

STATE OF NORTH CAROLINA

WAKE COUNTY

IN A MATTER
BEFORE THE COMMISSIONER OF BANKS
DOCKET NO. 24-MT-003

IN RE:)	
)	
BAM TRADING SERVICES, INC.)	SUMMARY SUSPENSION
d/b/a BINANCE.US)	AND
)	CEASE AND DESIST ORDER
)	
NMLS ID No. 1906829)	
)	

The Commissioner of Banks (Commissioner) issues this Summary Suspension and Cease and Desist Order (Order) because she has reason to believe that:

FINDINGS OF FACT

1. The NCCOB is responsible for the regulation, licensing, and supervision of money transmitters under Article 16B of Chapter 53 of the North Carolina General Statutes as periodically amended (MTA).
2. On November 9, 2020, BAM Trading Services, Inc., doing business as Binance.US (BAM), was licensed by the North Carolina Office of the Commissioner of Banks (NCCOB) as a money transmitter under the MTA and has been so licensed since that date. The approval order, NCCOB Docket No. 20:107:MT, required BAM to commence operations within six months.
3. Changpeng Zhao, better known as CZ (Zhao), is the Chief Executive Officer and beneficial owner of a significant portion, in excess of 10%, of BAM. Zhao is also listed as a control person in the Nationwide Multistate Licensing System and Registry.
4. On November 21, 2023, Zhao entered a Plea Agreement in the United States District Court for the Western District of Washington at Seattle, in which he entered a plea of guilty to failure to maintain an effective anti-money laundering

(“AML”) program, in violation of Title 31, United States Code, Sections 5318(h), 5322 (b), 5322(c), and 5322(e); Title 18, United States Code, Section 2; and Title 31, Code of Federal Regulations, Section 1022.210.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over Respondent and the subject matter of this proceeding.
2. The entry of this Order is in the public interest.
3. Pursuant to N.C.G.S. § 53-208.57(d), the Commissioner may issue a cease and desist or summary suspension order if she has reason to believe that such a violation or failure to comply with the MTA presents an imminent threat to the public.
4. N.C.G.S. § 53-208.42(5) defines the term “control” as follows:

The power, directly or indirectly, to direct the management or policy of the licensee or person subject to this Article, whether through ownership of securities, by contract, or otherwise. Any person that (i) is a director, general partner, or executive officer; (ii) directly or indirectly has ownership of or the power to vote ten percent (10%) or more of a class of outstanding voting securities; (iii) in the case of a limited liability company, is a managing member; or (iv) in the case of a partnership, has the right to receive upon dissolution, or has contributed, ten percent (10%) or more of the capital, is presumed to control the licensee or person subject to [the MTA].
5. Zhao is not eligible to be a control person for a company licensed under the MTA in light of the felony conviction identified above.
6. N.C.G.S. § 53-208.56 provides that a license may be suspended if the Commissioner finds that a controlling person or key management personnel of the licensee has been convicted of any felony in the last seven years.
7. This Order is a matter of public record and may be disseminated as such.

BASED UPON THE FOREGOING, the Commissioner finds that it is in the public interest to summarily suspend BAM’s money transmitter license and to order BAM to cease and desist from the solicitation or acceptance of all new money transmission activities.

IT IS, THEREFORE, ORDERED THAT:

1. The effective date of this Order is January 29, 2024.
2. Pursuant to N.C.G.S. §§ 53-208.56 and 53-208.57(d), the money transmitter license of BAM, previously issued, is hereby SUMMARILY SUSPENDED.
3. As of the effective date of this Order, no new money transmission activities or new transmission business shall be conducted under BAM's MTA license within the State of North Carolina. BAM is permitted to engage in limited money transmission activities solely for the purpose of resolving its consumer obligations received prior to the effective date of this Order.
4. Within ten (10) days of the effective date of the Order and upon further request, BAM shall furnish a list of all its North Carolina consumers with outstanding transmission obligations and the dollar amount of those obligations by upload to NCCOB Online.
5. Pursuant to N.C.G.S. § 53-208.57(b), BAM may request a hearing regarding the issuance of this Order within twenty (20) days of its effective date. Such a request shall be made in writing to Angela Maynard at [REDACTED] and a hearing shall be calendared within fifteen (15) days thereafter or at such time as may be agreed upon by the parties.
6. If Respondent does not request a hearing, this Order shall remain in full force and effect until such time as it is modified, lifted, or vacated by the Commissioner.

Date: 01/22/2024

[REDACTED]
Katherine M.R. Bosken
Commissioner of Banks

CERTIFICATE OF SERVICE

THE UNDERSIGNED hereby certifies that he has this day served a copy of the foregoing Summary Suspension and Cease and Desist Order by email to the addresses identified below and by placing a copy of the same with a delivery service authorized by law and addressed to:

BAM Trading Services, Inc.
c/o Norman Reed, Director, Interim CEO
252 NW 29th Street
9th Floor Suite, 905
Miami, FL 33127
[REDACTED]

Date: 01/23/2024

Office of the Commissioner of Banks

[REDACTED]

James D. Crowder, Counsel
Division of Legal Affairs
Office of the Commissioner of Banks
4309 Mail Service Center
Raleigh, North Carolina 27699-4309
Phone: (919) 733-3016
Fax: (919) 733-6918
Email: [REDACTED]