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As proposed, the regulation regarding bitcoin is drastically wrong on so many levels, I can't muster the strength to write-up a point-by-point criticism. I will say that having read the regulations, as published in the registry, there was not a single position I agreed with. At this point, I'm upset. And I'm ashamed of the office of DFS.

For all Ben Lawsky's talk, he's more interested in control than consumer protection. If he cared about consumer protection, consumers would be encouraged to keep their personal identities private, especially online. And measures to hash exchange accounts of users, proving solvency would have been included.

The proposed regulations, as currently published, will effectively ban bitcoin businesses in New York. And unless a sweeping re-write occurs, or the regs are put on hold for a couple years, this will still happen.

If he had honestly listened to the bitcoin community, he would have heard the strong majority of bitcoiners say, bitcoin isn't ready for regulation yet. For crying out loud, the protocol is still in beta, with a global market cap less than any one of the world's top ~1,100 corporations.

Ben will earn my regards, the moment he actually does what the community of honest sincere bitcoin users want him to do. He's hired to protect our interests, not his imagined interests of what would be good for us, and

not the interests of NY's banking sector. As it is, he's treating the bitcoin protocol, and by extension its users, like some get-rich-quick money laundering scheme.

If he does not see that his proposed regulations, will drive every NY bitcoin startup out of the state, and cause nearly all startups based elsewhere to simply block NY users, then he honestly sees no value in bitcoin, and is playing the hand of NY's banking industry exactly as they would have hoped. The proposed regs are full of draconian measures, any one of which would do this.

And if it's money laundering he's worried about, then I have news for him: all anyone with means needs to do, is consult the very NY banks that conduct money laundering activities professionally every day, every hour. The best laundering techniques employed today are legal. In the rarity of instances that they're not 100% legal, the banks are well versed in structuring them to fall within gray areas of the law, with sufficient plausible deniability, etc. that enforcing them, is a legal nightmare. And prone to a heavy majority of acquitted cases. More than any other office, his office should know that. How many bankers, who committed massive fraud in the last downturn, were successfully prosecuted nationwide? That's right: one. One mid-level bank exec who likely was scapegoated by his very own company.

Ben is politically ambitious. What he doesn't know, is that his fighting bitcoin, is like trying to fight the advent of the internet circa mid-90's. The world wouldn't have cared if the internet had been effectively banned in New York. It simply would have routed around that, which is exactly what bitcoin will do, if Ben is so intent to enact the regulations as proposed.

In the process, he will have earned a worldwide reputation, that will haunt the remainder of his political aspirations—coming up at every opportunity his opponents can muster. Every time he were to—hypothetically—call for a jobs creation bill, etc., he will be laughed and scorned at, as the over-zealous regulator who couldn't do a thing to stop rampant banking fraud, but did everything he could to destroy one of the world's next major growth markets: yes, bitcoin.

Instead, all he needs to do, is simply listen to community of bitcoin users. None of them want this regulation—as proposed. And most don't want regulation—period—at this stage of development.

J. Whiting