
*
IN THE MATTER OF: *
*
SANDP SOLUTIONS, LLC *
d/b/a BITCOIN OF AMERICA *
NMLS # 1791842 *
*
(“BoA”) *
*

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, BoA is an Illinois limited liability company with a main address of 1904 Ogden Avenue, Lisle, Illinois;

WHEREAS, BoA 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 BoA 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, on April 20, 2023, the Commissioner issued an Order to Make Restitution, Order to Provide Disgorgement, Notice of Intent to Issue Order to Cease and

Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing (“Order and Notice”) against BoA, which Order and Notice is incorporated herein by reference;

WHEREAS, the Commissioner alleged in the Order and Notice that since at least 2021, BoA engaged in the business of money transmission in this state by engaging in third party transmission activities through its operation of Virtual Currency Kiosks (“VC Kiosks”)¹ without obtaining the required license, in violation of Section 36a-597(a) of the Connecticut General Statutes, in effect at such time. Such allegations form the basis to issue an order to cease and desist against BoA pursuant to Sections 36a-608(c) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon BoA pursuant to Sections 36a-608(c) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, the Division has received and/or is aware of four Connecticut consumers that patronized BoA VC Kiosks in this state since 2021, from which the transaction resulted in virtual currency being purchased with the consumers’ funds and transmitted to third parties, thereby triggering Connecticut’s money transmission licensure requirement;

WHEREAS, on April 21, 2023, the Order and Notice was sent by certified mail, return receipt requested, to BoA (Certified Mail No. 70221670000209233170), and via electronic mail to BoA’s counsel;

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 BoA acknowledge the possible consequences of formal administrative proceedings, and BoA voluntarily agrees to consent to the entry of the sanctions imposed

¹ VC Kiosks that solely convert fiat currency to virtual currency and vice versa or sell virtual currency to consumers from the VC Kiosk operator’s own store of virtual currency are not required to obtain a money transmitter’s license in this state, as these transactions only involve two parties (the originating consumer/VC Kiosk user and the VC Kiosk operator). However, the Department issued a written advisory in April 2022 clarifying its position wherein money transmitters’ licenses are required for operators of VC Kiosks that transmit virtual currency and/or fiat currency between parties, that hold virtual currency in a VC Kiosk-supported digital wallet or offer other transactions other than a one-to-one exchange transaction between the VC Kiosk operator and the VC Kiosk user.

below without admitting or denying the allegations set forth herein, and solely for the purpose of obviating the need for formal administrative proceedings concerning the allegations set forth herein;

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

WHEREAS, BoA specifically assures the Commissioner that the violations alleged herein shall not occur in the future;

WHEREAS, BoA represents that it is winding down operations nationwide and no longer owns or operates any VC Kiosks in this state;

WHEREAS, in light of the wind down of BoA's operation and in order to maximize the amount of refunds to Connecticut residents, the Commissioner has determined that no civil penalty will be imposed upon BoA;

WHEREAS, BoA agrees that the Order and Notice may be used in construing the terms of this Consent Order and agrees to the language of this Consent Order;

WHEREAS, BoA 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;

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

AND WHEREAS, BoA acknowledges that BoA 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.

CONSENT TO ENTRY OF SANCTIONS

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

1. BoA 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 BoA, BoA 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, BoA 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; and
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 a civil penalty and BoA shall remit such civil penalty to the Department by electronic funds transfer, cashier's check, certified check or money order made payable to the "Treasurer, State of Connecticut" no later than August 24, 2023.

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 BoA based upon the allegations set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against BoA 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 BoA and reflected herein is subsequently discovered to be untrue;
3. BoA 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;
4. Except as specifically provided herein, BoA 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 BoA'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;

5. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by BoA and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of BoA 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;
6. This Consent Order shall be binding upon BoA and its successors and assigns; and
7. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 4th day of May 2023.

/s/

Jorge L. Perez
Banking Commissioner

I, Veronica Mehraban, state on behalf of SandP Solutions, LLC d/b/a Bitcoin of America 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 SandP Solutions, LLC d/b/a Bitcoin of America; that SandP Solutions, LLC d/b/a Bitcoin of America agrees freely and without threat or coercion of any kind to comply with the sanction entered and terms and conditions ordered herein; and that SandP Solutions, LLC d/b/a Bitcoin of America 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:
Title:
SandP Solutions, LLC d/b/a Bitcoin of America

State of: ILLINOIS

County of: WILL

On this the 03 day of MAY 2023, before me, KALYSHA D LACKINGS, the undersigned officer, personally appeared VERONICA MEHRABAN, who acknowledged himself/herself to be the CHIEF OPERATING OFFICER of SandP Solutions, LLC d/b/a Bitcoin of America, a member managed/manager managed limited liability company, and that he/she as such CHIEF OPERATING OFFICER, 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 CHIEF OPERATING OFFICER.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires: MAY 19, 2023