

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.

That said, I am one of the people who have a fairly good likelihood of using Bitcoin and other cryptocurrencies in my everyday activities. Virtual worlds such as Philip Rosedale's High Fidelity will also be using cryptocurrencies as an integral part of their system, and these misguided "BitLicence" proposals will seriously hinder those as well. Privacy is a natural born right of the people. That right to privacy is far more important than, and in fact, trumps, the desires of the powers that be to artificially keep things going the way *they* want them going, rather than the way the collective needs of the individuals would

and should be driving things.

Sincerely,
David C Hall