
IN THE MATTER OF:

COINME INC.
d/b/a COINME
NMLS # 1185542

(“Respondent”)

ORDER OF SUMMARY SUSPENSION

TEMPORARY ORDER TO CEASE AND DESIST

ORDER TO MAKE RESTITUTION

ORDER TO PROVIDE DISGORGEMENT

NOTICE OF INTENT TO REVOKE AND REFUSE TO RENEW MONEY TRANSMISSION LICENSE

NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND DESIST

NOTICE OF INTENT TO IMPOSE CIVIL PENALTY

AND

NOTICE OF RIGHT TO HEARING

I. LEGAL AUTHORITY AND JURISDICTION

1. 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 and Sections 36a-613 and 36a-614 of the 2024 Supplement to the General Statutes, known as the “Money Transmission Act”, as amended by Public Act 24-146.

2. Pursuant to the authority granted by Sections 36a-17 and 36a-608(a) of the Connecticut General Statutes, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking (“Department”), participated in a multistate examination in 2023, with a review period from February 23, 2021, through March 31, 2023, to determine if Respondent has violated, is violating or is

about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner (“Examination and Investigation”).

3. As a result of the Examination and Investigation, the Commissioner has reason to believe that Respondent has violated Sections 36a-600(d), 36a-604(c), 36a-606a, 36a-607(c)(10) and 36a-608(a) of the Connecticut General Statutes.

4. As a result of the Examination and Investigation, the Commissioner finds that the public safety and welfare imperatively require emergency action to summarily suspend Respondent’s license to engage in the business of money transmission in Connecticut pursuant to Sections 36a-608(c), 36a-51(a) and 4-182(c) of the Connecticut General Statutes, and the public welfare requires immediate action to issue a temporary order against Respondent to cease and desist from engaging in an unsafe or unsound practice within the meaning of Section 36a-608(a) of the Connecticut General Statutes, from failing to maintain the minimum tangible net worth required pursuant to Sections 36a-600(d) and 36a-604(c) of the Connecticut General Statutes, from engaging an unlicensed entity to perform Respondent’s money transmission activities, and from failing to establish, enforce and maintain policies and procedures for supervising employees, agents and office operations that are reasonably designed to achieve compliance with applicable money transmission laws and regulations, pursuant to Sections 36a-608(c) and 36a-52(b) of the Connecticut General Statutes.

5. As a result of the Examination and Investigation, the violations alleged by the Commissioner form a basis to issue an order to make restitution against Respondent pursuant to Sections 36a-608(c) and 36a-50(c) of the Connecticut General Statutes.

6. As a result of the Examination and Investigation, the violations alleged by the Commissioner form a basis to issue an order to provide disgorgement of any sums obtained in violation of Section 36a-608(a) of the Connecticut General Statutes against Respondent pursuant to Sections 36a-608(c) and 36a-50(c) of the Connecticut General Statutes.

7. As a result of the Examination and Investigation, the Commissioner has reason to believe that such conduct constitutes sufficient grounds to revoke and refuse to renew Respondent's license to engage in the business of money transmission in Connecticut pursuant to subdivisions (1) and (2) of Section 36a-608(b) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes.

8. As a result of the Examination and Investigation, the conduct alleged by the Commissioner forms a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-608(c)(1) and 36a-52(a) of the Connecticut General Statutes, and impose a civil penalty upon Respondent pursuant to Sections 36a-608(c)(1) and 36a-50(a) of the Connecticut General Statutes.

II. MATTERS ASSERTED

9. Respondent is a Virginia corporation with an office at 255 S King St. Suite 800, Seattle, Washington. Respondent is wholly owned by Coinme Holdings Inc. ("Parent Company"), which is owned 17% by Respondent's CEO, Neil Bergquist ("Bergquist"), 17.4% by Michael Smyers, and 65.6% by minority stakeholders.

10. Respondent has been licensed to engage in the business of money transmission in Connecticut since April 14, 2021. On November 1, 2023, Respondent requested renewal of its license to engage in the business of money transmission in Connecticut on the Nationwide Multistate Licensing System and Registry ("NMLS") for the January 1, 2024 through December 31, 2024 period. Such renewal request is currently pending.

11. At all times relevant hereto, Respondent engaged in the business of electronic money transmission and exchange and trade of virtual currency. Further, according to Respondent's business plan, it partners with another company ("Company") to enable customers to purchase virtual currency via the Company's kiosks and MoneyGram agents, provides custodial wallets, and through its website and mobile application allow the ability to buy, sell, custody, transfer and receive virtual currencies supported by its platform.

12. The Company applied for a license to engage in the business of money transmission in Connecticut on NMLS on September 26, 2022. Subsequently, the Company withdrew its license application on March 22, 2023. The Company remains unlicensed to engage in money transmission activities in Connecticut, yet Respondent continues to engage the Company to provide money transmission services to Connecticut consumers.

13. On April 28, 2023, the U.S. Securities and Exchange Commission (“SEC”) issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing A Cease-and-Desist Order (“SEC Order”) against Respondent, Bergquist and Respondent’s affiliate, Up, Global SEZC (“Up Global”), for violations of the federal Securities and Exchange Act.

14. As per the SEC Order, Respondent was ordered to pay a civil penalty of \$250,000, which, upon information and belief, has been paid. Further, the SEC Order ordered Respondent and Up Global, jointly and severally, to pay a civil penalty in the amount of \$3,520,000. Respondent has paid \$2,510,000 to the SEC pursuant to the SEC Order and based on information and belief, the balance remains due and owing.

15. In 2023, this Department, along with the Colorado Division of Banking, Minnesota Department of Commerce, Nevada Financial Institutions Division, Ohio Division of Financial Institutions, South Dakota Division of Banking and Virginia Bureau of Financial Institutions, conducted a multi-state examination of Respondent and issued a Joint Multistate Report of Examination (“2023 ROE”) on July 17, 2023. The 2023 ROE cited several deficiencies including continued net loss issues, and non-compliance with minimum net worth requirements.

16. The 2023 ROE cited the following five federal violations: (1) failure to file currency transaction reports within the required timeframe as required by 31 C.F.R. Section 1010.306(a)(1); (2) failure to collect social security or taxpayer identification number for customers who conduct currency transactions totaling over \$10,000 a day as required by 31 C.F.R. Section 1022.312; (3) failure to comply with the funds transfer rule and funds travel rule as required by subsections (e) and (f) of 31 C.F.R.

Section 1010.410; (4) failure to establish an effective AML Program as required by 31 C.F.R Section 1022.210(a); and (5) failure to incorporate policies, procedures, and internal controls for complying with requirements for verifying customer identification as required by 31 C.F.R. Section 1022.210(a)(1)(i)(A).

17. In the 2023 ROE, the Department found that Respondent failed to recognize and properly establish an authorized delegate relationship with the Company, as required by Section 36a-607(a)(1) of the Connecticut General Statutes, despite the Company acting as such in this state. Specifically, Respondent engaged the Company in a “partnership” agreement to provide business activities in Connecticut while it was designated as an authorized delegate on NMLS and there was no established authorized delegate contract. Without establishing an authorized delegate contract, and since the Company is not licensed in Connecticut, the Company engaged in unlicensed money transmission activity in Connecticut.

18. The Company remains unlicensed to act as a money transmitter in this state and based on information and belief there is no authorized delegate contract in effect.

19. In the 2023 ROE, the Department found that Respondent failed to maintain the minimum tangible net worth required of Connecticut money transmission licensees for the months of July, August, September and October 2022. Additionally, Respondent was unable to provide evidence of compliance with the requirement for November of 2022. In response to the 2023 ROE, Respondent stated that it was under the assumption that net worth requirements were calculated only on a quarterly basis, and not required to be continuously maintained.

20. In the 2023 ROE, the Department found that in the first quarter of 2023, Respondent reported income from the sale of virtual currency associated with unredeemed vouchers held by Respondent’s customers without conducting any analysis to determine whether reporting the sale proceeds as income was appropriate and without evaluating compliance with state escheatment laws.

21. Respondent stated that if any escheatment liability arises now or in the future, its parent company would cover the liability per its intercompany services agreement, which the Department does not believe to be viable based on the current financial condition of its parent company.

22. On or about December 31, 2023, Respondent submitted an audited financial report, which reported a significant amount due to Respondent as receivables from its parent company, related to the assumption of certain regulatory and other liabilities and escheatment reserves. The audited financial report also noted significant concerns regarding the liquidity of Respondent as there was insufficient evidence to support the immediate collectability of the reported receivables, resulting in a negative net worth.

23. On January 19, 2024, Respondent notified the Department that Respondent may be incorrectly accounting for its capitalized internal-use software as an asset and not as an intangible asset. Respondent's 2022 audited Balance Sheet reported internal-use software as a separate line item and Respondent's Money Services Business Call Reports ("MSBCRs") either improperly valued or overvalued "goodwill and other intangibles" and other items and, as a result, Respondent was and continues to be unable to meet the minimum tangible net worth requirement.

24. Money transmission licensees in Connecticut engaging in virtual currency activities and issuing or selling stored value are required to maintain a minimum tangible net worth of One Million Dollars (\$1,000,000), pursuant to Sections 36a-600(d) and 36a-604(c) of the Connecticut General Statutes. As evidenced by the 2023 ROE, financial statements and MSBCRs, Respondent has not met the tangible net worth requirement since at least July 2022.

25. In addition, Respondent has displayed a continued material weakness in its financial position and ability to become profitable.

26. On or about February 26, 2024, the Department received a consumer complaint from the Connecticut State Police where a Connecticut consumer patronized a virtual currency kiosk owned and operated by Respondent or the Company. The consumer made two transactions at the direction of a

scammer, wherein the fraudulent transactions resulted in virtual currency being purchased with the consumer's funds and transmitted to the wallet belonging to the scammer, resulting in a total loss of \$3,000.

27. On or about July 31, 2024, the Department received a second consumer complaint from the Connecticut State Police in which the Connecticut consumer engaged in 15 transactions at virtual currency kiosk(s) owned and operated by Respondent or the Company at the direction of a scammer, wherein the fraudulent transactions resulted in virtual currency being purchased with the consumer's funds and transmitted to the wallet belonging to the scammer, resulting in a total loss of \$31,500.

28. The scams, detailed in paragraphs 26 and 27, are similar in nature as the same process was used to exchange cash for virtual currency and then deposit it into a third party's wallet.

29. Since at least February 26, 2024, Respondent failed to have proper AML or Know Your Customer (KYC) policies, procedures and controls in place at the virtual currency kiosks used by Connecticut consumers to sufficiently verify ownership of the wallet in which virtual currency is deposited.

**III. STATUTORY BASIS FOR ORDER TO MAKE RESTITUTION, ORDER TO
PROVIDE DISGORGEMENT, ORDER TO REVOKE AND REFUSE TO
RENEW MONEY TRANSMISSION LICENSE, ORDER TO CEASE
AND DESIST, IMPOSITION OF CIVIL PENALTY**

30. Respondent failed to maintain the minimum tangible net worth required of money transmission licensees, as more fully described in paragraphs 19 through 24, inclusive, in violation of Sections 36a-600(d) and 36a-604(c) of the Connecticut General Statutes. Such violation constitutes sufficient grounds for the Commissioner to revoke and refuse to renew Respondent's license to engage in the business of money transmission in Connecticut pursuant to Section 36a-608(b)(2) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, forms a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-608(c)(1) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to

Sections 36a-608(c)(1) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

31. Respondent engaged an entity to perform functions constituting money transmission activities in this state, which entity did not obtain and maintain a money transmission license, as more fully described in paragraphs 11, 12, 17 and 18, in violation of Section 36a-608(a) of the Connecticut General Statutes, causing Respondent to be engaged in unsafe or unsound practices within the meaning of Section 36a-608(a) of the Connecticut General Statutes. Such violation forms a basis to issue an order to make restitution pursuant to Sections 36a-608(c)(1) and 36a-50(c) of the Connecticut General Statutes, forms a basis to issue an order to provide disgorgement pursuant to Sections 36a-608(c)(1) and 36a-50(c) of the Connecticut General Statutes, constitutes sufficient grounds for the Commissioner to revoke and refuse to renew Respondent's license to engage in the business of money transmission in Connecticut pursuant to Section 36a-608(b)(2) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, forms a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-608(c)(1) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-608(c)(1) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

32. Respondent failed to establish, enforce and maintain policies and procedures for supervising employees, agents and office operations that are reasonably designed to achieve compliance with applicable money transmission laws and regulations, as more fully described paragraphs 9 through 29, inclusive, in violation of Sections 36a-606a and 36a-607(c)(10) of the Connecticut General Statutes. Such violations constitute sufficient grounds for the Commissioner to revoke and refuse to renew Respondent's license to engage in the business of money transmission in Connecticut pursuant to Section

36a-608(b)(2) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, form a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-608(c)(1) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-608(c)(1) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

33. The totality of Respondent's conduct described herein, as more fully described in paragraphs 9 through 29, inclusive, is likely to otherwise materially prejudice the interests of Connecticut consumers, and cause Respondent to be engaged in unsafe or unsound practices within the meaning of Section 36a-608(a) of the Connecticut General Statutes. Such violations constitute sufficient grounds for the Commissioner to revoke and refuse to renew Respondent's license to engage in the business of money transmission in Connecticut pursuant to Section 36a-608(b)(2) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, form a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-608(c)(1) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-608(c)(1) and 36a-50(a) of the Connecticut General Statutes. Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

34. The totality of Respondent's conduct described herein, as more fully described in paragraphs 9 through 29, inclusive, causes the Commissioner unable to find that Respondent's financial condition is sound, its business will be conducted honestly, fairly, equitably, carefully and efficiently within the purposes and intent of Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes, in a manner commanding the confidence and trust of the community. Such failure would be sufficient grounds for the Commissioner to deny an application for a money transmission license pursuant to

subdivisions (1), (2) and (4) of Section 36a-600(a) of the Connecticut General Statutes and would be sufficient grounds for the Commissioner to revoke and refuse to renew Respondent's license to engage in the business of money transmission in Connecticut pursuant to Section 36a-608(b)(1) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes.

IV. FINDINGS AND STATUTORY BASIS FOR ORDER OF SUMMARY SUSPENSION AND TEMPORARY ORDER TO CEASE AND DESIST

The Commissioner finds that the public safety and welfare imperatively require emergency action to summarily suspend Respondent's license to engage in the business of money transmission in Connecticut pursuant to Sections 36a-51(a) and 4-182(c) of the Connecticut General Statutes, and finds that the public welfare requires immediate action to issue a temporary order requiring Respondent to cease and desist from engaging in unsafe or unsound practices within the meaning of Section 36a-608(a) of the Connecticut General Statutes, from failing to maintain the required minimum tangible net worth, from engaging an unlicensed entity to perform Respondent's money transmission activities, and from failing to establish, enforce and maintain policies and procedures for supervising employees, agents and office operations that are reasonably designed to achieve compliance with applicable money transmission laws and regulations and requiring Respondent to take such action as set forth herein to effectuate the purposes of Section 36a-52(b) of the Connecticut General Statutes, to prevent further harm to Connecticut consumers as a result of the numerous issues as stated in paragraphs 9 through 29, inclusive.

V. ORDER OF SUMMARY SUSPENSION, TEMPORARY ORDER TO CEASE AND DESIST, ORDER TO MAKE RESTITUTION, ORDER TO PROVIDE DISGORGEMENT, NOTICE OF INTENT TO REVOKE AND REFUSE TO RENEW MONEY TRANSMISSION LICENSE, NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE CIVIL PENALTY AND NOTICE OF RIGHT TO HEARING

WHEREAS, the Commissioner has reason to believe that Respondent has engaged in acts or conduct which forms a basis to issue an order to make restitution against Respondent pursuant to Sections 36a-608(c)(1) and 36a-50(c) of the Connecticut General Statutes, and an order to provide disgorgement against Respondent pursuant to Sections 36a-608(c)(1) and 36a-50(c) of the Connecticut

General Statutes, and constitutes sufficient grounds to revoke and refuse to renew Respondent's license to engage in the business of money transmission in Connecticut pursuant to subdivisions (1) and (2) of Section 36a-608(b) of the Connecticut General Statutes and subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes, and forms a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-608(c)(1) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-608(c)(1) and 36a-50(a) of the Connecticut General Statutes;

AND WHEREAS, the Commissioner has made the findings required under Sections 4-182(c), 36a-51(a) and 36a-52(b) of the Connecticut General Statutes.

NOW THEREFORE, pursuant to the authority granted by Sections 36a-608(b), 36a-51(a) and 4-182(c) of the Connecticut General Statutes, the **COMMISSIONER ORDERS** that the license of Coinme Inc. d/b/a Coinme to engage in the business of money transmission in Connecticut be and is hereby **SUMMARILY SUSPENDED** pending proceedings to revoke and refuse to renew its license.

THE COMMISSIONER FURTHER ORDERS, pursuant to the authority granted in Section 36a-52(b) of the Connecticut General Statutes, that Coinme Inc. d/b/a Coinme immediately **CEASE AND DESIST** from engaging in unsafe or unsound practices within the meaning of Section 36a-608(a) of the Connecticut General Statutes, from failing to maintain the minimum tangible net worth required pursuant to Sections 36a-600(d) and 36a-604(c) of the Connecticut General Statutes, from engaging an unlicensed entity to perform Respondent's money transmission activities, and from failing to establish, enforce and maintain policies and procedures for supervising employees, agents and office operations that are reasonably designed to achieve compliance with applicable money transmission laws and regulations. This Temporary Order to Cease and Desist shall become effective upon receipt by Coinme Inc. d/b/a Coinme, and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in this Temporary Order to Cease and Desist.

THE COMMISSIONER FURTHER ORDERS, pursuant to the authority granted in Sections 36a-17(a), 36a-51(a) and 36a-52(b) of the Connecticut General Statutes, that Coinme Inc. d/b/a Coinme shall take the following actions:

1. Upon receipt of this Temporary Order to Cease and Desist, Respondent, and any and all officers, directors, trustees, principal employees, shareholders and affiliates acting on behalf of Respondent, shall immediately cease and desist from engaging, directly or indirectly, in the business of money transmission in Connecticut, provided that Respondent shall be permitted to perform the winding-down of its Connecticut money transmission activities as expressly provided herein or authorized by the Commissioner, including allowing Connecticut purchasers to withdraw monetary value held by Respondent;
2. Upon receipt of this Temporary Order to Cease and Desist, Respondent shall not accept any additional monetary value, either fiat or virtual currency, from or for the benefit of, Connecticut customers and shall disable all mechanisms by which Connecticut purchasers fund accounts with Respondent, including but not limited to, websites, user applications and prescheduled contributions;
3. No later than seven (7) days after receipt of this Temporary Order to Cease and Desist, Respondent shall ensure that all monetary value held by Respondent on behalf of Connecticut purchasers is safeguarded in one or more segregated deposit or trust accounts established solely for the benefit of such Connecticut purchasers and notify Swarupa Madhavan, Paralegal, Consumer Credit Division, Department of Banking (“Paralegal”) of the account number(s) and location of such account(s);
4. Respondent shall provide to the Paralegal, as soon as possible, but not later than seven (7) days after the effective date of this Temporary Order to Cease and Desist, a detailed report of the type and amount of all virtual and fiat currency directly or indirectly held by Respondent on behalf of Connecticut purchasers. The report shall include all available identifying information of Connecticut purchasers from whom monetary value was collected for transmission, exchange or custody by Respondent, and which remained outstanding as of the date of this order, and the name, address and account numbers of all persons acting as current custodians of such fiat or virtual currency, including banks, virtual currency platforms and affiliates;
5. Respondent shall immediately notify all third parties who hold fiat or virtual currency on behalf of Respondent for the benefit of Connecticut purchasers, including banks and virtual currency platforms, of this Temporary Order to Cease and Desist and instruct such persons to immediately cease engaging in the business of money transmission in Connecticut on behalf of Respondent, unless and until directed otherwise by the Commissioner;
6. Respondent shall immediately secure all records, files and documents relating to its money transmission business in Connecticut (collectively, “Records”), and shall ensure that all persons acting on behalf of Respondent in Connecticut are directed to preserve all Records pursuant to the provisions of this paragraph. The Records shall be available to the Commissioner in their entirety upon request;
7. Upon the effective date of this Temporary Order to Cease and Desist, Respondent shall neither pay nor declare any dividend or bonus, nor otherwise authorize any other material distribution

of Respondent's assets to any officer, director or owner of Respondent without the prior written approval of the Commissioner. Respondent shall implement or revise its practices and procedures, as necessary, to ensure that Respondent's financial books and records are accurately maintained, in a manner illustrating compliance with the provisions of this paragraph, and available for review by the Division's examiners upon request;

8. Not later than seven (7) days after the effective date of this Temporary Order to Cease and Desist, Respondent shall provide to the Paralegal financial statements indicating Respondent's financial position as of the date of this order, including a detailed description of all assets and liabilities, financial holdings, and obligations, and exposure affecting its money transmission operations in Connecticut. Respondent shall also provide a reconciliation of customer outstandings to assets held, including assets recorded "off-balance sheet"; and
9. All notifications to Paralegal required pursuant to these paragraphs shall be directed to Swarupa Madhavan, Paralegal, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or Swarupa.Madhavan@ct.gov.

THE COMMISSIONER FURTHER ORDERS, pursuant to Section 36a-50(c) of the Connecticut General Statutes, that Coinme Inc. d/b/a Coinme **MAKE RESTITUTION** of any sums lost by Connecticut consumers as a result of scams. Specifically, the Commissioner **ORDERS** that: Not later than thirty (30) days from the date this Order to Make Restitution becomes permanent, Coinme Inc. d/b/a Coinme shall:

Promptly refund all sums lost by Connecticut consumers as result of scams and provide evidence of such refund to Swarupa Madhavan, Paralegal, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or Swarupa.Madhavan@ct.gov.

THE COMMISSIONER FURTHER ORDERS, pursuant to Section 36a-50(c) of the Connecticut General Statutes, that Coinme Inc. d/b/a Coinme **PROVIDE DISGORGEMENT** of any fees collected as a result of Coinme Inc. d/b/a Coinme engaging in unsafe or unsound practices within the meaning of Section 36a-608(a) of the Connecticut General Statutes. Specifically, the Commissioner **ORDERS** that: Not later than thirty (30) days from the date this Order to Provide Disgorgement becomes permanent, Coinme Inc. d/b/a Coinme shall:

Disgorge to the Department all fees received as a result of engaging in unsafe or unsound practices within the meaning of Section 36a-608(a) of the Connecticut General Statutes.

NOW THEREFORE, notice is hereby given to Respondent that the Commissioner intends to **REVOKE AND REFUSE TO RENEW** Respondent's license to engage in the business of money transmission in Connecticut, issue an order requiring Respondent to **CEASE AND DESIST** from violating Sections 36a-600(d), 36a-604(c), 36a-606a, 36a-607(c)(10) and 36a-608(a) of the Connecticut General Statutes, and to impose a **CIVIL PENALTY** upon Respondent as set forth herein, subject to Respondent's right to a hearing on the allegations set forth above.

A hearing will be granted to Respondent if a written request for a hearing is received by the Department of Banking, Consumer Credit Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or submitted by e-mail to DOB.hearingsupport@ct.gov within fourteen (14) days following Respondent's receipt of this Order of Summary Suspension, Temporary Order to Cease and Desist, Order to Make Restitution, Order to Provide Disgorgement, Notice of Intent to Revoke and Refuse to Renew Money Transmission License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing as set forth in subsections (a) and (b) of Section 36a-51 of the Connecticut General Statutes and Sections 36a-50(c), 36a-52(a) and 36a-50(a) of the Connecticut General Statutes. This Order of Summary Suspension, Temporary Order to Cease and Desist, Order to Make Restitution, Order to Provide Disgorgement, Notice of Intent to Revoke and Refuse to Renew Money Transmission License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing shall be deemed received on the earlier of the date of actual receipt, or seven (7) days after mailing or sending. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to one of the above-referenced addresses. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se".

If a hearing is requested, it will be held in person at the Department's offices. Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets

the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations of Connecticut State Agencies. At the discretion of the Hearing Officer, for good cause shown, the Hearing Officer may approve requests for remote participation in the hearing by a Respondent, witness, or attorney. If such requests are approved by the Hearing Officer, such remote participation will be conducted via videoconference. If a hearing is requested, the hearing will be held on December 18, 2024 at 10 a.m.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, Respondent fails to appear at the requested hearing. At such hearing, Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner. Remote participation in a hearing will be held in accordance with Section 1-225a of the Connecticut General Statutes, and the Remote Hearing Guidelines available on the Department's website at <https://portal.ct.gov/dob>.

If Respondent does not request a hearing within the time prescribed or fails to appear at any such hearing, the allegations herein will be deemed admitted. Accordingly, the Order to Make Restitution and Order to Provide Disgorgement shall remain in effect and become permanent, the Commissioner will issue an order revoking and refusing to renew Respondent's license to engage in the business of money transmission in Connecticut, issue an order that Respondent cease and desist from violating Sections 36a-600(d), 36a-604(c), 36a-606a, 36a-607(c)(10) and 36a-608(a) of the Connecticut General Statutes, and may order a civil penalty not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Respondent.

So ordered at Hartford, Connecticut
this 25th day of October, 2024.

/s/

Jorge L. Perez
Banking Commissioner

CERTIFICATION

I hereby certify that on this 25th day of October 2024, the foregoing Order of Summary Suspension, Temporary Order to Cease and Desist, Order to Make Restitution, Order to Provide Disgorgement, Notice of Intent to Revoke and Refuse to Renew Money Transmission License, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing was via electronic mail to Coinme Inc. d/b/a Coinme, Attention: Neil Bergquist, CEO, who is designated as the primary contact in the contact employee fields on the Nationwide Multistate Licensing System and Registry, at the electronic mail address provided therein.

/s/
Swarupa Madhavan
Paralegal