

Dear Superintendent Lawsky and General Counsel Syracuse,

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

Our fiat system does not require authorization for transactions, nor do involved parties need any knowledge of any of the details of who a person is, where they live, how they received the cash or coins they are using. Please recognize the importance of security. Please recognize the importance of a person being allowed to choose who they share personal information with. Forcing a system, like the one you are proposing, as it exists now, is too imposing. The negative ramifications you are proposing strikes at the core of why crypto-currency exists. At this point, I feel you solely represent private corporation interests. Protecting US citizens rights and discouraging criminal activity is all a guise to thwart a growing solution to our countries financial problems and government defended crooks. The fears that the middlemen (the banks which continually feed off the US people in the name of profits, who our government has bailed out, which are never truly held accountable for their actions - is growing. This is the first system that has the potential to supplant the current system. Standards and regulations will be needed on some levels for cryptocurrency, BUT broad strokes of regulation with disregard to its workings and ethos is only poised to hinder the creation and refinement of systems that will ultimately be better for the world and its people.

But don't take my word for it. You can speak with more qualified and educated people in the financial system that have a great understand of what is it play. Please seek to have audience with Edmund C.

Moy, former Director of the US Mint. I'm sure he has spoken with many people regarding paths to regulation. <http://www.coindesk.com/former-us-mint-director-save-bitcoin-regulators/>

Sincerely,

Brent Parsons