
*
IN THE MATTER OF: *
*
POLONIEX, LLC *
NMLS # 1486722 *
*
(“Poloniex”) *
*

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, known as the “Money Transmission Act”;

WHEREAS, Poloniex is a Delaware limited liability company with its main office at 99 High Street, Suite 1701, Boston, Massachusetts;

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

WHEREAS, on October 29, 2018, Poloniex filed an application with the Commissioner through the Nationwide Multistate Licensing System and Registry (“NMLS”) to obtain a license to engage in the business of money transmission in Connecticut, and on July 17, 2019, Poloniex filed a request to withdraw the application;

WHEREAS, the Commissioner, through the Consumer Credit Division of the Department of Banking, has investigated the activities of Poloniex pursuant to Sections 36a-17 and 36a-600 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 from at least January 1, 2017 to January 1, 2019, Poloniex engaged in the business of money transmission in this state without a license, in violation of Section 36a-597(a) of the Connecticut General Statutes;

WHEREAS, the Commissioner believes that such allegation would support the initiation of enforcement proceedings against Poloniex, including, without limitation, proceedings to issue a cease and desist order pursuant to Sections 36a-608(c) and 36a-52(a) of the Connecticut General Statutes, to issue an order to make restitution pursuant to Sections 36a-608(c) and 36a-50(c) of the Connecticut General Statutes, and to impose a civil penalty upon Poloniex 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;

WHEREAS, 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 Poloniex acknowledge the possible consequences of formal administrative proceedings, and Poloniex voluntarily agrees to consent to the entry of the sanctions imposed below solely for the purpose of obviating the need for formal administrative proceedings concerning the allegation set forth herein;

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

WHEREAS, Poloniex represents that it is no longer engaging in the business of money transmission in this state without a license;

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

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

1. No later than the date this Consent Order is executed by Poloniex, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Ten Thousand Dollars (\$10,000) as a civil penalty;
2. No later than the date this Consent Order is executed by Poloniex, it shall remit to the Department of Banking by wire transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Two Thousand Five Hundred Dollars (\$2,500) for back licensing fees; and
3. Poloniex shall cease and desist from engaging in the business of money transmission in this state without a license, in violation of Section 36a-597(a) of the Connecticut General Statutes.

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 Poloniex 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 Poloniex 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 Poloniex and reflected herein is subsequently discovered to be untrue;
3. Poloniex shall not take any action or make or permit to be made any public statement, including in regulatory filings 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;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by Poloniex and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of Poloniex 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, provided that all applicable legal requirements for such licenses are satisfied and the terms of this Consent Order are followed;

5. This Consent Order shall become binding upon Poloniex and its successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 7th day of November 2019.

/s/

Jorge L. Perez
Banking Commissioner

I, Jeremy Allaire, state on behalf of Poloniex, LLC 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 Poloniex, LLC; that Poloniex, LLC agrees freely and without threat or coercion of any kind to comply with the sanctions entered and terms and conditions ordered herein; and that Poloniex, LLC 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: Jeremy Allaire
Title: Chief Executive Officer
Poloniex, LLC

State of: Massachusetts

County of: Suffolk

On this the 29th day of October, before me, Julia Hausman, the undersigned officer, personally appeared Jeremy Allaire, who acknowledged himself/herself to be the Chief Executive Officer of Poloniex, LLC, a member managed / manager managed limited liability company, and that he/she as such Chief Executive Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself/herself as Chief Executive Officer.

In witness whereof I hereunto set my hand.

/s/
Notary Public – Julia Hausman
Date Commission Expires: Jan 24, 2025