THE REGULATION OF VIRTUAL CURRENCIES IN THE UNITED STATES

by

Bradford H. Buck*

I. INTRODUCTION

There are three terms commonly used to describe currencies like Bitcoin: digital currencies; virtual currencies; or cryptocurrencies. Since laws mentioned in this article use the term "virtual currency", this article will use that term when referring to currencies such as Bitcoin. Also, the terms "coins" or "tokens" are both used to describe the units of virtual currency. "The difference between a coin and a token is that a coin is a form of cryptocurrency that operates independently of other platforms… Tokens, on the other hand, are built on top of another platform in order to function. For the purposes of regulation, this is a distinction likely to be more form than substance."[1]

Virtual currencies are not fiat currency. Fiat currency is "currency that is issued or backed by a governmental authority

---

* Instructor of Business Law at the Barney Business School, University of Hartford

without being tied to any tangible asset (such as gold). For example, American dollars have value as a medium of exchange first and foremost because the U. S. government has declared that they will be legal tender."[2] So virtual currencies are not backed by a government authority and are not legal tender which has to be accepted in exchange for goods and services. However, virtual currencies can be a form of currency. "In order to operate as a currency, the digital interest needs to have one of the generally accepted attributes of currency, such as acting as a medium of exchange, a store of value, or a unit of account."[3] However, virtual currencies such as Bitcoin, are very volatile[4] and therefore not a relatively stable store of value.

Virtual currencies have two main types: centralized; or decentralized. "[Virtual currencies either] emanate … from a centralized issuer or they result from the work of a person solving a puzzle with the virtual currency being "issued" as a reward for the work expended."[5] Ripple (and its XRP token) is an example of a centralized virtual currency and Bitcoin and Ethereum are examples of decentralized virtual currencies. "The XRP token was not designed to function as a currency, and Ripple chose to focus solely on strengthening blockchain rather than giving any priority to support the value of the XRP Token…. XRP has no miners and relies on a "centralized" blockchain [that is] …not open, and although information is safely stored and protected through cryptography, only "trusted" operators in the network are allowed access."[6]

For decentralized currencies such as Bitcoin and Ethereum, there is a blockchain to record transactions. "A "block" is a

permanently recorded time-stamped transaction aggregated with other transactions that have occurred at about the same time. … Each block entry will also contain a reference to the immediately preceding block (so the system knows where it is to be placed in the chain) and a difficult to solve mathematical puzzle. The problem in the block must be solved before the next block can be added to the chain. This is necessary so that blocks are added to the chain ("Blockchain") in the same sequence by everyone in the network."[7] Miners work on these transactions with a reward of some of the virtual currency. As of January 2, 2020, "there are currently 18,163,837.5 Bitcoins in existence. This number changes about every 10 minutes when new blocks are mined. Right now, each new block adds 12.5 Bitcoins into circulation… The maximum and total amount of Bitcoins that can ever exist is 21 million."[8] Someone must have an extremely large amount of computer resources to solve these mathematical puzzles and it can take some time to record these transactions. Someone wanting their transaction recorded quicker can offer a fee. The higher the fee offered, the quicker a miner will process the transaction. Once the transaction is processed, it is permanent and cannot be reversed for any reason.

Businesses can encounter several types of transactions involving virtual currencies. The virtual currencies themselves can be issued by a central authority or to miners solving a mathematical problem. Those virtual currencies can be transferred by the holders to transferees whether in exchange for goods and services or a simple transfer of the virtual currency itself. Intermediaries can assist with the transfers of virtual currency and hold virtual currencies for the owners. Lastly, a new virtual currency can be provided later in exchange for an

investment made by an investor and paid in U.S. dollars or another virtual currency. In addition, there may or may not be an investment return promised to investors. Some of these investments are referred to as an initial coin offering or "ICO".

II. FEDERAL REGULATION OF DIGITAL CURRENCIES

At the federal level, the federal administrative agencies and courts have applied existing laws and regulations to virtual currency transactions.

Commodities Futures Trading Commission and the Commodities Exchange Act

Section 1a(9) of the Commodities Exchange Act ("CEA") defines commodities as, among other things, "all goods and articles … and all services, rights and interests … in which contracts for future delivery are presently or in the future dealt in."[9] "Exclusive jurisdiction over "accounts, agreements … and transactions involving swaps or contracts for the sale of commodities for future delivery" has been granted to the CFTC."[10] The CFTC along with other federal agencies claim concurrent jurisdiction over virtual currencies. [11] The CFTC has determined that virtual currencies are commodities under the Commodities Exchange Act and regulated by the CFTC[12] and therefore, persons involved in those transactions must comply with the CEA and the regulations thereunder.

In *CFTC v McDonnell,*[13] the U.S. District Court for the Eastern District of New York held that the CFTC may regulate virtual currency as a commodity and, in addition, has jurisdiction over fraud that does not directly involve the sale of commodities. In that case, the CFTC brought an action against Patrick McDonnell and his company, Cabbagetech Corp. d/b/a Coin Drop Markets, for offering virtual currency trading and investment services. Customers paid for membership and were offered exit prices and profits up to 300% per week. After receiving membership payments and virtual currency investments from the investors, the defendants deleted social media accounts and stopped communication with customers. The defendants hardly provided advice and never achieved the return on investments. Customers demanded their virtual currency back and the defendants refused. The defendants argued that this was not a commodity under the Commodity Exchange Act and the CFTC had no jurisdiction. The court disagreed and held this was a commodity and the CFTC had jurisdiction. In *CFTC v. My Big Coin Pay, Inc.*[14], the court, citing CFTC v. McDonnell, also held the transaction involved was a commodity and the CFTC had jurisdiction.

Therefore, the CFTC has jurisdiction over fraud in connection with the sale of virtual currencies and contracts for the future delivery of virtual currencies. There is an exemption for "a contract for the sale of a commodity that results in "actual delivery" of the commodity within 28 days. There is some uncertainty as to how the actual delivery standard will apply to any leveraged, margined or financed sales to retail buyers of assets that the CFTC considers to be virtual currencies and the

CFTC's position on what constitutes actual delivery for virtual currencies is in a state of flux."[15]

Securities and Exchange Commission and the Federal Securities Laws

A security is defined as any "note, stock, treasury stock, security future, security-based swap, bond … [or] investment contract."[16] The U.S. Supreme Court has defined an investment contract as any contract, transaction or scheme involving: (1) an investment of money; (2) in a common enterprise; and (3) the expectation that profits will be derived from the efforts of the promoter or a third party.[17] Based on this Howey test, a number of federal district courts have held that transactions involving virtual currencies are securities and therefore, must comply with the securities laws or be exempt.

In *SEC v. Trendon T. Shavers and Bitcoin Savings and Trust,*[18] the U.S. District Court for the Eastern District of Texas held that the virtual currency transaction involved was a security. Shavers had formed Bitcoin Savings and Trust ("BTCST)" and made solicitations to have lenders invest in opportunities involving Bitcoin. Shavers offered up to 1% interest daily until investors withdrew their funds or BTCST deals stopped and it could no longer be profitable. Shavers obtained 700,467 Bitcoins from investors. Some investors lost a total of 263,104 Bitcoins. The court noted that it was not asked to decide if "Bitcoin itself is a security, or whether the offer, sale, trade or exchange of bitcoins constitutes the offer or sale of

securities." The court held that this transaction was an investment contract. Next, the court analyzed whether Bitcoin was money. The SEC defined "money" as "anything that functions as a medium of exchange, a unit of account or a store of value." The court held that Bitcoin was money and therefore this was a security under the Howey test. U.S. District Courts in *Rensel v. Centra Tech, Inc.*[19] and *SEC v. Blockvest,* LLC [20] have also held that the virtual currency transactions involved were securities.

The SEC acted against several companies involved in virtual currency transactions. In one case,[21] the SEC filed charges against Lacroix and PlexCorps for marketing securities called PlexCoin on the internet to investors claiming that investments in PlexCoin would yield a 1,354% profit in 29 days and alleged that LaCroix and PlexCorps violated the anti-fraud and the registration provisions of the federal securities laws. In another case,[22] the SEC entered a consent order with Munchee Inc. for a virtual currency transaction involving restaurant reviews.

On April 3, 2019, the SEC Strategic Hub for Innovation and Financial Technology published a framework ("Framework") for analyzing whether a virtual currency is offered and sold as a security under the federal securities laws and the SEC Division of Corporation Finance released a no-action letter ("No-action Letter") for a virtual currency transaction.[23] The Framework, which states it is not an official rule, discusses in detail the elements of the Howey test in virtual currency transactions as well as discussing whether a transaction that is initially a security will always remain a security. The No-action Letter

involved a party who was really offering a pre-paid gift certificate as a part of a membership program for an air charter company. The party requested the no-action letter because under the Howey test, there was an expectation of profits. This No-action Letter showed that the SEC is willing to consider this relief in certain circumstances.

Based on the above, certain virtual currency transactions can be a security and must be registered or exempt. However, at the time of this article, there has been one registration statement for a virtual currency transaction filed with the SEC by Grayscale Investments. [24] Therefore, an easier way to navigate a virtual currency transaction through the securities laws may be to utilize an exemption to the securities laws.

Financial Crimes Enforcement Network and the Bank Secrecy Act

Under the Bank Secrecy Act ("BSA"),[25] a money transmitter must register with the Department of the Treasury Financial Crimes Enforcement Network ("FinCen") as a money services business ("MSB") and implement a risk based anti-money laundering program ("AML"). Pursuant to the BSA and its implementing regulations, an AML program will include certain mechanisms for meeting MSB transaction monitoring, reporting and record keeping obligations, including "know-your customer" requirements. Under Section 5330 of the BSA, a money transmitter is a "person that provides money transmission service" or "other person engaged in a transfer of funds." Money

transmission services means "the acceptance of currency, funds or other value that substitute for currency … to another location or person by any means."[26] "The following persons are exempt from MSB status: (a) bank…..; (b) persons registered with ….. regulated or examined by the U.S. Securities and Exchange Commission (SEC) or the U.S. Commodity Futures Trading Commission (CFTC),….; or (c) natural persons who engage in certain MSB activities (i.e., dealing in foreign exchange, check cashing, issuing or selling traveler's checks or money orders, providing prepaid access, or money transmission) on an infrequent basis and not for gain or profit."[27] One of the problems with this exemption is the definition of "infrequent basis".

On March 18, 2013, FinCen provided guidance on how these regulations apply to virtual currencies.[28] In that guidance, FinCen said that users of virtual currency are not a MSB but an administrator or exchanger of virtual currency is a MSB. FinCen distinguished between real currency which is legal tender and virtual currency that does not have all the attributes of real currency but does have an equivalent value in real currency. FinCen also distinguished between centralized and decentralized virtual currencies. A centralized virtual currency has a central repository. The administrator will be a MSB if it allows transfers of value between persons or from one location to another. In a decentralized virtual currency, a person who creates units and uses it to purchase real or virtual goods and services is not subject to regulation as a money transmitter. However, a person who creates virtual currency and sells those units to another person for real currency or its equivalent is a money transmitter.

In the case of *U.S. v. Faiella,*[29] the defendant was charged with the operation of an underground market in Bitcoin via the website "Silk Road". Specifically, the defendant was charged with operating an unlicensed money transmission business under 18 U.S.C. §1960 and conspiracy to commit money laundering under 18 U.S.C. §1956(h). The defendant moved to dismiss on the grounds that Bitcoin was not money under § 1960, operating a Bitcoin exchange does not constitute transmitting money under §1960 and the defendant is therefore not a money transmitter. The court held Bitcoin qualified as money. In addition, the court held that the defendant was transmitting money and qualified as a money transmitter.

On April 18, 2019, FinCen issued a civil money penalty against Eric Powers for violating the BSA registration and reporting requirements because Powers failed to register as a MSB, had no policies or procedures for ensuring compliance and failed to report suspicious transactions.[30] Powers advertised on the internet to purchase and sell Bitcoin. Powers processed numerous suspicious transactions and never filed suspicious activity reports including transactions involving the Silk Road. Powers conducted over 200 transactions involving the transfer of more than $10,000 but failed to file currency transfer reports ("CTR"). Powers conducted 160 purchases of Bitcoin for $5 million through in person cash transactions and of these, 150 were over $10,000 and required CTR's that Powers never filed. Powers paid a $35,350 fine and agreed to an industry bar.

Internal Revenue Service

In 2014, the Internal Revenue Service ("IRS)" issued a notice regarding the tax treatment of transactions in virtual currency.[31] The IRS noted that a sale or exchange of virtual currency or its use to pay for goods and services has tax consequences. Specifically, the IRS stated virtual currency is property. A taxpayer who receives virtual currency as payment for goods and services must include the fair market value of that currency in gross income. Also, if the fair market value of property received in exchange for virtual currency exceeds the taxpayer's adjusted basis, the taxpayer has taxable gain and if it is less, the taxpayer has a taxable loss. Also, a taxpayer who mines virtual currency must include the fair market value as income.

III. STATE REGULATION OF DIGITAL CURRENCIES

At the state level, states have passed new laws or regulations specifically governing virtual currency and virtual currency transactions, applied existing laws and regulations to that currency and those transactions or do not have any laws, either existing or amended, that specifically cover that currency or those transactions.

New State Virtual Currency Laws or Regulations

The New York Department of Financial Services ("NYDFS") promulgated a new regulation covering virtual currencies.[32] Section 200.2 (q) provides that this regulation applies to "Virtual Currency Business Activity" which consists of: "(1) receiving "Virtual Currency" for Transmission or

Transmitting Virtual Currency…; (2) storing, holding or maintaining custody or control of Virtual Currency on behalf of others; (3) buying or selling Virtual Currency as a customer business; (4) performing Exchange Services as a customer business; or (5) controlling, administering or issuing Virtual Currency." Under Section 200.2(p), "Virtual Currency" means "any type of digital unit that is used as a medium of exchange or a form of digitally stored value… [and includes] digital units of exchange that: (i) have a centralized repository or administrator; (ii) are decentralized and have no centralized repository or administrator; or (iii) may be created or obtained by computing or manufacturing effort…[but does not include:] (1) digital units that (i) are used solely within online gaming platforms …; digital units that can be redeemed for goods, services, discounts or purchases as a part of a customer affinity or rewards program…; or digital units used as part of Prepaid Cards." Section 200.3 provides that engaging in a "Virtual Currency Business Activity', requires a license unless the activity falls within the following exemptions: New York state chartered banks approved for Virtual Currency Business Activity; or merchants and customers who utilize Virtual Currency solely for the purchase or sale of goods or services or for investment purposes. As of March 2019, 18 companies have been granted these so-called "bitlicenses" by New York, including: Circle; Ripple; Coinbase; Gemini; Square; Bitpay; Coinsource; and Robinhood.[33]

The National Conference on Uniform State Laws approved the Uniform Regulation of Virtual-Currency Business Act.[34] Under Section 102(25), the Act applies to "Virtual Currency Business Activity" which means: exchanging,

transferring or storing "Virtual Currency"; or engaging in Virtual Currency administration. "Virtual Currency" is defined in Section 102(23) as a digital representation of value that: is used as a medium of exchange, unit of account or store of value; and not used for legal tender but does not include: a merchant grant as a part of an affinity or rewards program; or a digital representation of value used solely within an on-line gaming platform. Section 103 provides that Act does not apply to: transactions covered by the Electronic Fund Transfer Act, Securities Exchange Act of 1934, Commodities Exchange Act or the states securities laws; a bank; other licensed money transmitters; persons that merely provides services for exempt transactions; foreign exchange; computer software or computer services provided in connection with Virtual Currency; persons using Virtual Currency as payment for goods or services on their own or family's behalf or for academic purposes; and certain other exemptions. Under Section 201 of the Act, any person may not engage in Virtual Currency business unless licensed in its state or another state or unless exempt as noted above. No state has adopted this Act yet.

Money Transmitter Laws

Many states have had money transmission laws for some time and several states have enacted the Uniform Money Services Act.[35] These laws have similar license and regulatory requirements as the NYDFS regulation noted above. Several states have amended these laws to specifically include virtual currencies and transactions and, therefore, person engaged in these currencies or transactions must comply.

Connecticut also amended its Money Transmission Act.[36] Section 36a-597 of this Act provides that no person shall engage in the business of money transmission in the state (Connecticut) without a license and a person is engaged in the business of money transmission "if the person: (1) has a place of business in …[the] state; (2) receives money or monetary value in …[the] state or from a person in …[the] state; (3) transmits money or monetary value from a location in the state or to a person located in …[the] state…; (4) issues stored value or payment instruments that are sold in …[the] state; or (5) sells stored value or payment instruments in …[the] state." Under Section 36a-596(9), "Money transmission" means "engaging in the business of issuing or selling payment instruments or stored value, receiving money or monetary value for current or future transmission or the business of transmitting money or monetary value within the United States or to locations outside the United States by any means." In Section 36a-596(8), "Monetary value" means "a medium of exchange, whether or not redeemable in money." Section 36a-596(18) provides that "Virtual currency" means "any type of digital unit used a medium of exchange or a form of digitally stored value or that is incorporated into payment system technology… [and includes] digital units of exchange that (A) have a centralized repository or administrator; (B) are decentralized and have no centralized repository or administrator; or (C) may be created by computing or manufacturing effort…[but does not include:] digital units that are used solely within gaming platforms …or exclusively as a part of a customer affinity or rewards program but cannot be converted into or redeemed for fiat currency." Washington made a similar amendment to its Uniform Money Services Act.[37]

The following is a list of actions by other states: (a) Alabama, North Carolina and Rhode Island have amended their money

transmission laws to include virtual currencies; Colorado, Georgia, Hawaii, Kansas, Louisiana, New Hampshire, New Mexico, Oregon, Vermont and Virginia have issued guidance that virtual currencies are subject to their money transmission laws; a Florida appellate court case held that selling Bitcoin requires a money service business license; and Alaska, Illinois, Maryland, North Dakota, Pennsylvania, Tennessee, Texas and Utah have provided or stated that virtual currencies are not covered by their money transmission laws.[38]

State Securities Laws

Several states have acted against persons involved in virtual currency transactions under their state securities laws. Massachusetts has entered into three consent orders in connection with violations of its securities laws. In the first such consent order, the Massachusetts Securities Division ("MSD") found Across Platforms, Inc., d/b/a Clickable TV to be in violation of those laws.[39] In that case, Across Platforms announced it was launching an ICO of ClickableTV tokens ("CVT"). This ICO would allow users to purchase products using CTV backed by an advertising platform built on blockchain technology. The price for 1,000 CTV was 1 Ethereum. After receiving a subpoena from the Division, Across Platforms stopped selling. The consent provided that this a violation of the Massachusetts Security Act because this a covered investment contract and the offering was not registered or exempt. The MSD entered into two other consent orders involving an ICO of Planet Kids Coins by18moons[40] and mining allocations by Blue Vase[41] for state security law violations.

The Texas Securities Board issued two cease and desist orders in connection with violations of its securities laws. In the first such cease and desist order, the entity involved was BitConnect located in the UK.[42] Texas investors could: (1) purchase BitConnect Coins that were a decentralized virtual currency allowing owners to store and invest wealth; (2) invest in the BitConnect lending program and earn up to 40% per month; or (3) invest in the BitConnect staking program and also earn up to 120% per year. Also, BitConnect was about to offer an ICO for tokens known as bitconnectx. None of these offers were registered in Texas and were being sold by fraudulent practices. The Board concluded these were all securities under the Texas Securities Act and BitConnect was to cease and desist from any sales of these offerings in Texas until the offerings were registered or exempt. Another case involving LeadInvest also had a fraudulent scheme and similar cease and desist order.[43]

IV. CONCLUSION

The law has determined that virtual currencies are money, but those currencies are not fiat currency backed by the government. Given the lack of government backing and the volatility and taxability of virtual currencies, it is hard to see how most providers of goods or services would accept any of the existing virtual currencies in their transactions and therefore, how those currencies would act as a medium of exchange or unit of account. However, to the extent virtual currency is involved in an exchange for goods or services, those transactions probably are not subject to any laws except having potential tax

consequences. The same should apply to merely mining virtual currency. Therefore, the more likely use of existing virtual currencies is as an investment.

Also, obtaining virtual currencies for personal investment and then transferring those personal holdings of virtual currencies are also probably not subject to any laws except having potential tax consequences. However, ICO's and some other transactions involving virtual currency (especially centralized issuance of virtual currencies) or exchanges of virtual currency are probably regulated by the CFTC as commodities, the SEC as securities and FinCen as a money transmission business and must comply with the laws and regulations administered by those agencies or be exempt. There are several available exemptions from registration under the federal securities laws. Also, these transactions could be regulated in several states under the state securities, money transmission or other laws or regulations such as New York. These state laws and regulations (especially state securities laws) may have some exemptions that could apply. Any investor in or other party involved in virtual currency transaction would be prudent to ensure that the party sponsoring or involved in the transaction or holding the virtual currency, has all the necessary governmental licenses, registrations and approvals.

The federal government and state governments may continue to pass laws or regulations governing virtual currency. In addition, federal and state agencies will continue to regulate virtual currency transactions under the existing laws and

regulations. This is an area that should be continuously monitored for future developments.

---

[1] Carol Goforth, *The Lawyer's Cryptionary: A Resource for Talking to Clients about Crytotransactions*, 41 CAMPBELL L. REV. 47, 97 (2019).
[2] *Id* at 83.
[3] *Id* at 52.
[4] Buy Bitcoin Worldwide, The Bitcoin Volatility Index, https://www.buybitcoinworldwide.com/volatility-index/, (last visited January 2, 2020).
[5] UNIFORM REGULATION OF VIRTUAL CURRENCY BUSINESS ACT, prefatory note, what is virtual currency and how is it used, what is virtual currency, (UNIF. LAW COMM'N 2017).
[6] Goforth, *supra* note 1, at 76.
[7] Goforth, *supra* note 1, at 60.
[8] Buy Bitcoin Worldwide, How Many Bitcoins Are There?, https://www.buybitcoinworldwide.com/how-many-bitcoins-are-there/, (last visited January 2, 2020).
[9] 7 U.S.C. § 1a(9).
[10] CFTC v. McDonnell, 287 F. Supp. 3d 213, 223 (E.D. NY 2018), 220.
[11] *Id* at 223.
[12] In the Matter of Coinflip, Inc., CFTC Docket No. 15-29 (2015).
[13] CFTC v. McDonnell, 287 F. Supp. 3d 213, 223 (E.D. N.Y. 2018).
[14] CFTC v. My Big Coin Pay, Inc., 344 F. Supp. 3d 492 (D. Mass. 2018).
[15]American Bar Association Derivatives and Futures Law Committee Innovative Digital Products and Processes Subcommittee Jurisdiction Working Group, *Digital and Digitized Asset: Federal and State Jurisdictional Issues*, at 53 (March, 2019).
[16] The Securities Act of 1933, 15 U.S.C. § 77b(a)(1) (2018).
[17] SEC v. W.J. Howey, 328 U.S. 293, 298-299, 66 S. Ct. 1100, 90 L.Ed. 1244 (1946).
[18] SEC v. Trendon T. Shavers & Bitcoin Savings & Trust, No. 4:13-CV-416, 2014 U.S. Dist. LEXIS 194382, *at 1-24 (E. D. Tex. 2014).
[19] Rensel v. Centra Tech, Inc., No. 17-24500-CIV-KING/SIMONTON, U.S. Dist. LEXIS 106642, at*1-37 (S. D. Fla. 2018).
[20] SEC v. Blockvest, LLC, No. 18CV2287-GPB(BLM), 2019 U.S. Dist. LEXIS 24446, at*1-15 (D. Ca. 2019).

[21] U.S Securities and Exchange Commission, Press Release SEC 2017-219 (December 4, 2017).
[22] U.S Securities and Exchange Commission, Press Release SEC 2017-227 (December 11, 2017).
[23] Perkins Coie Update, *SEC's FinHub Publishes Framework for Digital Assets and SEC's Division of Corporation Finance Grants First No-Action Relief to Token Sponsor*, (April 10, 2019), https://www.perkinscoie.com/en/news-insights/sec-publishes-framework-for-digital-assets-and-grants-first-no-action-relief-to-token-sponsor.html.
[24] Reuters, *Digital currency asset manager files SEC document for Bitcoin fund*, (November 19, 2019), https://www.reuters.com/article/us-crypto-currencies-grayscale/digital-currency-asset-manager-files-sec-document-for-bitcoin-fund-idUSKBN1XT1ZQ.
[25] The Bank Secrecy Act, 31 U.S.C. §5311 et seq (2012).
[26] 31 C.F.R. §1010.100(ff)(5) (2018).
[27] Greenberg Traurig*, FinCen Issues Guidance on Application of Regulations to Certain Business Models Involving Convertible Virtual Currencies*, (June 7, 2019), https://www.gtlaw.com/en/insights/2019/6/fincen-issues-guidance-on-application-of-fincens-regulations-to-certain-business-models.
[28] Department of the Treasury Financial Crimes Enforcement Network, Guidance FIN-2013-6001 (March 18, 2013).
[29] United States v. Faiella, 39 F. Supp. 3d 544 (S. D. N.Y. 2014).
[30] FinCen Matter No. 2019-1, (April 18, 2019).
[31] IRS Notice 2014-21 (2014).
[32] N.Y. COMP. CODES, R & REGS Tit. 23, Chap. 1, Part 200 (2015).
[33] Jessica Klein, *New York Just Granted Its 18th Bitlicense*, (March 28, 2019), https://breakermag.com/new-york-grants-its-13th-bitlicense-since-last-may/.
[34] UNIFORM REGULATION OF VIRTUAL CURRENCY BUSINESS ACT (UNIF. LAW COMM'N 2017).
[35] UNIFORM MONEY SERVICES ACT (UNIF. LAW COMM'N 2014).
[36] Conn. Gen. Stat. §36a-595 et seq (2018).
[37] Wash. Rev. Code §19.230.005 et seq (2019).
[38] Kohen and Wales, *State Regulations on Virtual Currency and Blockchain Technologies*, (updated August 29, 2019), https://www.carltonfields.com/insights/publications/2018/state-regulations-on-virtual-currency-and-blockchain-technologies.
[39] In the Matter of Across Platforms, Inc. d/b/a Clickabletv, No. E-2018-0016, 2018 Mass. Sec. LEXIS 8 (2018).

[40] In the Matter of 18 Moons, Inc., No. E-2018-0010, 2018 Mass Sec. LEXIS 7 (2018).
[41] In the Matter of Blue Vase Mining, No. E-2018-0018, 2018 Mass. Sec. LEXIS 12 (2018).
[42] In the Matter of BitConnect, Order No. ENF-18-CDO-1754, 2018 Tex. Sec. LEXIS 1 (2018).
[43] In the Matter of LeadInvest, Order No. ENF-18-CDO-1760, 2018 Tex. Sec. LEXIS 7 (2018).