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To whom it may concern,

My name is Jacques Reulet. I currently work for Coinbase.com and am talking with early investors about launching a Bitcoin startup that brings simplified Bitcoin-based remittances to Latin America. I am expecting that people there will also be sending money to the US as I intend this to be a 2-way service.

The problem is that under the current proposals, launching such a business is impractical. Clearly whoever wrote these 40 pages has completely missed the boat on digital currencies. For instance in Section 200.12, a, 1: It says that records must be kept for *both* parties of the transaction. Essentially, this means that both people must be customers of mine, not just the person coming to me to send or receive Bitcoin. That's ludicrous, and certainly not in the ballpark of reality to anyone who even marginally understands Bitcoin.

As is the idea that I would have to apply for a BitLicense if a New York resident happens to see my advertising, or receive a transfer from one of my customers, or send money to one of my customers. Given the unreasonable compliance requirements, this would completely destroy my ability to launch without securing almost double the target investment.

After discussing it with my CTO and our attorney, I've been assured that the easiest way around this is to do two things: First is to base ourselves out of Texas. The Republican candidate for Governor (aka. in Texas as: 'the future Governor') is even accepting BTC donations for his campaign. Texas has thusfar shown a very friendly climate to Bitcoin.

Second is blocking all NY-based IP's, making clear in all advertising that we cannot do business with NY residents or businesses, and having customers affirm that they are not transacting with a NY resident or business before processing a transaction.

In other words, I as an entrepreneur view these proposals as a big 'Keep Out' sign. As much as setting up physical locations to serve an unbanked and underserved Hispanic community in your state would profit me, create jobs, and frankly, help people; the proposed regulations make it so that I'll go anywhere *but* New York until my company has the resources and will to apply, which under the current projections is well outside of 5 years.

My CTO is confident that he can block all NY-based IP's. My compliance advisor and attorney both assure me that due diligence can be performed and proven to avoid NY residents at all costs, and that if your office decided to attempt a subpoena, it would be found potentially unconstitutional, but we would certainly not face

liability if taken to court.

I was also at the North American Bitcoin Conference in Chicago and I can tell you that many developers are actively looking into creative and innovative ways to "Lawsky-proof" their products and services by treating any business with any NY-based entity like a cancer. I don't know if that's what was intended, but that's what's happening. New York is becoming a pariah. I heard more than one major entrepreneur at the conference discuss Isle of Man and Texas as alternatives.

I can also tell you I'll personally remember this if Mr. Lawsky ever gets more politically ambitious. I don't usually make political contributions, but I can assure you that if he finds an opponent, I'll be sure to recall Mr. Lawsky's current hostility to what I do and return the favor.

Sincerely,
Jacques Reulet, Coinbase Operations