
*
IN THE MATTER OF: *
*
BITGO TRUST COMPANY, INC. *
d/b/a BITGO *
NMLS # 1817802 *
*
(“BitGo”) *
*

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, BitGo is a South Dakota corporation with a principal business address of 6216 Pinnacle Place, Suite #101, Sioux Falls, South Dakota;

WHEREAS, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, has conducted an investigation into the activities of BitGo pursuant to Sections 36a-17, 36a-600 and 36a-608 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 (“Investigation”);

WHEREAS, the Commissioner acknowledges that BitGo fully cooperated with the investigation, engaged in minimal activity in Connecticut and acted proactively in submitting its licensure application in a timely manner;

WHEREAS, on February 11, 2020, BitGo filed an application with the Commissioner on the Nationwide Multistate Licensing System and Registry (“NMLS”) to obtain a license to engage in the business of money transmission in Connecticut, which application is currently pending;

WHEREAS, as a result of the Investigation, the Commissioner alleges that BitGo engaged in the business of money transmission in this state without a license since at least May 2019, 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 BitGo, including, without limitation, proceedings to issue a cease and desist order 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 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;

WHEREAS, 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, both the Commissioner and BitGo acknowledge the possible consequences of formal administrative proceedings, and BitGo voluntarily agrees to consent to the entry of the sanctions imposed below solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

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

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

1. BitGo shall not engage in the business of money transmission in this state without a license, in violation of Section 36a-597(a) of the Connecticut General Statutes; and
2. No later than the date this Consent Order is executed by BitGo, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Two Thousand Two Hundred Fifty Dollars (\$2,250) as payment for back licensing fees.

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 BitGo based upon the allegation contained herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against BitGo 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 BitGo and reflected herein is subsequently discovered to be untrue;
3. BitGo shall not take any action or make or permit to be made any public statement, including in regulatory filings 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;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by BitGo and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of BitGo to apply for or obtain an initial license or renewal license under Part V of Chapter 668, Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes, provided that all applicable legal requirements for any such license is satisfied and the terms of this Consent Order are followed;

5. This Consent Order shall be binding upon BitGo and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 21st day of April 2021.

/s/

Jorge L. Perez
Banking Commissioner

