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MEMORANDUM

June 4, 2015

To Our Clients and Friends

Re: New York State Finalizes BitLicenses for Virtual Currency Business Regulation

The New York State Department of Financial Services has adopted a regulation for licensing virtual currency businesses through the issuance of BitLicenses. The new regulation details the application procedures and fees associated with applying for a license, ongoing compliance responsibilities, capital requirements, procedures for taking custody of and protecting customer assets, recordkeeping, and examination. The Department also acknowledged that changes to the regulation may be needed over time as experience dictates.

A copy of the BitLicense regulations can be found on our website at <http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker, or Ben Gray at (202) 776-0700.