

STATE OF NORTH DAKOTA

DEPARTMENT OF FINANCIAL INSTITUTIONS

IN THE MATTER OF BAM TRADING
SERVICES INC.:

252 NW 29TH ST FL 9, STE 905 MIAMI,
FL 33127-3904

Respondent.

**ORDER FOR REVOCATION AND
NOTICE OF RIGHT TO REQUEST
A HEARING**

**THE COMMISSIONER OF THE DEPARTMENT OF FINANCIAL INSTITUTIONS OF THE
STATE OF NORTH DAKOTA TO THE ABOVE-NAMED RESPONDENT:**

The Commissioner of the Department of Financial Institutions (“the Department”) has a reasonable basis to believe that BAM Trading Service, Inc. (“Respondent”) has engaged in, is engaging in, or is about to engage in, acts, practices or transactions, as more fully described below, which are prohibited under North Dakota Century Code (N.D.C.C.) Chapter 13-09.1. It is necessary and appropriate in the public interest for the protection of citizens to restrain the unlawful acts, practices, or transactions of Respondent.

WHEREAS:

1. Pursuant to N.D.C.C. § 13-09.1-13, the Department is authorized to license money transmitters.
2. Pursuant to N.D.C.C. § 13-09.1-15, the Department is authorized to suspend or revoke a money transmitter’s license upon the Commissioner finding a licensee has not continued to meet the qualifications or satisfy the requirements that apply to an applicant for a new money transmission license.

3. Respondent is registered as a business corporation with the North Dakota Secretary of State, with an address of: 252 NW 29th St, FL 9 Ste 905, Miami, FL 33127-3904.
4. Respondent has “Binance.US” listed as its registered trade name with the North Dakota Secretary of State, with an address of: One Letterman Drive Building C, STE C3-800, San Francisco, CA 94129
5. Respondent has Corporation Services Company listed as its registered agent with the North Dakota Secretary of State, with an address of: 418 N 2nd St., Bismarck, ND 58501.
6. In accordance with N.D.C.C. ch. 13-09.1, on 12/31/2020 Respondent applied for, and was subsequently issued, a money transmitter license from the Department to conduct money transmission services in the state of North Dakota.
7. Respondent is engaged in the business of money transmission services in North Dakota using the tradename Binance.US.
8. Respondent was created as a separate legal entity from Binance.com in 2019, but Respondent shares a similar name to Binance.com, uses the same branding and copyrighted logos under license as Binance.com, engages in a similar business line as Binance.com, and uses Binance.com’s proprietary software under license to conduct transactions for Binance.US.
9. On or about November 21, 2023, in the case of United States of America v. Binance Holdings Limited, d/b/a Binance.com, No. 23-178RAJ, Binance.com plead guilty to:

- a. conspiracy to conduct an unlicensed money transmitting business in violation of Title 18, U.S.C. § 1960(a), 1960(b)(1)(B), and failure to maintain an effective anti-money laundering program in violation of 31 U.S.C. §§ 5318(h), 5322;
- b. conducting an unlicensed money transmitting business in violation of 18 U.S.C. § 1960(a), 1960(b)(1)(B), and 2; and
- c. violation of the International Emergency Economic Powers Act in violation of 50 U.S.C. § 1705 and 31 C.F.R. part 560.

Binance.com was issued sanctions for the violations.

10. Respondent is indirectly owned by Changpeng Zhao (“Zhao”), who exercised control over respondent as outlined in N.D.C.C § 13-09.1-01(7).
11. Zhao is also the majority owner of Binance.com.
12. On or about November 21, 2023, in the case of United States of America v. Changpeng Zhao, No. CR23-17RAJ Zhao plead guilty to: Failure to maintain an effective anti-money laundering program in violation of 31 U.S.C. §§ 5318(h), 5322(b), 5322(c), and 5322(e); 18 U.S.C. section 2; and 31 C.F.R. § 1022.210.
13. Respondent held funds in BitGo Trust Company, a type of asset which does not meet the requirements of a permissible investment as outlined in N.D.C.C. § 13-09.1-35.
14. Respondent suspended payments in fiat currency and no longer allowed customers to withdraw funds in the form of fiat currency, even if the customer funds held by the Respondent are held as fiat currency. Responded required

that fiat denominated funds must be converted to a crypto currency and transferred out of the account held by the Respondent.

Based on the foregoing, the Department hereby finds the following violations have occurred:

15. Respondent failed to maintain sufficient permissible investments. This conduct is in violation of N.D.C.C § 13-09.1-34.
16. Zhao had control over Respondent within the meaning of N.D.C.C. § 13-09.1-01(7). While exercising control over Respondent, Zhao plead guilty to an anti-money laundering violation: Failure to maintain an effective anti-money laundering program in violation of 31 U.S.C. §§ 5318(h), 5322(b), 5322(c), and 5322(e); 18 U.S.C. section 2; and 31 C.F.R. § 1022. Therefore, Zhao failed to meet the character and general fitness standards, a violation of N.D.C.C § 13-09.1-36 (e).
17. Respondent suspended payments of fiat currency to customers who held funds with the Respondent in fiat currency. This suspension is a violation of N.D.C.C § 13-09.1-36(f) and a violation of N.D.C.C § 13-09.1-36(g).

Based upon the foregoing, the Commissioner has a reasonable basis to believe:

18. Respondent has committed violations of the Money Transmitters Act under N.D.C.C. §§ 13-09.1-15, 13-09.1-16, 13-09.1-34, and 13-09.1-36.
19. Pursuant to N.D.C.C. § 13-09.1-15(1), the Commissioner finds the Respondent does not continue to meet the qualifications or satisfy requirements that may apply to an applicant for a new money transmitter license. The Commissioner

further finds that pursuant to N.D.C.C. § 13-09.1-15(2), Respondent has not met at all times the requirements set forth in section 13-09.1-34.

20. Pursuant to N.D.C.C §§ 13-09.1-15(1) and 13-09.1-36, the conduct meets the criteria to revoke a license.
21. This Order is issued in the public interest and for the protection of money transmitter customers.

NOW, THEREFORE, IT IS ORDERED, pursuant to N.D.C.C. §§ 13-09.1-15 and 13-09.1-36, that the license of Respondent BAM Trading Services Inc. d/b/a Binance.US Inc. is **REVOKED**, meaning neither Respondent nor its authorized delegates may engage in any money transmission activities in the State of North Dakota.

NOTICE OF RIGHT TO REQUEST A HEARING

YOU ARE NOTIFIED that pursuant to N.D.C.C. §§ 13-09.1-13, 13-09.1-15(1), and 13-09.1-36 you may request a hearing to be held pursuant to N.D.C.C. chapter 28-32 regarding this ORDER FOR REVOCATION AND NOTICE OF RIGHT TO REQUEST A HEARING (“Order”). Your request must be made in writing to the Commissioner WITHIN THIRTY (30) DAYS OF THE DATE THIS ORDER IS SERVED UPON YOU. Failure to timely request a hearing within the above specified time frame, will result in this Order immediately becoming final and permanently **REVOKING** Respondent’s license.

Dated this 4th day of June, 2024.

STATE OF NORTH DAKOTA
DEPARTMENT OF FINANCIAL INSTITUTIONS

By: 

Lise Kruse, Commissioner