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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCIAL REGULATION**

6 In the Matter of:

Case No. MT-24-0026

7 **BAM TRADING SERVICES INC., a**
8 **Delaware corporation d/b/a BINANCE.US**

9 Respondent.

FINAL ORDER TO CEASE AND
DESIST AND ORDER REVOKING
LICENSE, ENTERED BY
DEFAULT

10 On March 26, 2024, the Division of Financial Regulation (the “Division”), acting
11 on behalf of the Director of the Department of Consumer and Business Services for the
12 State of Oregon (the “Director”), issued and served an Order to Cease and Desist,
13 Proposed Order Revoking Money Transmission License, and Notice of Right to an
14 Administrative Hearing on BAM Trading Services, Inc. (“Respondent”).

15 The Notice offered Respondent an opportunity for a hearing if requested within 20 days of
16 the Notice. The Notice further informed Respondent that if a hearing were not conducted
17 because Respondent did not timely request a hearing or otherwise defaulted, then the
18 designated portion of the Division’s file and all materials submitted by Respondent in this
19 case would automatically become part of the contested case record for the purpose of proving
20 a prima facie case.

21 The Director did not receive a request for a hearing from Respondent and did not
22 conduct a hearing. The Director finds that the record of this proceeding proves a prima facie
23 case.

24 Now, therefore, after considering the relevant portions of the Division’s file
25 relating to this matter, the Director finds and orders as follows.

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350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



1 **FINDINGS OF FACT**

2 The Director FINDS that:

3 1. BAM Trading Services Inc. does business as Binance.us and is a Delaware
4 corporation with a principal place of business located at 252 NW 29th Street, 9th Floor
5 Suite 905, Miami, FL 33127. BAM Trading is wholly owned by BAM Management US
6 Holdings Inc. (“BAM Management”).

7 2. BAM Trading (NMLS¹ #1906829) has held a license with the Division to
8 conduct money transmission business in Oregon since March 26, 2021 (“License”) and
9 has been engaged in money transmission in Oregon since that time.

10 3. From June 2, 2020, to the present, BAM Trading has associated
11 Changpeng Zhao (“Zhao”) as a control person² in its company filings with NMLS and
12 has attested in those filings that Zhao is the ultimate indirect owner of BAM Trading and
13 is designated as an IO, an indirect owner with control.

14 4. As attested by BAM Trading in NMLS, Zhao owns 81% of BAM
15 Management.³ Through that ownership, Zhao directly or indirectly possesses the power
16 to direct, or cause the direction of, BAM Trading’s management and policies.

17 5. In addition to his interest in Binance.us, Zhao was the primary founder,
18 majority owner, and chief executive officer (“CEO”) of Binance Holdings Limited
19 (“Binance”), which does business as Binance.com. Zhao founded Binance in 2017, and it
20 eventually became the largest cryptocurrency exchange in the world.

21 6. On November 14, 2023, Zhao was criminally charged by Information (the
22 “Zhao Information”) in the United States District Court, Western District of Washington
23

24 ¹ Nationwide Multistate Licensing System

25 ² “Control person” as described by the NMLS is an “individual (natural person) that directly or indirectly
exercises control over the applicant or licensee.”

26 ³ Zhao owns this interest through two intermediate companies, CPZ Holdings Limited (“CPZ”) and BAM
Management Company Limited (“BMCL”). Zhao owns 100% of CPZ, CPZ owns 100% of BMCL, and
BMCL owns 81% of BAM Management.



1 at Seattle (Case No. CR23-179 JHC) with willfully causing Binance to fail to implement
2 and maintain an effective anti-money laundering (“AML”) program, in violation of the
3 Bank Secrecy Act (“BSA”) and regulations prescribed thereunder, based upon conduct
4 which occurred at least between August 2017 and October 2022. Criminal charges were
5 also filed against Binance on the same day.

6 7. On November 21, 2023, Zhao entered into a plea agreement concerning
7 the criminal charge in the Zhao Information, in which Zhao admitted, agreed, and
8 stipulated that the following accurately reflected his criminal conduct:

- 9 a. As the CEO of Binance, Zhao exercised day-to-day control over its
10 operations. Starting at least as early as August 2017 and continuing to at
11 least October 2022, Zhao violated the BSA by willfully causing Binance
12 to fail to implement and maintain an effective AML program.
- 13 b. Zhao prioritized Binance’s growth, market share, and profits over
14 compliance with the BSA. Binance facilitated billions of dollars of
15 cryptocurrency transactions on behalf of its customers without
16 implementing appropriate “know your customer” (“KYC”) procedures or
17 conducting adequate transaction monitoring.
- 18 c. As a result of Zhao’s willful failure to implement an effective AML
19 program, Binance processed transactions involving proceeds of illegal
20 activity and caused transactions between U.S. persons and persons in
21 jurisdictions that are subject to comprehensive U.S. sanctions.

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1 8. On November 21, 2023, Binance, of which Zhao served as director and
2 ultimate beneficial owner, pled guilty to the criminal charges set forth in the Information
3 filed against Binance⁴ (the “Binance Information”), including the following:

- 4 a. Conspiracy to conduct an unlicensed money transmitting business and
5 conspiracy to fail to maintain an effective AML program, as charged in
6 Count 1 of the Binance Information, in violation of Title 18, United States
7 Code, Section 371;
- 8 b. Conducting an unlicensed money transmitting business, as charged in
9 Count 2 of the Binance Information, in violation of Title 18, United States
10 Code, Sections 1960(a), 1960(b)(1)(B), and 2; and
- 11 c. Violation of the International Emergency Economic Powers Act, as
12 charged in Count 3 of the Binance Information, in violation of Title 50,
13 United States Code, Section 1705; and Title 31, Code of Federal
14 Regulations, Part 560 *et seq.*

15 CONCLUSIONS OF LAW

16 The Director CONCLUDES that:

17 9. The Director has jurisdiction over BAM Trading pursuant to ORS
18 717.205(4).

19 10. ORS 717.265(1)(c) authorizes the Director to “revoke a license issued under
20 [the Oregon Money Transmitters Law] if the director finds that ... [t]he licensee has
21 violated any material provision of [the Oregon Money Transmitters Law].”

22 11. ORS 717.235(2) and ORS 717.235(1)(b) prohibit a person licensed under
23 the Oregon Money Transmitters Law from, *inter alia*, engaging in money transmission in
24 Oregon while being controlled by a person who has engaged in dishonest, fraudulent, or

25 ⁴ See the Information filed November 14, 2023, in Case No. CR23-178 JHC, *United States v. Binance*
26 *Holdings Limited, d/b/a Binance.com*, in the United States District Court, Western District of Washington at
Seattle.



1 illegal practices or conduct in any business or profession.

2 12. During the period March 26, 2021, to the present, BAM Trading violated
3 ORS 717.235(2) and ORS 717.235(1)(b), a material provision of the Oregon Money
4 Transmitters Law, by engaging in money transmission in Oregon while being controlled
5 by Zhao, a person who had engaged in illegal practices and conduct in his business.

6 13. Because BAM Trading violated ORS 717.235(2) and ORS 717.235(1)(b),
7 a material provision of the Oregon Money Transmitters Law, the Director may revoke the
8 License pursuant to ORS 717.265(1)(c).

9 14. ORS 717.265(1)(a) authorizes the Director to “revoke a license issued
10 under [the Oregon Money Transmitters Law] if the director finds that ... any fact or
11 condition exists that, if it had existed at the time when the licensee applied for a license,
12 would have been grounds for denying the application.”

13 15. Facts or conditions exist that would have been grounds for denying BAM
14 Trading’s application for the License because:

15 a. ORS 717.235(2) and ORS 717.235(1)(b) authorize the Director to deny an
16 application if a controlling person of the applicant engaged in dishonest,
17 fraudulent, or illegal practices or conduct in any business or profession;
18 and

19 b. Zhao, a controlling person of BAM Trading, engaged in the illegal
20 practices and conduct that culminated in the guilty pleas described in
21 Paragraphs 6-8, *supra*.

22 16. Because facts or conditions exist that would have been grounds for
23 denying BAM Trading’s application for the License, the Director may revoke the License
24 pursuant to ORS 717.265(1)(a).

25 17. Under ORS 717.290(1)(a), if the Director “determines that any person has
26 engaged in ... any act or practice constituting a violation of [the Oregon Money

1 Transmitters Law], the director may ... Order the person to cease and desist from the
2 unlawful act or practice.”

3 **ORDERS**

4 Now therefore, the Director issues the following Orders:

5 Cease and Desist

6 18. As authorized by ORS 717.290, the Director hereby ORDERS BAM
7 Trading to CEASE AND DESIST from engaging in money transmission in Oregon
8 while being controlled by a person who has committed illegal practices and conduct in
9 violation of ORS 717.235(2) and ORS 717.235(1)(b).

10 Revocation of Oregon Money Transmission License

11 19. As authorized by ORS 717.265(1)(a), the Division ORDERS that the
12 License issued to BAM Trading under the Oregon Money Transmitters Law is HEREBY
13 REVOKED.

14 **FINAL ORDER**

15 20. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
16 provision, the entry of this Order does not limit other remedies that are available to the
17 Director under Oregon law

18 **IT IS SO ORDERED.**

19
20 Dated this 25th day of April

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22 Andrew R. Stolfi, Director
Department of Consumer and Business Services

23
24 /s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
25 Division of Financial Regulation
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NOTICE OF RIGHT TO JUDICIAL APPEAL

Judicial review of final orders in contested cases is governed by ORS 183.482.

Respondent may be able to request judicial review by filing a petition with the Court of Appeals in Salem, Oregon, within 60 days from the date this order is served.

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