

1 **STATE OF CALIFORNIA**  
2 **BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY**  
3 **DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION**

4 **TO:** Voyager Digital Ltd.  
5 595 Burrard Street, Suite 2900  
6 Vancouver, B.C., V7X 1J5, Canada

7 33 Irving Plaza, Suite 3060  
8 New York, NY 10003

9 Voyager Digital Holdings, Inc.  
10 c/o Corporation Service Company, Registered Agent  
11 251 Little Falls Drive  
12 Wilmington, DE 19808

13 Voyager Digital, LLC  
14 c/o CSC – Lawyers Incorporating Service (C1592199), Registered Agent  
15 2710 Gateway Oaks Dr Ste 150N  
16 Sacramento, CA 95833

17 **DESIST AND REFRAIN ORDER**  
18 **(For violations of section 25110 of the Corporations Code)**

19 The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

20 1. Voyager Digital Ltd. is a Canadian entity incorporated in June 1993, with a registered  
21 office located in Vancouver, British Columbia and principal place of business in New York, New  
22 York. Voyager Digital Ltd. is the parent company of Voyager Digital Holdings, Inc.

23 2. Voyager Digital Holdings, Inc., is a Delaware entity incorporated in December 2018,  
24 with a registered agent located in Wilmington, Delaware. Voyager Digital Holdings, Inc. is the  
25 Delaware holding company of Voyager Digital, LLC.

26 3. Voyager Digital, LLC, is a Delaware limited liability company formed in January  
27 2008. Voyager Digital, LLC filed a foreign registration statement with the California Secretary of  
28 State on May 5, 2021. It maintains a registered corporate agent for service of process in Sacramento,  
California.

4. Voyager Digital Ltd., Voyager Digital Holdings, Inc., and Voyager Digital, LLC  
(collectively “**Voyager**”) operate as a “crypto asset brokerage” platform offering self-directed trade  
execution, market data, wallet, and custody services to both retail and institutional customers.

1           5.       Voyager offers accounts that allow account holders access to custody, trading, data,  
2 and referral features along with a rewards program (the “**Accounts**”).

3           6.       Voyager offers its Accounts through a website accessible to the general public at  
4 <http://www.investvoyager.com/> and also offers a smartphone application.

5           7.       Account holder agreements authorize Voyager, without further notice to the holder, to  
6 maintain each customer’s crypto assets in Voyager’s name, or in another name, and to commingle  
7 Account holders’ deposits to pledge, repledge, hypothecate, rehypothecate, sell, lend, invest, or  
8 otherwise transfer or use any amount of such crypto assets, with all attendant rights of ownership, and  
9 such use or investment by Voyager is at the Account holder’s sole risk.

10          8.       The Accounts’ rewards program (the “**Rewards Program**”) pays Account holders  
11 crypto assets for maintaining a monthly minimum balance of certain digital assets of the same type in  
12 their Accounts. In exchange, Account holders give Voyager the rights to use the deposited crypto  
13 assets for various business purposes.

14          9.       Rewards Program customers receive passive income generated either by Voyager  
15 staking crypto assets on its customers’ behalf or by lending the crypto assets to large institutional  
16 borrowers. Although these payments function similarly to banks or pooled investment vehicles, none  
17 of the Voyager entities are registered in this capacity with any relevant authority and none are  
18 protected by organizations such as the Federal Deposit Insurance Corporations or the Securities  
19 Investor Protection Corporation.

20          10.       While Voyager refers to payments made to Reward Program participants as  
21 “rewards,” the payments constitute interest payments for assets placed in the Accounts.

22          11.       On its website, Voyager provides customers with a list of crypto assets it currently  
23 transacts in, along with the interest rate and required minimum balance which customers must  
24 maintain in their account to receive monthly interest payments. Annual interest rates on eligible  
25 crypto assets for May 2022 range from one-half of one percent (0.5%) to 12 percent (12%).

26          12.       Rewards Program participants do not engage in substantive Rewards Program-related  
27 activities beyond depositing their crypto assets with Voyager; they depend mostly or entirely on  
28 Voyager and its business efforts to receive these payments. Voyager funds the Rewards Program

1 through its business activities, including revenue from crypto asset trading services, revenue from  
2 lending to large borrowers, revenue from staking, and revenue from its affiliated crypto asset  
3 payments services. As a result, Rewards Program participants' ability to receive interest payments is  
4 dependent on the success of Voyager's business.

5 13. Since approximately November 2019 and to the present date, Voyager has continually  
6 been offering and opening Accounts to and for California residents, respectively.

7 14. Corporations Code section 25110 prohibits the offer or sale of unqualified, non-  
8 exempt securities in issuer transactions in the State of California. The Accounts offered and sold by  
9 Voyager are securities in the form of investment contracts subject to qualification under the CSL.  
10 These securities are being offered or sold in this state in issuer transactions. The Department has not  
11 issued a permit or other form of qualification authorizing any person to offer or sell these securities in  
12 this state. The offer or sale of these securities is not excepted or exempted from qualification.

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14 Based on the foregoing findings, the Commissioner is of the opinion that the Accounts are  
15 securities, in the nature of investment contracts, as defined at Corporations Code section 25009.  
16 These securities are subject to qualification under the Corporate Securities Law of 1968 and are being  
17 or have been offered or sold without first being qualified in violation of Corporations Code section  
18 25110.

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Under section 25532 of the Corporations Code, Voyager Digital Ltd., Voyager Digital Holdings, Inc., Voyager Digital, LLC, and any of their subsidiaries, are ordered to desist and refrain from the further offers and sale of securities in California, including but not limited to the Accounts, unless such sale has been qualified under Corporations Code section 25111, 25112, or 25113, or unless such security or transaction is exempted or not subject to qualification.

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: June 3, 2022  
Sacramento, California

CLOTHILDE V. HEWLITT  
Commissioner of Financial Protection and Innovation



By \_\_\_\_\_  
MARY ANN SMITH  
Deputy Commissioner  
Enforcement Division