

BEFORE THE GEORGIA DEPARTMENT OF BANKING AND FINANCE
STATE OF GEORGIA

FILED

AUG 01 2024

BAM TRADING SERVICES, INC. d/b/a
BINANCE.US

Petitioner,

v.

THE GEORGIA DEPARTMENT OF
BANKING AND FINANCE,

Respondent.

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**GEORGIA DEPARTMENT OF
BANKING AND FINANCE**

Docket No. DBF-MSB-24-002-389

CONSENT ORDER

On January 11, 2024, the Georgia Department of Banking and Finance (“Department”) issued a Notice of Intent to Revoke Money Transmitter License (“Notice”) to BAM Trading Services, Inc. d/b/a Binance.US (“BAM Trading”), Nationwide Multistate License System (“NMLS”) number 1906829, for violations of Article 4 of Chapter 1 of the Financial Institutions Code of Georgia, O.C.G.A. § 7-1-680 *et seq.* The Notice asserted that BAM Trading is in violation of O.C.G.A. § 7-1-684(c), which stipulates that the Department shall not issue a license or may revoke a license if it finds that any person who is a director, officer, partner, covered employee, or ultimate equitable owner of ten (10) percent or more of a licensee has been convicted of a felony. Specifically, the Department issued the Notice based on evidence that the ultimate equitable owner of BAM Trading, Changpeng Zhao, pleaded guilty to the felony offense of violating and causing a financial institution to violate the Bank Secrecy Act (“BSA”), 31 U.S.C. § 5311 *et seq.*, thereby placing Mr. Zhao in violation of 31 U.S.C. §§ 5318(h), 5322(b), 5322(c), and 5322(3), 18 U.S.C. § 2, and 31 C.F.R. § 1022.210.

The parties have reached a settlement of the issues raised by the Department in the Notice and agree to a resolution of those matters in their entirety. Notwithstanding its agreement to enter into this Consent Order, BAM Trading neither admits nor denies the factual findings or conclusions of law set forth herein.

Accordingly, it is hereby ORDERED as follows:

1. Upon entry of this Consent Order, the money transmitter license of BAM Trading will be deemed to be voluntarily surrendered.
2. Except for the permissible wind down activities undertaken in accordance with paragraph 3 of this Consent Order, BAM Trading shall immediately cease all money transmission activity in Georgia and with Georgia residents that are users of the BAM Trading platform (“Georgia users”). The complete cessation of BAM Trading’s money transmission activities in Georgia shall include, but not be limited to, prohibiting any new Georgia users from onboarding to the BAM Trading platform and preventing existing Georgia users with a balance of \$0 from conducting any activity on the platform.
3. As part of BAM Trading’s wind down process pursuant to the cessation of its money transmission activities in Georgia, BAM Trading shall ensure that:
 - i. All assets of Georgia users are unstaked by no later than October 1, 2024;
 - ii. All trading activity by Georgia users on the BAM Trading platform shall cease by no later than December 1, 2024; and
 - iii. BAM Trading has sufficiently notified Georgia users pursuant to paragraph 5 of this Consent Order that all Georgia users must withdraw their funds from the BAM Trading platform by no later than December 1, 2024.

Any activity undertaken by BAM Trading to carry out the above identified wind down processes and/or in furtherance of Georgia users withdrawing their funds from the BAM Trading platform shall not be considered money transmission activity for purposes of this Consent Order.

4. BAM Trading shall not apply for a money transmitter license unless and until Changpeng Zhao has been fully or partially divested of his ownership and controlling interests in BAM Trading and any parent company or affiliated entity of BAM Trading, which includes, but is not limited to, BAM Management US Holdings Inc., BAM Services LLC, BAM Technology Services Inc., and B.US Securities Inc. (collectively, the “Related Entities”) such that Changpeng Zhao is no longer an ultimate equitable owner of ten (10) percent or more of BAM Trading and its Related Entities. Such divestiture shall include, but not be limited to, the full or partial divestiture of all shares, stock options, or other equity interests in BAM Trading and its Related Entities that are owned or held by Changpeng Zhao as well as any debt interests in BAM Trading and its Related Entities that are owned or held by Changpeng Zhao; provided that Changpeng Zhao is no longer an ultimate equitable owner of ten (10) percent or more of BAM Trading and its Related Entities. For purposes of determining whether such divestiture has been fully effectuated, Changpeng Zhao’s ownership and controlling interests in BAM Trading and its Related Entities, whether direct or indirect, shall be aggregated with the interest of any other immediate family member, which shall include Changpeng Zhao’s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any other individual who shares such individual’s home, as applicable.

5. Beginning August 1, 2024, BAM Trading shall start sending notices to its Georgia users regarding BAM Trading's impending wind down, the timeline for such wind down, and the actions that Georgia users need to take in order to remove their assets from the BAM Trading platform. Such notices shall be provided to Georgia users by email communications and push notifications through the Binance.US mobile application at least once per month in August and September, beginning August 1; at least twice per month in October; and at least five (5) times in the month of November with such notices provided no less frequently than seven (7) calendar days apart.
6. Beginning December 1, 2024, and continuing through December 1, 2029, BAM Trading shall continue to permit existing Georgia users to withdraw funds from the BAM Trading platform. After December 1, 2029, BAM Trading shall promptly escheat any unclaimed funds of Georgia residents to the Georgia Department of Revenue as unclaimed property.
7. Beginning August 1, 2024, and continuing on the first day of each subsequent month through January 1, 2025, BAM Trading shall provide the Department with reports of the number of Georgia users with remaining balances of fiat and/or virtual currency on the BAM Trading platform, as well as the balances of fiat and virtual currency belonging to such Georgia users. Beginning January 1, 2025, and continuing on a quarterly basis thereafter through January 1, 2030 or until Georgia users have withdrawn all assets from the BAM Trading platform, whichever comes first, BAM Trading shall continue to provide the Department with reports of the number of Georgia users with remaining balances of fiat and/or virtual currency on the BAM Trading platform, as well as the balances of fiat and virtual currency belonging to Georgia users. Such quarterly reports shall be provided to the Department on the first day of January, April, July, and October each year.

8. Any written communications from BAM Trading related to this Consent Order shall be approved by the Department prior to issuance or publication. The Department's review shall be limited to the characterization of this Order, the Department, and directions to consumers related to the Order or its consequences, including, but not limited to, accessing consumer funds.
9. BAM Trading shall not take any position in any proceeding brought by or on behalf of the Department, or to which the Department is a party, that is inconsistent with any part of this Consent Order, except to the extent that the proceeding relates to this Consent Order, including as to the enforcement of its terms. To be sure, nothing in this provision affects BAM Trading's (i) testimonial obligations, or (ii) right to take legal or factual positions that may contradict an allegation in the Consent Order in litigation or other legal proceedings in which the Department is not a party.
10. Any correspondence or documents required to be provided to the Department pursuant to the terms of this Consent Order shall be mailed to:

Georgia Department of Banking and Finance
Attention: Deputy Commissioner for Non-Depository Financial Institutions
2990 Brandywine Road, Suite 200
Atlanta, Georgia 30341

11. BAM Trading shall comply with the terms of this Consent Order, the statutory and regulatory requirements of the Official Code of Georgia Annotated, specifically O.C.G.A. § 7-1-680 *et seq.*, and the rules of the Department. BAM Trading understands that a violation of this Consent Order and/or the laws and rules of the Department may lead to

further administrative action including, but not limited to, administrative fines and an order to cease and desist.

12. The terms of this Consent Order may be enforced by the Department, pursuant to O.C.G.A. § 7-1-692(a).

13. BAM Trading understands that this Consent Order is a public order of the Department and its contents, in whole or in part, may be published as such.

SO ORDERED, this 1st day of August 2024.


DocuSigned by:


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KEVIN B. HAGLER
Commissioner
Georgia Department of Banking and Finance

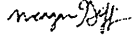
[SIGNATURES ON FOLLOWING PAGE]

Consented to by:

DocuSigned by:

FE4409E047FE4E0
Norman Reed
Director, CEO
BAM Trading Services, Inc.
252 NW 29th Street, 9th Floor, Suite 905
Miami, FL 33127

DocuSigned by:

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Rod Carnes
Deputy Commissioner
Georgia Department of Banking and
Finance
2990 Brandywine Road, Suite 200
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Approved as to form by:

DocuSigned by:

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Counsel for Petitioner