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Dear Superintendent Lawsky and General Counsel Syracuse,

**(personalized comments in bold below)**

I'm writing you today to express my deep concerns about the "BitLicense" proposal. The current framework threatens the privacy of virtual currency users, innovators, and researchers. In particular:

1. The BitLicense is extremely broad, requiring licenses for far more than just money services.
2. It infringes on the privacy rights of individual users. Companies that obtain a BitLicense could be forced to collect identifying data on account holders and end users including full name and physical address. This information will be kept on file for 10 years in case the government seeks it. So while individual users may not need a BitLicense, their privacy will be seriously affected.
3. It forces virtual currency innovators to undergo rigorous background checks and submit fingerprints to state and federal law enforcement. This will create a barrier to entry for start ups and inventors looking to create new services.
4. The proposal as written raises First Amendment concerns.

It's premature to craft regulations for an industry that's so new and still in flux. Bitcoin and similar virtual currencies are still in their infancy, and we don't yet know what new tools and services might be created. This regulatory proposal could cut that innovation off at the knees, before we have a chance to see the potential societal benefits.

The NY DFS is letting the fear of money laundering drive a massive regulatory proposal forward that would affect users who are doing nothing wrong. Historically, more money laundering happens with USD than any other means to transfer value. NY DFS should respect the privacy of technology users, and limit its regulation to what is proportionate to the real threat at hand.

**Bitcoin's transparent ledger system allows for monitoring of all transactions in the network. Combine this with the data mining powers of computers and loads of information available (at any given moment) about Bitcoin network, it becomes clear that this technology (and its transparent nature) is not truly understood.**

**There is a very informational video produced by RSA Animate called "Crisis of Capitalism." (This video as well as the transcript can be found with a quick web search). I believe over-broad crippling regulation could hinder Bitcoin's potential to help the global economy recover from this crisis.**

**It is my understanding that the BitLicense proposal could affect people outside of the state of New York; this is unfair to non-citizens. The state of NY should also consider the amount of business, innovation, and economic growth that will not benefit NY due to the fact that BitLicense will incentivize people to take their business elsewhere.**

**I ask that you consider the implications of the proposed regulations and realize that the old ways of doing things are not always applicable nor beneficial to the whole community when dealing with new technologies. Change everywhere is happening faster every day. State institutions must assimilate and change with the tides if they intend to remain viable and attractive establishments within society.**

Sincerely,  
Dustin Fay