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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Securities Act of Washington by:

Order No.: S-22-3305-23-CO01

CONSENT ORDER

Blockchain.com, Inc.,

Respondent.

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**INTRODUCTION**

9 Pursuant to the Securities Act of Washington, RCW 21.20, the Securities Division of the Department  
10 of Financial Institutions (“Securities Division”) and Respondent Blockchain.com, Inc. do hereby enter into  
11 this Consent Order in settlement of the matters alleged herein. Respondent Blockchain.com, Inc. neither  
12 admits nor denies the Findings of Fact and Conclusions of Law as stated below.

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**FINDINGS OF FACT**

**Respondent**

15 1. Blockchain.com, Inc. (“Blockchain”) is a Delaware corporation formed on March 9, 2020 with  
16 its principal place of business in Miami, Florida. Blockchain is a cryptocurrency financial services company  
17 that provides a platform for users to hold, use, and manage crypto assets and explore cryptocurrency  
18 transactions. Blockchain is a registered Money Transmitter Licensee with the Washington State Department  
19 of Financial Institutions, Consumer Services Division (WA Lic. #550-MT-137775).

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CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS  
Securities Division  
PO Box 9033  
Olympia, WA 98507-9033  
360-902-8760

1 **Nature of the Conduct**

2 **Overview**

3 2. From at least August 12, 2020 to July 6, 2022, Blockchain offered and sold securities in the  
4 form of yield-generating digital asset accounts and marketed, offered, and sold those securities to Washington  
5 residents.

6 3. Blockchain marketed their interest accounts, later referred to as rewards accounts, to eligible  
7 Blockchain wallet holders. Investors were eligible if they were “Gold Level verified”—meaning that they had  
8 uploaded an identity document and a photo of themselves to Blockchain.com.

9 4. Blockchain pooled investor’s interest account funds into a centralized lending pool. From  
10 there, Blockchain lent the interest account funds to other financial institutions and “sophisticated borrowers.”  
11 Blockchain investors received an annual percentage yield (“APY”) of 4.5% - 13% from the profits of this  
12 lending process. The deposit of funds by an investor into their interest account was the sole investor  
13 undertaking necessary to earn an APY.

14 5. Blockchain itself described the business model as follows:

15 “Your custodial Interest Account allows you to earn interest on the funds you keep in  
16 your wallet. All you need to do is deposit bitcoin or ether from your non-custodial  
17 wallet into your Interest Account and leave it there, and we’ll do the rest!”

18 6. The date of the first Washington resident interest account deposit was August 12, 2020.

19 7. Blockchain sold interest accounts to twenty-four Washington investors since the product  
20 launch.

21 8. The total amount of currency, including virtual currency, held in Blockchain accounts by  
22 Washington investors between launch date and the end of June 2022 was valued at \$754,301.15.

1 9. Blockchain closed the interest account product to all U.S. customers, including Washington  
2 investors, on July 6, 2022.

3 **Registration Status**

4 10. Blockchain is not currently registered to sell its securities in the state of Washington and has not  
5 previously been so registered.

6 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

7 **CONCLUSIONS OF LAW**

8 1. The offer and/or sale of Blockchain’s interest accounts described above constitutes the offer  
9 and/or sale of a security as defined in RCW 21.20.005(14) and (17).

10 2. Blockchain has violated RCW 21.20.140 because, as set forth in the Tentative Findings of Fact,  
11 Respondents offered and/or sold securities for which no registration is on file with the Securities  
12 Administrator.

13 Based upon the foregoing and finding it in the public interest:

14 **CONSENT ORDER**

15 IT IS AGREED AND ORDERED that Respondent Blockchain.com, Inc., their agents, and employees  
16 each shall cease and desist from violating RCW 21.20.140, the securities registration section of the Securities  
17 Act of Washington.

18 IT IS FURTHER AGREED AND ORDERED that Blockchain.com, Inc. shall be liable for and shall  
19 pay a fine of \$20,000 on or before the entry of this Consent Order.

20 IT IS FURTHER AGREED AND ORDERED that Blockchain.com, Inc. shall be liable for and shall  
21 pay investigative costs of \$2,500 on or before entry of this Consent Order.

22 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.  
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1 IT IS FURTHER AGREED that Respondent Blockchain.com, Inc. entered into this Consent Order  
2 freely and voluntarily and with a full understanding of its terms and significance.

3 IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Blockchain.com, Inc.  
4 waives their right to a hearing and to judicial review of this matter pursuant to RCW 21.20.440 and Chapter  
5 34.05 RCW.

6 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

7  
8 Signed this 19 day of October 2023.

9 Signed by:

10 Blockchain.com, Inc.

Approved as to form by:

11 /s/ Stephen Davis

/s/ Kenneth Herzinger

12 Name of signer: Stephen Davis

Attorney Name: Kenneth Herzinger

13 Title of signer: Director

Attorney for: Blockchain.com Inc.

14 SIGNED and ENTERED this 4<sup>th</sup> day of December 2023.



20 /s/  
21 William M. Beatty  
Securities Administrator

22 Approved by:

Presented by:

23

