
*
IN THE MATTER OF: *
*
COINBASE CUSTODY TRUST *
COMPANY, LLC *
d/b/a COINBASE *
NMLS # 2455008 *
*
(“CCTC”) *
*

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, CCTC is a New York limited liability company with its primary business address previously located at 55 Hudson yards 550 West 34th Street 4th Floor, New York, New York. Effective November 1, 2024, CCTC changed its primary business address to One Madison Avenue, Suites 2400 and 2500, New York, New York;

WHEREAS, CCTC has never been licensed to engage in the business of money transmission in Connecticut;

WHEREAS, on March 31, 2023, CCTC 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, and can be granted upon entry of this Consent Order as long as all application requirements have been satisfied;

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking, has conducted an investigation into the activities of CCTC 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;

WHEREAS, as a result of such investigation, the Commissioner alleges that since at least 2019 CCTC engaged in the business of money transmission in this state without the required license, in violation of Section 36a-597(a) of the Connecticut General Statutes, in effect at such time;

WHEREAS, the Commissioner believes that such allegation would support initiation of enforcement proceedings against CCTC , including, without limitation, proceedings to issue an order to cease and desist against CCTC 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 CCTC 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, both the Commissioner and CCTC acknowledge the possible consequences of formal administrative proceedings, and CCTC 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 and to avoid the costs and burdens of such litigation;

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

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

WHEREAS, CCTC has been an authorized delegate of Coinbase since November 6, 2019, which permits CCTC to engage in MT on behalf of Coinbase without a license, and CCTC represents that it relied in good faith on its appointment as the authorized delegate of Coinbase, Inc. in providing digital asset custodial services to residents of the State of Connecticut as consistent with Connecticut law;

WHEREAS, the Department alleges that CCTC engaged in money transmission activities by offering digital asset custodial services directly to residents of Connecticut outside of said authorized delegate appointment;

WHEREAS, CCTC represents that it has cooperated with the Commissioner's investigation and licensure application process;

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

1. CCTC 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;
2. No later than the date this Consent Order is executed by CCTC, 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 Thirty Thousand Dollars (\$30,000) as a civil penalty; and

3. No later than the date this Consent Order is executed by CCTC, 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 Five Thousand Two Hundred Fifty Dollars (\$5,250) 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 CCTC 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 CCTC 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 CCTC and reflected herein is subsequently discovered to be untrue;
3. CCTC 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, CCTC 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 CCTC'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. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by CCTC and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of CCTC to obtain an initial license or renewal license under Part V of Chapter 668, Sections 36a-595 to 36a-614, inclusive, of the Connecticut General Statutes, provided that all applicable legal requirements for such license are satisfied and the terms of this Consent Order are followed;
5. This Consent Order shall be binding upon CCTC and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 25th day of July, 2025.

/s/
Jorge L. Perez
Banking Commissioner

I, Rick Schonberg, state on behalf of Coinbase Custody Trust Company, LLC d/b/a Coinbase 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 Coinbase Custody Trust Company, LLC d/b/a Coinbase; that Coinbase Custody Trust Company, LLC d/b/a Coinbase agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Coinbase Custody Trust Company, LLC d/b/a Coinbase 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: Rick Schonberg
Title: Chief Executive Officer
Coinbase Custody Trust Company, LLC
d/b/a Coinbase

State of: Texas

County of: Tarrant

On this the 1st day of July, 2025, before me, James E Purl, the undersigned officer, personally appeared Stephen Richard Schonberg, who acknowledged himself/herself to be the CEO of Coinbase Custody Trust Company, LLC, d/b/a Coinbase a limited liability company, and that he/she as such approves, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as CEO.

In witness whereof I hereunto set my hand.

/s/
Notary Public:
Date Commission Expires: 10/31/2028