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ARKANSAS SECURITIES DEPT.

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-22-0047

IN THE MATTER OF:

ORDER NO. C-22-0047-22-OR01

BLOCKFI TRADING LLC

RESPONDENT

CONSENT AGREEMENT AND ORDER

This Consent Agreement Order is entered pursuant to the Arkansas Money Services Act (“Act”). Ark. Code Ann. §§ 23-55-101 through 23-55-1007, The Arkansas Money Services Rules (“Rules”), and the Arkansas Administrative Procedures Act, Ark. Code Ann. §§ 25-15-201 through 25-15-220, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and BlockFi Trading LLC (“BlockFi”).

BlockFi, in order to avoid the time and expense of litigating this matter, admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), and without admitting or denying the allegations herein, waives its right to a formal hearing, consents to the entry of this Consent Agreement and Order to resolve all claims by the Staff, and agrees to abide by the terms of this order.

The Staff has evaluated the business practices of BlockFi. Based on the results of its evaluation, together with certain disclosures BlockFi made to the Department, the Staff believes that BlockFi no longer meets the minimum licensing requirements in the Act.

BACKGROUND

1. BlockFi is a Delaware corporation with its headquarters in Jersey City, New Jersey. BlockFi was granted a Money Transmitter license on March 18, 2022, and was assigned the NMLS identifier number of 1873137.

2. BlockFi filed Chapter 11 in the United States Bankruptcy Court for the District of New Jersey on November 28, 2022, as “Case No. 22-19361”

3. The Department received notification that the bond required in Ark. Code Ann. § 23-55-204 for BlockFi would be cancelled on January 11, 2023.

4. The Department alleges that, BlockFi no longer meets the minimum licensing requirements found in Ark. Code Ann. § 23-55-202.

TERMS OF SETTLEMENT

5. License. Upon the Effective Date of this Order, BlockFi agrees to a SUSPENSION of its Money Transmitter license, NMLS identifier number 1873137. The suspension shall remain in place until such time as BlockFi provides evidence that it meets the minimum licensing requirements, has a satisfactory Examination conducted by the Department, and the Department lifts said suspension. BlockFi shall not engage in the business of money transmission for a fee or other consideration without maintaining an approved money transmitter license in Arkansas.

6. Reporting. BlockFi agrees, to the extent practicable, to respond to reasonable requests from the Department seeking information concerning any BlockFi transactions with Arkansas consumers.

FURTHER PROVISIONS

7. Consent. BlockFi hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Compliance Office’s order authority under Ark. Code Ann. § 23-55-804 and agrees that it understands all of the terms and conditions contained herein. BlockFi by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

8. Publication. The Department will publish this Order pursuant to its authority in Ark. Code Ann. § 23-55-607.

9. Entire Agreement. This Order contains the entire agreement between the Department and BlockFi. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Arkansas Securities Department and BlockFi.

10. Binding Nature. The Department, BlockFi, and all officers, owners, directors, employees, heirs and assigns of BlockFi intend to be and are legally bound by the terms of this Order.

11. Counsel. This Order is subject to review by the Staff. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

12. Effectiveness. BlockFi hereby stipulates and agrees that the Order shall become effective on the date that the Department docket this Order (“Effective Date”).

13. Other Enforcement Action.

a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against BlockFi in the future regarding all matters not resolved by this Order.

b. BlockFi acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

14. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

15. Counterparts. This Order may be executed in separate counterparts, by facsimile or electronic mail in portable document format "PDF."

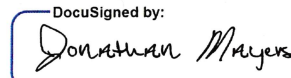
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Arkansas Securities Department and BlockFi, intending to be legally bound, do hereby execute this Consent Agreement and Order.

**FOR ARKANSAS SECURITIES
DEPARTMENT**



J. Campbell McLaurin
Arkansas Securities Commissioner

BLOCKFI TRADING LLC

DocuSigned by:


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Jonathan Mayers
General Counsel

Date: 12/22/2022

Date: 12/20/2022