. Upon receipt of a complaint and/or claim both parties shall perform its own investigation into the merits of the same. If the Department deems the complaint and/or claim as legitimate it shall provide notice to LSGT of its findings promptly after receipt. The supporting documentation shall include a filing of a police report by the Connecticut consumer. LSGT shall have one (1) week to provide the Department with any dispute of the complaint and/or claim. If no dispute is received, or LSGT has no dispute, payment of the restitution from the fund shall occur within one (1) week of the completion of the investigation. LSGT acknowledges and agrees that it shall limit its disputes to consumer claimed losses to proof that LSGT has already made a refund to the consumer and made said consumer whole or that there was no third-party transmission from the virtual kiosk and therefore, no money transmission activity occurred involving the consumer. Further, LSGT represents and agrees that it shall make restitution payments to consumers deemed by the Department to have suffered monetary losses as a result of a scam perpetrated via a LSGT virtual currency kiosk even if the initial fund of Fifty Thousand Dollars (\$50,000) is exhausted. Notice of payments shall be sent to Carmine Costa, Director, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or [carmine.costa@ct.gov](mailto:carmine.costa@ct.gov); and
6. No later than the date this Consent Order is executed by LSGT, it shall remit to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Fifty Thousand Dollars (\$50,000) as a civil penalty.

### **CONSENT ORDER**

**NOW THEREFORE**, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against LSGT based upon the allegation set forth herein; provided that issuance of this Consent Order is without prejudice to

the right of the Commissioner to take enforcement action against LSGT based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by LSGT and reflected herein is subsequently discovered to be untrue;

3. LSGT shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that this Consent Order is without factual basis. Except as specifically provided herein, LSGT shall not take any position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects LSGT's (i) testimonial obligations, or (ii) right to take legal or factual positions that may contradict an allegation in this Consent Order in litigation or other legal proceedings in which the Commissioner is not a party;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by LSGT and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of LSGT to obtain an initial license or renewal license under the Money Transmission Act, provided that all applicable legal requirements for such licenses are satisfied and the terms of this Consent Order are followed;
5. This Consent Order shall be binding upon LSGT and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut  
this 3rd day of October 2023.

/s/  
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Jorge L. Perez  
Banking Commissioner

I, Logan Short, state on behalf of LSGT Services LLC d/b/a Coinhub d/b/a Lowest Fee Bitcoin ATMs that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of LSGT Services LLC d/b/a Coinhub d/b/a Lowest Fee Bitcoin ATMs; that LSGT Services LLC d/b/a Coinhub d/b/a Lowest Fee Bitcoin ATMs agrees freely and without threat or coercion of any kind to comply with the sanction entered and terms and conditions ordered herein; and that LSGT Services LLC d/b/a Coinhub d/b/a Lowest Fee Bitcoin ATMs voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/  
Name: Logan Short  
Title: CEO  
LSGT Services LLC  
d/b/a Coinhub  
d/b/a Lowest Fee Bitcoin ATMs

State of: Florida

County of: Orange

On this the 28 day of September, 2023, before me, Mike Rimmel, the undersigned officer, personally appeared Logan Short, who acknowledged himself/herself to be the CEO of LSGT Services LLC d/b/a Coinhub d/b/a Lowest Fee Bitcoin ATMs, a member managed/manager managed limited liability company, and that he/she as such manager, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as manager.

In witness whereof I hereunto set my hand.

/s/  
Notary Public  
Date Commission Expires: 4/2/2027