

**Mike DeWine**  
**Governor**

**STATE OF OHIO**  
**DEPARTMENT OF COMMERCE**  
**Division of Financial Institutions**

**Sheryl Maxfield**  
**Director**

In the matter of: ) Case No. MT2022-004  
)  
METALLICUS, INC ) STIPULATION AND CONSENT TO THE  
353 Sacramento St. ) ISSUANCE OF AN ORDER OF CIVIL PENALTY  
Suite 740 ) PURSUANT TO R.C. 1315.152  
San Francisco, CA 94111 )

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The Ohio Department of Commerce, by and through the Superintendent of the Division of Financial Institutions ("Division"), is a state agency charged with the responsibility of administering and enforcing the Ohio Money Transmitter Act ("OMTA"), codified at Ohio Revised Code ("R.C.") sections 1315.01 to 1315.18. Metallicus, Inc. ("Respondent") is a Delaware corporation that has applied for a money transmitter license pursuant to the OMTA.

Subject to the acceptance of this Stipulation and Consent to the Issuance of an Order of Civil Penalty ("Consent Agreement"), the Division and Respondent hereby consent and agree:

**FACTUAL FINDINGS AND CONCLUSIONS OF LAW**

- A. R.C. 1315.02(A) prohibits any person, regardless of the location of that person, its facilities, or its agents, from receiving, directly or indirectly and by any means, money or its equivalent for transmission from a person located in Ohio without a money transmitter license.
- B. R.C. 1315.04(D) authorizes the Superintendent to impose any condition the Superintendent determines to be appropriate in approving an application for a money transmitter license.
- C. R.C. 1315.152(A) authorizes the Superintendent to assess a civil penalty against a person of up to five hundred dollars (\$500.00) per day if the person violates any law or rule.
- D. Respondent began providing money transmission services solely related to their cryptocurrency wallet in Ohio on or about October 1, 2018. At no time did Respondent provide money transmission services related to US dollars or other fiat currencies. Respondent has informed the Division that, from October 1, 2018 to October 20, 2022, Respondent has built a customer base of approximately 1194 Ohioans. The estimated total of those customer's cryptocurrency holdings is less than \$10,000.
- E. Respondent applied for a money transmitter license pursuant to the OMTA on or about August 30, 2022.

- F. The Division asserts that Respondent has engaged in unlicensed money transmission in Ohio in violation of R.C. 1315.02(A).
- G. The Division has no basis to assert or suggest that any alleged violations of Ohio law were willful or in bad faith. Respondent voluntarily contacted the Division and disclosed its money transmission activities. Respondent has cooperated with the Division's investigation of this matter and has complied with all requests for information.
- H. The Division asserts that, had Respondent applied for a money transmitter license prior to providing services in Ohio, and based on the information Respondent provided to the Division, Respondent would have been required to pay an annual assessment of \$3,400 in 2019, 2020, 2021, and 2022, for a total amount of \$13,600.
- I. With respect to the Respondent's involvement with the Proton product, Respondent represents that the Proton token is a token that is issued on the public blockchain by a vote from a group of Block Producers. Metallicus does not control the minting of Proton tokens, which requires the consent of at least 15 out of 21 Proton Block Producers who are voted in by all of the token holders via the blockchain. Metallicus does not sell the Proton tokens to any persons, including Ohio residents.

#### **AGREED CONDITIONS**

- 1. Respondent neither admits nor denies the allegations set forth in Paragraph F above. However, in order to conclude this matter expeditiously, Respondent has agreed to enter this Consent Agreement.
- 2. Respondent represents and warrants that the information provided by Respondent and reflected in Paragraphs D and I of this Consent Agreement is true and accurate. Notwithstanding any other provision of this Consent Agreement, the Division reserves all rights should it discover that the information provided by Respondent and reflected in Paragraphs D and I is false or misleading in any material respect.
- 3. Respondent agrees to pay a civil fine of **Nineteen Thousand Six Hundred dollars (\$19,600)**. Payment shall be made in the form of a cashier's check or money order, made payable to "Treasurer of State", or via NMLS, within 14 days of the effective date of this Consent Agreement.
- 4. Respondent understands and agrees that its payment of the above settlement amount (\$19,600) is a condition of obtaining a license pursuant to R.C. 1315.04(D).

5. Should Respondent gain control of the ability to mint Proton tokens independently, OR should Respondent wish to commence selling the Proton tokens directly to Ohio customers, Respondents will notify the Division in advance and seek a licensing determination.
6. Should Respondent comply with the terms of this Consent Agreement, including specifically the payment terms in Paragraph 2, the Division agrees to accept the same and to issue an Order of Civil Penalty against Respondent, and to accept and approve Respondent's money transmitter license application upon confirmation that all conditions for licensure have been met. As of the date of this Consent Agreement, the Division and Respondent both understand and agree that, subject to this Paragraph, all other conditions for licensure by Metallicus in Ohio have been met.
7. If Respondent fails to comply with the payment requirement in Paragraph 2, the Division shall certify any unpaid balance to the Ohio Attorney General's Collection Enforcement Section ("Collections") for collection. In the event of certification, Respondent agrees to pay additional collection costs assessed by Collections in accordance with R.C. 131.02(A) equal to the amounts charged pursuant to R.C. 109.08 and 109.081 for the cost of certification and the use of Special Counsel for the collection of the debt. Interest shall also be charged upon certification in accordance with R.C. 131.02(D). Nothing in this paragraph should be construed to limit the Division's discretion to pursue any other available remedy
8. Respondent has been advised of its right, pursuant to R.C. 1315.152, to receive a Notice of Charges and Opportunity for a Hearing ("Notice") detailing the violations of law or regulation alleged to have been committed by Respondent and of its right to a hearing on the charges pursuant to R.C. 1315.17 and has knowingly waived those rights.
9. Respondent understands and agrees that the Order described herein shall be deemed to be a Final Order of Civil Penalty. Respondent understands and agrees that pursuant to R.C. 1315.152, the Order will not be appealable. Respondent further understands and agrees that the Order shall become effective immediately upon service of the Order and fully enforceable by the Division pursuant to R.C. Chapters 1315 and 119, subject only to the conditions set forth in paragraph 7 of this Consent Agreement.
10. In the event that the Division accepts this Consent Agreement and issues the Order, it is agreed that (i) this matter shall be fully resolved and the Division will not take any future enforcement action against Respondent based upon the facts and allegations provided herein; and (ii) the Division will take no action to enforce the Order in the appropriate Ohio court of common pleas unless, in each case, Respondent has violated or is about to violate any provision of the Order. Respondent further agrees that any violation of the Order shall constitute grounds

for the suspension or revocation of its money transmitter license, should Respondent obtain one, and understands that the Division may institute an administrative action to impose such a sanction.

11. Respondent hereby waives:
  - a. The receipt of a Notice;
  - b. The opportunity for a hearing on the violations of law described herein;
  - c. The filing of proposed findings of fact and conclusions of law;
  - d. The report and recommendation of an administrative hearing officer;
  - e. The opportunity to object to such report and recommendation in writing;  
and
  - f. The opportunity to appeal an agency Order.

Respondent understands, agrees, and acknowledges that this Consent Agreement is considered a disciplinary action issued in connection with its license, and that it is required to properly disclose this Consent Agreement on all future license applications and renewal requests.

12. The terms, conditions, and limitations of this Consent Agreement may be amended or terminated at any time upon the written agreement of both parties.

#### **ACKNOWLEDGMENTS/LIABILITY RELEASE**

Respondent acknowledges that it has been advised by the Division to seek legal counsel if it has any question concerning the terms and/or effect of this Consent Agreement.

Respondent hereby releases the Division, its members, employees, agents, officers and representatives jointly and severally from any and all liability arising from the within matter. Respondent shall not seek attorney fees or costs arising from the within matter.

This Consent Agreement shall be considered a public record as that term is used in R.C. 149.43, and may be reported to appropriate organizations, NMLS, data banks, and governmental bodies, or released to the general public.

This Consent Agreement in no way binds or limits future actions the Division may take with respect to Respondent or any other person, individual, or company, for similar violations.

**EFFECTIVE DATE**

It is expressly understood that this Consent Agreement shall become effective upon the date of the last signature below.

Ohio Division of Financial Institutions

Metallicus, Inc

Ingrid E. White 4/18/23  
Date  
Deputy Superintendent for Banks

[Signature] 3/23/2023  
Signature Date

[Signature] 4/18/2023  
Date  
Kevin R. Allard  
Superintendent

Irina Berkon, CFO  
Printed Name & Title