

1 BRYNLY LLYR
2 Deputy Commissioner
3 Department of Financial Protection and Innovation
4 One Sansome St., Ste. 600
5 San Francisco, CA 94104
6 Telephone: (415) 542-6256
7 Facsimile: (415) 972-8500

5 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
6
7 OF THE STATE OF CALIFORNIA

8 In the Matter of:

9 **CONSENT ORDER**

10 THE COMMISSIONER OF FINANCIAL
11 PROTECTION AND INNOVATION,

12 Complainant,

13 v.

14 COINME INC.

15 Respondent.

16 The Commissioner of Financial Protection and Innovation (Commissioner) and Coinme Inc.
17 (Coinme or Respondent) (collectively, the Parties) enter this Consent Order with respect to the
18 following facts:

19 **I. RECITALS**

20 ***Legal Background***

21 A. The Commissioner has jurisdiction over persons who own, operate or manage
22 digital financial asset kiosks in California under the Digital Financial Assets Law (DFAL). Cal. Fin.
23 Code § 3101 et seq.

24 B. The DFAL defines “digital financial asset transaction kiosk” to mean “an electronic
25 information processing device that is capable of accepting or dispensing cash in exchange for a
26 digital financial asset.” Cal. Fin. Code § 3901(b)(1).

27 C. The DFAL defines “operator” to mean “a person who owns, operates, or manages a

1 digital financial asset transaction kiosk located in this state.” Cal. Fin. Code § 3901(d).

2 D. DFAL section 3904 provides that “[o]n or after January 1, 2025, an operator shall not
3 collect charges, whether direct or indirect, from a customer related to a single digital financial asset
4 transaction that exceed the greater of the following:

5 (a) Five dollars (\$5).

6 (b) Fifteen percent of the United States dollar equivalent of digital
7 financial assets involved in the transaction according to the publicly
8 quoted market price of the digital asset on a licensed digital financial
asset exchange at the time the customer initiates the transaction.”

9 E. DFAL section 3905, subdivision (b) provides, in relevant part, that:

10 An operator shall provide a customer with a receipt for any transaction
11 made at the operator’s digital financial asset transaction kiosk that
12 includes among other things:

13 (i) The name of the customer;

14 ***FinCEN Notice Regarding Virtual Currency Kiosks***

15 F. On August 4, 2025, The U.S. Department of the Treasury’s Financial Crimes
16 Enforcement Network (FinCEN) published guidance urging kiosks to be “vigilant in identifying
17 and reporting suspicious activity.”

18 G. In its notice, FinCEN recognized that “[t]he speed and difficulty of reversing
19 [crypto] transactions makes [crypto] an attractive payment mechanism for scammers.” In particular,
20 kiosks can be a convenient way for scammers to exploit unsuspecting victims who can quickly
21 convert cash to digital financial assets.

22 H. Recognizing that kiosks are used by scammers, kiosk operators have a
23 responsibility to understand these risks and establish effective measures to detect and prevent illicit
24 finance.

25 ***Commissioner’s Findings and Conclusions***

26 I. Following an investigation, the Commissioner made the following findings of fact
27 (Findings): Coinme is a Virginia corporation, duly registered to do business in California, with a
28 principal address in Seattle, Washington.

J. Coinme operates digital financial asset transaction kiosks, also known as “Bitcoin ATMs,” in California. These kiosks allow consumers to buy digital financial assets such as Bitcoin by inserting cash directly into the kiosk machine (see Cal. Fin. Code, section 3901(b)(1)).

K. Since January 1, 2025, Coinme has processed over 22,600 digital financial asset transactions through their kiosks.

L. Since January 1, 2025, on several occasions, Coinme processed transactions in which it charged California customers more than the allowable fees and charges, in violation of Financial Code 3904. The total amount overcharged by Coinme was approximately \$174,874.28 in aggregate. Coinme represents that it has since corrected this issue.

M. Since January 1, 2025, Coinme kiosks in California printed 4,050 transaction receipts without including the name of the customer as required by Financial Code section 3905(b)(1). Coinmre represents that it has since corrected this issue.

N. Based upon the Findings, the Commissioner made the following Conclusions (Conclusions):

- i. Coinme is an “operator” as defined under the DFAL, operating digital financial asset transaction kiosk in California;

ii. Based on the above, the Commissioner is of the opinion that Coinme has engaged in violations of the DFAL, sections 3904 and 3905(b)(1).

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the Parties agree as follows:

///

II. TERMS

1. Purpose. This Consent Order resolves the issues before the Commissioner set forth
2 in paragraphs A-N, above, in a manner that avoids the expense of a hearing and other possible court
3 proceedings, protects consumers, is in the public interest, and is consistent with the purposes,
4 policies, and provisions of the DFAL.

5. Finality of Consent Order. Coinme agrees to comply with this Consent Order and
6 stipulates this Consent Order is hereby deemed final.

7. Cease and Desist Order. Pursuant to Financial Code section 3403(a)(1), Coinme is
8 hereby ordered to cease and desist from (1) charging digital financial asset kiosk customers more
9 than what is allowed under section 3904 of the DFAL; and (2) printing transaction receipts without
10 including the name of the customer in violation of section 3905(b)(1) of the DFAL.

11. Administrative Penalty. The Commissioner hereby imposes a penalty of \$1,000,000
12 on Respondent pursuant to California Financial Code section 3407 (“Penalty”) which will become
13 due and payable if Coinme fails to comply with this Consent Order. If applicable, the penalty must
14 be made payable in the form of a cashier’s check or Automated Clearing House deposit transmitted
15 to the attention of Accounting – DFAL, at the Department of Financial Protection and Innovation,
16 651 Bannon St., Ste. 300, Sacramento, California 95811. Notice of the payments must be
17 concurrently sent to Brynly Llyr, Deputy Commissioner, via electronic mail at
18 Brynly.Llyr@dfpi.ca.gov.

19. Restitution. Pursuant to California Financial Code section 3403(a)(1), Coinme is
20 hereby ordered to pay restitution in the amount of \$174,874.28 to specified California consumers as
21 identified by Coinme and the Commissioner. Coinme shall pay the restitution directly to each
22 consumer following a program of notification and engagement approved by the Commissioner.
23 California consumers identified by Coinme and the Commissioner and entitled to restitution shall
24 have twelve (12) months (the “Restitution Period”) to make a claim to Coinme. Coinme shall
25 provide notice to the Department as to the status of notice and payments every thirty (30) days,
26 during the Restitution Period, to Brynly Llyr, Deputy Commissioner, via electronic mail at
27 Brynly.Llyr@dfpi.ca.gov.

1 Notice: Within thirty (30) days of the Effective Date of this Consent Order Coinme will
2 deliver to the Consumer Pool notification of the overcharges and present refund options to
3 those consumers in a manner acceptable to the Commissioner. (Notice)

4 Customer Pool: Within thirty (30) days of the Effective Date of this Consent Order, Coinme
5 will submit a report to Brynly Llyr, Deputy Commissioner, via a secure link, that includes
6 the names of all affected customers and their respective charges that will be refunded.
7 (Customers)

8 Claim Period: Coinme will allow Customers 12 months from the date on the Notice to
9 submit a claim for refund. Coinme will pay out all claims within 60 days of receiving a
10 claim. All claims shall be paid by the 14th month following the Effective Date of this
11 Consent Order

12 Reporting: Coinme will deliver a report with a status of consumer refunds via electronic
13 email to Brynly.Llyr@dfpi.ca.gov on the first day of every month starting 30 days after the
14 date on the Notice.

15 6. Failure to Comply with the Consent Order. If Coinme fails to comply with the terms
16 of this Consent Order, the total amounts of both the Penalty and Restitution will become
17 immediately due and payable within 10 days of receiving a written notice of noncompliance from
18 the Commissioner. Furthermore, the Commissioner may then take any remedies he has under the
19 DFAL or any other provisions of law, including but not limited to denial of any pending or future
20 application and suspension or revocation of any license or conditional license. Coinme waives any
21 notice and hearing rights which may be afforded under the DFAL, the California Administrative
22 Procedure Act, the California Code of Civil Procedure, or any other provision of law, that the
23 Commissioner may use to ensure compliance with this Consent Order.

24 7. No Consumer Waiver. Payment to any consumer under this Consent Order may not
25 be conditioned on that consumer waiving any right.

26 8. Compliance and Reporting. Coinme agrees to implement changes to its policies and
27 procedures that are designed to ensure substantial and effective compliance with the Cease and
28 Desist Order in Paragraph 3 of this Consent Order. Coinme agrees to provide periodic written

1 reports to the Commissioner according to the following schedule demonstrating compliance with
2 this Consent Order: The first report shall be due 60 days after the Effective Date set forth in
3 paragraph 25 of this Consent Order. Follow-up reports shall be due every 60 days thereafter, for a
4 total period of one year, or until Coinme ceases to operate digital financial kiosks in California,
5 whichever is earlier. The reports shall be sent to Brynly Llyr through a secure link provided by the
6 Department.

7 9. Waiver of Hearing Rights. Coinme acknowledges the Commissioner is ready,
8 willing, and able to proceed with the filing of an administrative action based on the charges
9 contained in this Consent Order. Coinme hereby waives the right to any hearings, and to any
10 reconsideration, appeal, or other right to review which may be afforded pursuant to the Digital
11 Financial Assets Law, California Consumer Financial Protection Law, the California
12 Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of
13 law. Coinme further expressly waives any requirement for the filing of an Accusation pursuant to
14 California Government Code section 11415.60, subdivision (b). By waiving such rights, Coinme
15 effectively consents to this Consent Order becoming final.

16 10. Information Willfully Withheld or Misrepresented. This Consent Order may be
17 revoked and the Commissioner may pursue any and all remedies available under law against
18 Coinme if the Commissioner discovers that Coinme knowingly or willfully withheld or
19 misrepresented information used for and relied upon in this Consent Order.

20 11. Future Actions by the Commissioner. If Coinme fails to comply with any terms of
21 the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise
22 resolved under this Consent Order. The Commissioner reserves the right to bring any future actions
23 against Coinme, or any of its partners, owners, officers, shareholders, directors, affiliates,
24 employees, or successors for any and all unknown violations of the DFAL.

25 12. Assisting Other Agencies: Nothing in this Consent Order limits the Commissioner's
26 ability to assist any other government agency (whether city, county, state, or federal) with any
27 administrative, civil, or criminal action brought by that agency against Coinme or any other person
28 based upon any of the activities alleged in this matter or otherwise.

1 13. Headings. The headings to the paragraphs of this Consent Order are inserted for
2 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
3 the provisions hereof.

4 14. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in
5 interest.

6 15. Reliance. Each of the parties represents, warrants, and agrees that in executing this
7 Consent Order it has relied solely on the statements set forth herein and the advice of its own
8 counsel, if represented. Each of the parties further represents, warrants, and agrees that in executing
9 this Consent Order it has placed no reliance on any statement, representation, or promise of any
10 other party, or any other person or entity not expressly set forth herein, or upon the failure of any
11 party or any other person or entity to make any statement, representation or disclosure of anything
12 whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in
13 any way fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of
14 parol evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

15 16. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
16 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
17 parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any
18 other provision. No waiver by either party of any breach of, or of compliance with, any condition
19 or provision of this Consent Order by the other party will be considered a waiver of any other
20 condition or provision or of the same condition or provision at another time.

21 17. Full Integration. This Consent Order is the final written expression and the complete
22 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
23 between the parties with respect to the subject matter hereof, and supersedes all prior or
24 contemporaneous agreements, negotiations, representations, understandings, and discussions
25 between and among the parties, their respective representatives, and any other person or entity, with
26 respect to the subject matter covered hereby.

27 18. Governing Law. This Consent Order will be governed by and construed in
28 accordance with California law. Each of the parties hereto consents to the jurisdiction of such

1 court, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an
2 inconvenient forum to the maintenance of such action or proceeding in such court.

3 19. Effect Upon Future Proceedings. If Coinme applies for any license, permit or
4 qualification under the Commissioner's current or future jurisdiction, or is the subject of any future
5 action by the Commissioner to enforce this Consent Order, then the subject matter hereof shall be
6 admitted for the purpose of such application(s) or enforcement proceedings(s).

7 20. Voluntary Agreement. Coinme enters this Consent Order voluntarily and without
8 coercion and acknowledges that no promises, threats or assurances have been made by the
9 Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent
10 and acknowledge that they are executing this Agreement completely voluntarily and without any
11 duress or undue influence of any kind from any source.

12 21. Counterparts. This Consent Order may be executed in one or more separate
13 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
14 together constitute a single document.

15 22. Notice. Any notice required under this Consent Order shall be provided to each party
16 at the following addresses:

17 To Coinme:

18 Hazen Baron
19 General Counsel
20 Coinme Inc.
21 600 1st Ave., Ste. 330
22 PMB 77544
23 Seattle, WA 98104

24 To the Commissioner:

25 Brynly Llyr
26 Deputy Commissioner
27 Department of Financial Protection and Innovation
28 One Sansome St., Ste. 600,
29 San Francisco, CA 94104

30 Department of Financial Protection and Innovation:

31 651 Bannon St., Ste. 300
32 Sacramento, CA 95811

1 23. Signatures. A fax or electronic mail signature shall be deemed the same as an original
2 signature.

3 24. Public Record. Coinme hereby acknowledges that this Consent Order is a matter of
4 public record.

5 25. Effective Date. This Consent Order shall become final and effective when signed by
6 all parties and delivered by the Commissioner's agent via e-mail to Brynly Llyr at
7 Brynly.Llyr@dfpi.ca.gov.

8 26. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary
9 capacity and authority to sign and enter into this Consent Order and undertake the obligations set
10 forth herein.

11 IN WITNESS WHEREOF, the Parties hereto have approved and executed this Consent
12 Order on the dates set forth opposite their respective signatures.

14 Dated: January 30, 2026

15 KHALIL MOHSENI
16 Commissioner of Financial Protection and Innovation

17 By: _____

18 Brynly Llyr
19 Deputy Commissioner
20 Digital Financial Assets Law Program

21 Dated: January 30, 2026

22 COINME INC.

23 By: _____

24 Neil Bergquist
25 President & Chief Executive Officer