

Mike DeWine
Governor

STATE OF OHIO
DEPARTMENT OF COMMERCE
Division of Financial Institutions

Sheryl Maxfield
Director

In the matter of:) Case No. MT2023-009
)
ALPACA CRYPTO LLC) **SETTLEMENT AND CONSENT ORDER**
3 East Third Avenue, Suite 214)
San Mateo, CA 94401)

WHEREAS, 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 in Ohio Revised Code ("R.C.") sections 1315.01 to 1315.18.

WHEREAS, **Alpaca Crypto LLC** ("Respondent") is a Delaware limited liability company that was granted an Ohio money transmitter license (OHMT237) on February 1, 2023.

WHEREAS, on November 29, 2023, the Division issued a Notice of Charges and Intent to Suspend and Assess Civil Penalty ("Notice") to Respondent.

WHEREAS, the Notice contained the following allegations and findings:

- A. R.C. 1315.151(A)(3) provides that "[t]he superintendent of financial institutions may issue and serve a notice of charges and intent to suspend or revoke a licensee's license, if the superintendent finds that ... [t]he licensee knowingly violates any material provision of sections 1315.01 to 1315.18 of the Revised Code or any rule or order adopted by the superintendent."
- B. R.C. 1315.152(A)(1)(a) provides that "[t]he superintendent may assess a civil penalty of not more than five hundred dollars per day if the licensee or other person violates ... [a]ny law or rule[.]"
- C. R.C. 1315.08(B) provides, in part, that "[a]nnually, not more than one hundred twenty days after the end of its fiscal year, each licensee shall submit to the superintendent its audited consolidated financial statements for the fiscal year, including a balance sheet, income statement, statement of changes in shareholder equity, and statement of cash flows."
- D. The aforementioned requirement in R.C. 1315.08(B) is material.
- E. Respondent holds Ohio money transmitter license number OHMT237.
- F. Respondent failed to provide its 2022 audited financial statements by April 30, 2023.
- G. On September 20, 2023, the Division sent Respondent an email requesting an update on the status of its audited financial statements. Respondent indicated that the audit was to be completed by September 30, 2023 "or shortly thereafter."
- H. On October 2, 2023, the Division requested another update from Respondent regarding the status of its audited financial statements. Respondent indicated that the audit was to be completed by October 13, 2023 "or shortly thereafter."

- I. On October 6, 2023, the Division sent Respondent a letter requiring the audited financial statements to be uploaded to the Nationwide Multistate Licensing System ("NMLS") by October 20, 2023. The letter advised that no further extensions would be provided, and that the Division reserved all rights moving forward.
- J. In an email dated October 19, 2023, Respondent indicated that the audit would be complete by October 31, 2023.
- K. In an email dated October 27, 2023, Respondent indicated that the audit would be complete by November 15, 2023.
- L. In an email dated November 17, 2023, Respondent indicated that the audit would be complete "in the coming days."
- M. To date, Respondent has not provided its 2022 audited financial statements to the Division.

WHEREAS, Respondent submitted its 2022 audited financial statements to NMLS on December 18, 2023.


NOW THEREFORE, in consideration of the foregoing and the mutual promises set forth herein, the parties agree to the following:

- 1. Respondent acknowledges lawful service and receipt of the Notice and stipulates to the jurisdiction of the Division in this matter.
- 2. The parties acknowledge and agree to the accuracy of the foregoing recitals.
- 3. Respondent admits to violating R.C. 1315.08(B).
- 4. As penalty for Respondent's violation of law described herein, Respondent agrees to pay a civil penalty of Fifteen Thousand Dollars (\$15,000.00). 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 Settlement and Consent Order.
- 5. If Respondent fails to comply with the payment requirement in Paragraph 4, 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 amount 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 be charged upon certification in accordance with R.C. 131.02(D). Nothing in this paragraph shall be construed to limit the Division's discretion to pursue any other available remedy.
- 6. This Settlement and Consent Order may be signed in counterparts which, when taken together, will constitute a single integrated document.
- 7. This Settlement and Consent Order shall be effective on the date it is signed by the Superintendent of the Division of Financial Institutions and on such date, it will become a final order.
- 8. Respondent agrees to forego its administrative remedies and waives any and all rights to an administrative hearing, as well as any right to appeal this matter or order.
- 9. This Settlement and Consent Order contains the entire agreement between the parties as to the matters set forth herein and no promises, conditions, or obligations, either expressed or implied, other than those set forth herein, shall be binding on either party.

10. The parties agree that the terms of this Settlement and Consent Order bind the parties hereto and that the individuals signing below have authority to sign this Settlement and Consent Order on behalf of the designated party.
11. This Settlement and Consent Order represents a compromise between the parties for the full, complete, and final settlement of all claims, differences, and causes of action with respect to the subject matter of the Notice.
12. This Settlement Agreement in no way binds or limits future action the Division may take with respect to Respondent or any other person, individual, or company, for the same or similar violations.
13. This Settlement and Consent Order shall be considered a public record as that term is used in R.C. 149.43, and may be reported to appropriate organizations, data banks, and governmental bodies, or released to the general public.
14. Respondent has been advised by the Division to seek legal counsel if it has any questions concerning the terms or effect of this Settlement and Consent Order.

For purposes of effecting this Settlement and Consent Order, it is hereby ORDERED and DECREED that:

- A. The parties to this Settlement and Consent Order shall abide by the terms of this Order as agreed.
- B. The Notice is hereby terminated.



KEVIN R. ALLARD
Superintendent, Division of Financial Institutions
Ohio Department of Commerce

2/15/2024
Date

Approved and Agreed:



ALPACA CRYPTO LLC

By: Tarun Ajwani
Its: Chief Executive Officer