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Dear Superintendent Lawsky and General Counsel Syracuse,

I am a software engineer in the Bitcoin industry. If you would like, I will gladly come in and teach you about about how Bitcoin works and illustrate how absolutely ludicrous the proposed BitLicense is. Your attempt to regulate Bitcoin is like Rocky Balboa trying to regulate High Frequency Trading. Please stop and realize that you do not understand this technology. Nobody really does yet. Its promise is yet to be realized.

Yes, the Bitcoin community needs legal clarity to ever be successful, but we need to slow down and realize how nascent this technology is.

You say you want to ensure consumer protection and point to Mt. Gox as an example. But I know many people who lost money on Mt. Gox and not one of them is asking for more regulation and bureaucratic red tape to deal with. They want Bitcoin to succeed and everyone sees this License as a HUGE setback to the industry. You are attempting to solve a problem that doesn't exist by creating even more problems.

You say you want to prevent money laundering, yet I guarantee you that Email is orders of magnitudes more useful to terrorists than Bitcoin. Should we regulate Email? ISIS is not using Bitcoin to fund their operations. They are using US Dollars.

Here are more reasons to stop this legislation in its tracks:

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. NY DFS should respect the privacy of technology users, and limit its regulation to what is proportionate to the real threat at hand.

Sincerely,
Alexander Leishman
Bitcoin Enthusiast and Software Engineer