

Consumer Services Division Case Number C-23-3668

Statements of Charges allege wrongdoing by a company or individual. DFI issues Statements of Charges to tell the company or individual:

- They have been investigated
- DFI is making allegations against them
- What the allegations are
- What consequences could follow

DFI informs the company or individual of their rights at this time. The company or individual can respond to the Charges. They also have the right to contest the Charges at an administrative hearing.

Name	BAM Trading Services, Inc.
Number	C-23-3668-24-SC02
Date issued	5/2/2024

Questions?

You can contact the Consumer Services Division, Enforcement unit at (360) 902-9703 or cseforcecomplaints@dfi.wa.gov. Please remember that we cannot provide financial or legal advice to members of the public. We also cannot release confidential information.

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 CONSUMER SERVICES DIVISION

4 IN THE MATTER OF DETERMINING
5 Whether there has been a violation of the
6 Uniform Money Services Act of Washington by:

7 BAM TRADING SERVICES, INC.,
8 NMLS # 1906829,

9 Respondent.

NO. C-23-3668-24-SC02

STATEMENT OF CHARGES and
NOTICE OF INTENT TO ENTER
AN ORDER TO REVOKE LICENSE AND
COLLECT INVESTIGATION FEE

10 INTRODUCTION

11 Pursuant to RCW 19.230.130 and RCW 19.230.310, the Director of the Department of
12 Financial Institutions of the State of Washington (Director) is responsible for the administration of
13 chapter 19.230 RCW, the Uniform Money Services Act (Act). After having conducted an investigation
14 pursuant to RCW 19.230.130 and WAC 208-690-180, and based upon the facts available as of the date of
15 this Statement of Charges and Notice of Intent to Enter an Order to Revoke License and Collect
16 Investigation Fee (Statement of Charges), the Director, through his designee, Consumer Services Division
17 Director Ali Higgs, institutes this proceeding and finds as follows:

18 I. FACTUAL ALLEGATIONS

19 1.1 **BAM Trading Services, Inc. (Respondent)** was licensed by the Department of Financial
20 Institutions of the State of Washington (Department) to conduct the business of a money transmitter
21 on or about February 8, 2021, and continues to be licensed to date.

22 1.2 **Changpeng Zhao (Zhao)** is the majority owner of Respondent and a person in control as
23 defined by RCW 19.230.010(7). On or about November 21, 2023, Zhao pleaded guilty to felony
24 violations of federal law relating to [REDACTED] and the [REDACTED] in
25 the U.S. District Court for the Western District of Washington. These violations occurred as a result

1 of Zhao's ownership and operation of Binance Holdings, Ltd., a separate money transmitter from
2 Respondent, which Zhao admitted willfully violated federal law relating to [REDACTED] and the [REDACTED]

3 **1.3 Ongoing Investigation.** The Department's investigation of possible violations of the Act by
4 Respondent continues to date.

6 **II. GROUNDS FOR ENTRY OF ORDER**

7 **2.1 Character and General Fitness.** Based on the Factual Allegations set forth in Section I
8 above, Respondent's responsibility, competence, character, or general fitness indicates that it is not in
9 the public interest to permit Respondent to provide money services.

10 **2.2 Condition Leading to License Denial.** Based on the Factual Allegations set forth in Section I
11 above, a fact or condition exists that would have led to the denial of a license if known by the Director
12 during the processing of the application.

13 **III. AUTHORITY TO IMPOSE SANCTIONS**

14 **3.1 Authority to Revoke License.** Pursuant to RCW 19.230.230(1)(e), the Director may issue an
15 order to suspend, revoke, or condition a license if the financial condition and responsibility,
16 competence, experience, character, or general fitness of the licensee, authorized delegate, person in
17 control of a licensee, or responsible individual of the licensee or authorized delegate indicates that it is
18 not in the public interest to permit the person to provide money services. Pursuant to WAC 208-690-
19 070(1)(c), the Director may deny a license application if a person in control of the applicant has been
20 convicted of a felony within the past ten years or convicted of a crime involving a financial transaction
21 within the past ten years. Pursuant to WAC 208-690-071, the Director may revoke a license upon
22 finding the existence of any condition or fact that would have led to denial of a license if known by the
23 Director during the processing of the application.
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1 **3.2 Authority to Collect Investigation Fee.** Pursuant to RCW 19.230.130(2), RCW
2 19.230.320(1)(c), WAC 208-690-170, and WAC 208-690-180(3), the Department may collect the
3 costs of investigations, calculated at the rate of \$75 per hour.

4 **IV. NOTICE OF INTENT TO ENTER ORDER**

5 Respondent's violations of the provisions of chapter 19.230 RCW and chapter 208-690 WAC, as
6 set forth in the above Factual Allegations and Grounds for Entry of Order, constitute a basis for the entry
7 of an Order under RCW 19.230.230, WAC 208-690-070(1)(c), and WAC 208-690-071. Therefore, it is
8 the Director's intent to ORDER that:

9 **4.1** Respondent BAM Trading Services, Inc.'s money transmitter license be revoked.

10 **4.2** Respondent BAM Trading Services, Inc. pay an investigation fee which as of the date of
11 these charges totals \$2,250.

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1 **V. AUTHORITY AND PROCEDURE**

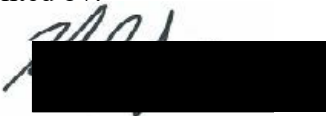
2 This Statement of Charges is entered pursuant to the provisions of RCW 19.230.220 and
3 RCW 19.230.310, and is subject to the provisions of chapter 34.05 RCW, the Administrative
4 Procedure Act. Respondent may make a written request for a hearing as set forth in the NOTICE OF
5 OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this
6 Statement of Charges

7 Dated this 2nd day of May, 2024.




12 
13 Ali Higgs, Director
14 Division of Consumer Services
15 Department of Financial Institutions


16 Presented by:

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18 _____
19 KENNETH J. SUGIMOTO
20 Financial Legal Examiner Supervisor

21 Reviewed by:

22 
23 _____
24 ROBERT E. JONES
25 Financial Legal Examiner Supervisor

Approved by:

26 
27 _____
28 JAMES R. BRUSSELBACK
29 Acting Enforcement Chief