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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
CONSUMER SERVICES DIVISION**

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

BAM TRADING SERVICES, INC.,  
NMLS # 1906829,

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

**INTRODUCTION**

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

**I. FACTUAL ALLEGATIONS**

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

**1.2 Changpeng Zhao (Zhao)** is the majority owner of Respondent and a person in control as defined by RCW 19.230.010(7). On or about November 21, 2023, Zhao pleaded guilty to felony violations of federal law relating to anti-money laundering (AML) and the Bank Secrecy Act (BSA) in 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 AML and the BSA.

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:  
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10 **4.1** Respondent BAM Trading Services, Inc.'s money transmitter license be revoked.

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

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1 **V. AUTHORITY AND PROCEDURE**

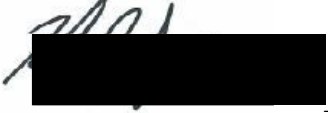
2 This Statement of Charges is entered pursuant to the provisions of RCW 19.230.220 and  
3 RCW 19.230.310, and is subject to the provisions of chapter 34.05 RCW, the Administrative  
4 Procedure Act. Respondent may make a written request for a hearing as set forth in the NOTICE OF  
5 OPPORTUNITY TO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

7 Dated this 2nd day of May, 2024.

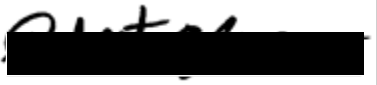


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13 Ali Higgs, Director  
14 Division of Consumer Services  
15 Department of Financial Institutions

16 Presented by:

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19 KENNETH J. SUGIMOTO  
20 Financial Legal Examiner Supervisor

21 Reviewed by:

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23  
24 ROBERT E. JONES  
25 Financial Legal Examiner Supervisor

Approved by:

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27  
28 JAMES R. BRUSSELBACK  
29 Acting Enforcement Chief