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Dear Superintendent Lawsky and General Counsel Syracuse,

I'm not usually an opponent of regulations, especially when the same regulations create and enforce a marketplace where everyone's rights are respected while establishing the ability to catch law-breakers.

This proposal is not going to catch many criminals and will impose significant expenses on law-abiding citizens through fees to pay for compliance, to the point where a wise person would incorporate their company outside of the NY jurisdiction to avoid these issues entirely.

This kind of regulation appears to have been written by persons that have little understanding of the digital currency markets and users, and displays a heavy-handed approach to a non-issue of potential criminals using digital currency to avoid scrutiny.

If NY is not tracking cash transactions at this level then there is ample reason to assert the jurisdiction is missing hundreds if not thousands of criminal purchases each day.

I strongly suggest that NY employ this proposal in a cash environment as a test for cost effectiveness before deploying to digital currencies.

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 ample First Amendment concerns.
5. Lastly, the entire proposal has very little to catch a person that is untruthful to the license-holder, which would defeat any possibility of catching real criminals.