
*
IN THE MATTER OF: *
*
BITPAY, INC. *
NMLS # 1496848 *
*
(“BitPay”) *
*

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, and Sections 36a-613 and 36a-614 of the 2024 Supplement to the General Statutes, known as the “Money Transmission Act”;

WHEREAS, BitPay is a Delaware corporation with a primary business address of 1201 W Peachtree St NW Ste 2625, Atlanta, Georgia;

WHEREAS, BitPay is not currently, nor has it ever been, licensed to engage in the business of money transmission in Connecticut;

WHEREAS, on June 27, 2023, BitPay 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;

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking, has conducted an investigation into the activities of BitPay 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 BitPay engaged in the business of money transmission in this state without the required license since at least 2016, in violation of Section 36a-597(a) of the Connecticut General Statutes;

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

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

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

WHEREAS, BitPay has cooperated with the investigation;

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

1. BitPay shall cease and desist from engaging in the business of money transmission in this state, in violation of Section 36a-597(a) of the Connecticut General Statutes, unless and until it has obtained a license to engage in the business of money transmission in Connecticut;
2. No later than the date this Consent Order is executed by BitPay, 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 Forty Thousand Dollars (\$40,000) as a civil penalty; and
3. No later than the date this Consent Order is executed by BitPay, 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 Seven Thousand Eight Hundred Seventy-Five Dollars (\$7,875) 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 BitPay 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 BitPay 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 BitPay and reflected herein is subsequently discovered to be untrue;
3. BitPay 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, BitPay 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 BitPay'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 BitPay and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of BitPay to apply for or obtain an initial license or renewal license under 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, 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 BitPay and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 5 day of November, 2024.

/s/

Jorge L. Perez
Banking Commissioner

I, Stephen Pair, state on behalf of BitPay, Inc. 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 BitPay, Inc.; that BitPay, Inc. agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that BitPay, Inc. 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: Stephen Pair
Title: CEO
BitPay, Inc.

State of: Georgia

County of: Fulton

On this the 21st day of October, 2024, before me, Stephen Pair, the undersigned officer, personally appeared with Drivers License, who acknowledged himself/herself to be the CEO of BitPay, Inc., 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: Joshua D Ehm
Date Commission Expires: 6.9.28