

1 payment, the victim received another demand for an additional \$200 in order to receive the Bitcoin.
2 To date, the victim has not received the Bitcoin as promised.

3 6. The cryptocurrency offered and sold were commodities within the meaning of Corporations
4 Code section 29504 of the California Commodity Law of 1990.

5 7. Bitnatx has not been issued a license by the Commissioner under the California Financing
6 Law (CFL) (Fin. Code, § 22000 et seq.) and is not authorized to engage in the business of a finance
7 lender or broker. Bitnatx is not exempt from the licensing requirement of Financial Code section
8 22100.

9 Based on the foregoing findings, the Commissioner of Financial Protection and Innovation is
10 of the opinion that Bitnatx has engaged in the business of a finance lender and/or broker in violation
11 of California Financial Code Section 22100.

12 Pursuant to California Financial Code Section 22712, Bitnatx is hereby ordered to desist and
13 refrain from engaging in the business of a finance lender and/or broker in the State of California
14 without first obtaining a license from the Commissioner, or otherwise being exempt.

15 Based on the foregoing findings, the Commissioner is also of the opinion that Bitnatx, directly
16 or indirectly, in connection with the purchase or sale of, the offer to sell, the offer to purchase, the
17 offer to enter into, or the entry into, a commodity, commodity contract, or commodity option
18 willfully (1) engaged in a transaction, act, practice, or course of business which operated or would
19 operate as a fraud or deceit upon any persons and (2) misappropriated or converted funds, security, or
20 property of another person, in violation of Corporations Code section 29536.

21 Pursuant to Corporations Code section 29542, Bitnatx is hereby ordered to desist and refrain
22 from committing any violation of Corporations Code section 29536, including but not limited to,
23 directly or indirectly, in connection with the purchase or sale of, the offer to sell, the offer to
24 purchase, the offer to enter into, or the entry into, a commodity, commodity contract, or commodity
25 option willfully (1) engaging in any transaction, act, practice, or course of business which operates or
26 would operate as a fraud or deceit upon any persons and (2) misappropriating or converting the funds,
27 security, or property of any other person.

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1 This order is necessary, in the public interest, for the protection of investors and consistent
2 with the purposes, policies, and provisions of the California Financing Law and the California
3 Commodity Law of 1990.

4 Dated: October 6, 2020
5 Sacramento, California

MANUEL P. ALVAREZ
Commissioner of Financial Protection and Innovation

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7 By: _____
8 MARY ANN SMITH
9 Deputy Commissioner
10 Enforcement Division
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