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NYDFS,

My concerns with the suggested legislation are as follows:

1. 200.2n - This rule is by far the most concerning to me. The definition of "virtual currency business activity" is FAR too broad and makes illegal many services that should not be (and I believe are not intended to be) within the scope of this regulation. It would make more sense to **separate** this into categories for investment(bank) and exchange(transfer) services. All legislation should be specific to one or the other.
 - o On this note, a tiered system should be incorporated for the purpose of promoting innovation. Small startups should not be held to the same financially limiting requirements that massive exchanges (that in some cases operate like banks (Mt. Gox)) are.
2. 200.6 - Transparency is essential here. The public must be able to see the measurement criteria and rulings per applicant for the purpose of limiting corruption and cronyism.
3. 200.8 - Capital requirements seem far too severe. This limits the very innovation the DFS says it is attempting to promote. Please do not lump all virtual currency companies into one bucket and slap multi-million surety bond requirements on them. This is sloppy, machete work when the DFS should be using a scalpel. This is simply unacceptable as written.

Thank you