

**BEFORE THE GEORGIA DEPARTMENT OF BANKING AND FINANCE
STATE OF GEORGIA**

FILED

JAN 09 2025

**GEORGIA DEPARTMENT OF
BANKING AND FINANCE**

Docket No. DBF-MSB-24-014-401

CHANGPENG ZHAO,

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Petitioner,

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v.

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THE GEORGIA DEPARTMENT OF
BANKING AND FINANCE,

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Respondent.

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CONSENT ORDER

On November 4, 2024, the Georgia Department of Banking and Finance (“Department”) issued an Amended Order to Cease and Desist (“Order”)¹ to Changpeng Zhao (“Mr. Zhao”), 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 Order asserted that Mr. Zhao 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. The Order further asserted that Mr. Zhao is in violation of O.C.G.A. § 7-1-691(4), which provides that it shall be prohibited for any person engaged in money transmission in this state, including any person required to be licensed under the Code, to engage in any activity that would subject a licensee to suspension or revocation of its license under this article or any activity that the department may prohibit pursuant

¹The Department first issued an Order to Cease and Desist to Changpeng Zhao on June 13, 2024. Any references to the Order, including hearing requests in response thereto, shall be synonymous with the above-referenced administrative action issued on June 13, 2024, and as amended on November 4, 2024, against Changpeng Zhao and incorporate by reference the violations contained therein.

to rule or regulation, whether or not the person has a license. Specifically, the Department issued the Order based on evidence that Mr. Zhao, as ultimate equitable owner of BAM Trading Services, Inc. d/b/a/ Binance.US, 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 Order and agree to a resolution of those matters in their entirety. Notwithstanding his agreement to enter into this Consent Order, Mr. Zhao neither admits nor denies the factual findings or conclusions of law set forth herein.

Accordingly, it is hereby ORDERED as follows:

1. The Department shall rescind the Order.
2. Mr. Zhao shall be prohibited from applying for a Georgia money transmitter license, either in his individual capacity or as an ultimate equitable owner or executive officer of an applicant, from the later of five (5) years from the date of entry of this Consent Order or until he receives a pardon.
3. Mr. Zhao shall be prohibited from controlling the affairs of a Georgia money transmitter from the later of five (5) years from the date of entry of this Consent Order or until he receives a pardon.
4. Mr. Zhao shall be prohibited from acting as an ultimate equitable owner or executive officer of a Georgia money transmitter from the later of five (5) years from the date of entry of this Consent Order or until he receives a pardon.

5. Mr. Zhao 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 Mr. Zhao's (i) testimonial obligations, or (ii) right to take legal or factual positions that may contradict an allegation in the Order or Consent Order in litigation or other legal proceedings in which the Department is not a party.
6. 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

7. Mr. Zhao 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. Mr. Zhao 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.
8. The terms of this Consent Order may be enforced by the Department, pursuant to O.C.G.A. § 7-1-692(a).
9. Mr. Zhao 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 9th day of January 20245.



KEVIN B. HAGLER
Commissioner
Georgia Department of Banking and Finance


[SIGNATURES ON FOLLOWING PAGE]

Consented to by:

Signed by:

B56C66DD2EA2483
Changpeng Zhao


Rod Carnes
Deputy Commissioner
Georgia Department of Banking and
Finance
2990 Brandywine Road, Suite 200
Atlanta, GA 30341


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