

JOHN J. BONACIC
SENATOR, 42ND DISTRICT

CHAIR
COMMITTEES ON
JUDICIARY
RACING, GAMING & WAGERING

DEPUTY REPUBLICAN CONFERENCE LEADER
FOR STATE/FEDERAL RELATIONS



THE SENATE
STATE OF NEW YORK
October 15, 2014

COMMITTEES
ALCOHOLISM
BANKS
CHILDREN & FAMILIES
CULTURAL AFFAIRS, TOURISM,
PARKS & RECREATION
FINANCE
HOUSING, CONSTRUCTION
& COMMUNITY DEVELOPMENT
MENTAL HEALTH
RULES

Benjamin Lawsky, Superintendent
New York State Department of Financial Services
1 State Street
New York, NY 10001

Dear Superintendent Lawsky:

Enclosed please find a copy of comments that have been submitted by the Hudson Valley Current, a local nonprofit organization in Ulster County, which has specific concerns regarding pending regulations by the Department of Financial Services to oversee "Virtual Currencies."

They are specifically requesting that an exemption be included in the regulations for "Digital units administered by nonprofit organizations that are transmitted within a geographically restricted region and that cannot be converted into, or redeemed for, fiat currency..."

I am writing in support of their comments and request that you take into serious consideration the concerns they raise about the impact that these pending regulations will have upon the operation of their organization. Further, I request that you take into consideration whether or not local currencies, administered by small nonprofit organizations like theirs, should be subject to the same regulations that are needed to oversee the operations of large, for-profit, virtual currency exchanges.

My office has met with representatives of this organization and they have expressed interest in meeting with a representative from your office to further discuss how their organization operates and how they would be negatively impacted by the currently proposed regulations. I ask that you consider making a member of your staff, who is informed in this area, available to meet with representatives of this organization. Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink that reads "John J. Bonacic".

JOHN J. BONACIC
State Senator

JJB/ajw

Enclosure

cc: Dana V. Syracuse
Hudson Valley Current

