
*
IN THE MATTER OF: *
*
BAM TRADING SERVICES INC. *
d/b/a BINANCE.US *
NMLS # 1906829 *
*
(“BAM Trading”) *
*

CONSENT ORDER

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Part V of Chapter 668, Sections 36a-595 to 36a-614, inclusive, of the Connecticut General Statutes, known as the “Money Transmission Act”;

WHEREAS, BAM Trading is a Delaware corporation with an address of 252 NW 29th Street, 9th Floor, Suite 905, Miami, Florida. BAM Trading is wholly owned by BAM Management US Holdings Inc., which is majority owned directly and indirectly by an individual, Changpeng Zhao (“CZ”);

WHEREAS, BAM Trading has been licensed to engage in the business of money transmission in Connecticut since September 3, 2020. On November 1, 2023, BAM Trading 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;

WHEREAS, at all times relevant hereto, BAM Trading engaged in the business of exchanging convertible virtual currency for other convertible virtual currency and fiat currency, issuing prepaid access and stored value and from at least December 16, 2021 through the present, hosting custodial wallets of virtual currency. Further, in November 2021, BAM Trading launched a fiat stored value wallet

(“BAM Trading Fiat Wallet”). The BAM Trading Fiat Wallet maintained by BAM Trading enables users to hold US Dollars (“USD”) on BAM Trading’s platform;

WHEREAS, 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 of the Department of Banking, participated in a multistate examination in May 2022, with a review period from November 1, 2020 through March 31, 2022, to determine if BAM Trading had violated, was violating or was about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner (“Examination and Investigation”);

WHEREAS, on April 24, 2024, the Commissioner issued an Order of Summary Suspension, Temporary Order to Cease and Desist, 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 (“Order and Notice”) against BAM Trading, which Order and Notice is incorporated herein by reference;

WHEREAS, the Commissioner alleged in the Order and Notice that: (1) BAM Trading failed to maintain the permissible investments required of money transmission licensees, in violation of Sections 36a-600(a)(1) and 36a-603(a) of the Connecticut General Statutes; (2) BAM Trading or its control person, parent corporation or affiliate’s multiple federal plea agreements and admissions of wrongdoing is conduct that is likely to otherwise materially prejudice the interests of Connecticut consumers, which constitutes an unsafe or unsound practice within the meaning of Section 36a-608(a) of the Connecticut General Statutes; (3) BAM Trading failed to file with NMLS not later than one business day of BAM Trading or its control person, parent corporation or affiliate’s multiple federal plea agreements and admissions of wrongdoing, in violation of Section 36a-598(e)(6) of the Connecticut General Statutes; (4) CZ’s convictions to felony charges in November 2023 while acting as a control person of BAM Trading per Section 36a-596(4) of the Connecticut General Statutes would be sufficient grounds for the Commissioner to deny an application for a money transmission license pursuant to Section 36a-600(b)(2) of the Connecticut General Statutes, and constitutes an unsafe or unsound practice within the meaning of

Section 36a-608(a) of the Connecticut General Statutes; and (5) CZ's admission to willfully violating the Bank Secrecy Act by causing BAM Trading to have an ineffective anti-money laundering program constitutes a violation of Section 36a-607(c)(4) of the Connecticut General Statutes;

WHEREAS, the Commissioner also alleged in the Order and Notice that the totality of BAM Trading's conduct caused the Commissioner to be unable to find that BAM Trading'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, and BAM Trading's control persons and qualified individual demonstrate financial responsibility and are in all respects properly qualified and of good character. Such failure establishes sufficient grounds for the Commissioner to deny an application for a money transmission license pursuant to subdivisions (1), (2), (3) and (4) of Section 36a-600(a) of the Connecticut General Statutes;

WHEREAS, the Commissioner asserted that the allegations made in the Order and Notice constituted sufficient grounds to revoke and refuse to renew BAM Trading'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, formed the basis to issue an order to cease and desist against BAM Trading pursuant to Section 36a-608(c)(1) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty of up to One Hundred Thousand Dollars (\$100,000) upon BAM Trading pursuant to Sections 36a-608(c)(1) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, on April 24, 2024, the Order and Notice was sent via electronic mail to the individual designated as the primary company contact in the contact employee fields on NMLS and was deemed received on the earlier of the date of actual receipt or seven days after such Order and Notice was sent;

WHEREAS, on May 7, 2024, BAM Trading requested a hearing, which is currently pending;

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, the Commissioner and BAM Trading acknowledge the possible consequences of further administrative proceedings, and BAM Trading voluntarily agrees to consent to the entry of the sanctions imposed below without admitting or denying the allegations in the Order and Notice and set forth herein, and solely for the purpose of obviating the need for further administrative proceedings concerning the allegations in the Order and Notice and set forth herein;

WHEREAS, effective April 24, 2024, BAM Trading ceased onboarding new Connecticut customers in accordance with the Order and Notice. Further, effective May 2, 2024, BAM Trading also blocked users with zero balance accounts from conducting digital asset deposits;

WHEREAS, BAM Trading represents that, pursuant to the terms of this Consent Order, it shall wind down operations in this state;

WHEREAS, the Commissioner and BAM Trading now desire to resolve the matters alleged in the Order and Notice and set forth herein;

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

WHEREAS, BAM Trading 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, BAM Trading, 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 contained in the Order and Notice and 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, BAM Trading, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. BAM Trading shall cease and desist from violating Sections 36a-598(e)(6), 36a-600(a)(1), 36a-603(a), 36a-607(c)(4) and 36a-608(a) of the Connecticut General Statutes;
2. On June 23, 2025, BAM Trading shall commence wind down of its Connecticut operations such that BAM Trading shall cease trading services within sixty (60) days from such date, which is August 22, 2025. The winding down plan shall include the following: BAM Trading shall send notice to its Connecticut customers, via e-mail and through the App platform, regarding the impending wind down, the timeline for such wind down, and actions that such customers need to take in order to remove their assets from the BAM Trading platform. The notice will alert Connecticut customers that they need to unstake all assets within thirty (30) days and withdraw all assets within sixty (60) days. Beginning the business day following the expiration of the thirty (30) day deadline to un-stake assets, BAM Trading will unstake assets of Connecticut customers who did not take action to do so themselves within the required timeframe. Beginning the business day following the expiration of the sixty (60) day deadline to withdraw assets, ("Cut-Off Date") BAM Trading shall halt all trading activity by Connecticut customers. Following this deadline, BAM Trading may, at its discretion, continue to allow Connecticut customers to voluntarily withdraw assets. Within thirty (30) days after the Cut-Off Date, BAM Trading shall convert the outstanding virtual assets owned by BAM Trading customers to fiat, and shall send a cashier's check or other secure bank instrument to the last known mailing address of the Connecticut customer for all Connecticut consumer accounts with a current balance of Fifteen Dollars (\$15.00) or more. Prior to mailing, BAM Trading will employ reasonable measures to verify the accuracy of Connecticut customer's last known mailing address. Checks shall be valid for no less than sixty (60) days. BAM Trading shall not be responsible for any claims resulting from loss of value due to the conversion to fiat so long as it employs reasonable industry accepted procedures for purposes of the conversion. Except as set forth below, BAM Trading shall not be responsible for non-delivered checks. In the event nondelivered checks are returned to BAM Trading or remain uncashed after ninety (90) days, BAM Trading shall take the appropriate steps to identify Connecticut customers, amounts owed/owned, and other necessary data, and remit the converted assets to the Connecticut Office of Treasurer in accordance with the unclaimed property laws of Connecticut. BAM Trading acknowledge and agree that Connecticut's unclaimed property laws may require the converted assets to be held for a longer statutory period in order for the outstanding Connecticut customer converted assets to be considered abandoned. BAM Trading shall provide to Swarupa Madhavan, Paralegal, Consumer Credit Division, Department of Banking, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or swarupa.madhavan@ct.gov a breakdown of the payments made to Connecticut customers as outlined above within sixty (60) days of completion;
3. Within three (3) business days following the execution of this Consent Order by BAM Trading, 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 Sixty Thousand Dollars (\$60,000) as a civil penalty; and

4. Within five (5) business days following the execution of this Consent Order is executed by BAM Trading, it shall submit a request on NMLS to surrender its license to engage in the business of money transmission in Connecticut and comply with any and all requirements to complete such surrender pursuant to Section 36a-599 of the Connecticut General Statutes as amended by Public Act 24-146 within sixty (60) days of the surrender request. BAM Trading shall not apply or seek licensure or exemption under the Money Transmission Act with the Commissioner until November 21, 2033; or such earlier date, provided Changpeng Zhao, NMLS # 1990446, is no longer a control person of BAM Trading, pursuant to Section 36a-596 of the Connecticut General Statutes; or notwithstanding the foregoing, BAM Trading, or any successor in interest, may, for good cause shown, petition to have the licensure restriction contained herein removed by submitting a written application to the Commissioner setting forth the basis of the request. The issuance of any such license shall be at the sole discretion of the Commissioner.

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 BAM Trading based upon the allegations contained in the Order and Notice and set forth herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against BAM Trading 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 BAM Trading and reflected herein is subsequently discovered to be untrue;
3. BAM Trading shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceedings 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, BAM Trading 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 BAM Trading's (i) testimonial obligations, or (ii) right to take legal or factual positions that may contradict the allegation in this Consent Order in litigation or other legal proceedings in which the Commissioner is not a party;

4. This Consent Order shall be binding upon BAM Trading and its successors and assigns; and
5. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 18 day of June, 2025.

/s/

Jorge L. Perez
Banking Commissioner

I, Norman Reed, state on behalf of BAM Trading Services Inc. d/b/a Binance.US, 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 BAM Trading Services Inc. d/b/a Binance.US; that BAM Trading Services Inc. d/b/a Binance.US agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that BAM Trading Services Inc. d/b/a Binance.US 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: Norman Reed
Title: Chief Executive Officer
BAM Trading Services Inc. d/b/a Binance.US

State of: Texas

County of: Harris

On this the 17 day of June, 2025, before me, Marvin Coleman, the undersigned officer, personally appeared in Norman Reed, who acknowledged himself/herself to be the CEO of BAM Trading Services Inc. d/b/a Binance.US, a corporation, and that he/she as such CEO, 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 CEO.

In witness whereof I hereunto set my hand.

/s/
Notary Public
Date Commission Expires: 11/05/2028