

Alcala, Belinda@DFPI

From: DFPI Regulations
Sent: Monday, August 1, 2022 8:12 AM
To: [REDACTED]
Subject: FW: Invitation for Comments – Crypto Asset-Related Financial Products and Services

Copying you on another comment letter we received.

Sandra Navarro

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From: Cyrus Shahriari [REDACTED]
Sent: Sunday, July 31, 2022 8:59 PM
To: DFPI Regulations <REGULATIONS@dfpi.ca.gov>
Cc: [REDACTED]
Subject: Invitation for Comments – Crypto Asset-Related Financial Products and Services

To whom it may concern:

With reference to AB 1864 and the public invitation to comment on Crypto Asset-Related Financial Products, the need to regulate Blockchain technology is past due as I can assess. Please also to today's FDIC advisory covering misrepresentation by certain crypto providers claiming to offer government protected deposits (7/31/2022).

1. What steps should the DFPI take to better protect consumers from scams and frauds associated with crypto asset-related financial products and services?

Comment: DFPI at state level should work in close collaboration with the FDIC at the federal level to enforce crypto regulations. Scams and fraud are on the rise more broadly, and the DFPI and FDIC may need to also collaborate with the Secret Service, IC3, Europol, Interpol and other enforcement agencies to track scammers globally.

2. What steps should the DFPI take to improve consumer education and outreach for crypto asset-related financial products and services?

Comment: Similar to the DHS which is conducting outreach with the San Jose Library, for example, DFPI should engage with public libraries to initiate awareness campaigns especially as greed and desperation spreads in these economic times. Outreach with neighborhood associations and / or state senators / assembly members is another good way to get the message across.

3. What steps should the DFPI take to better ensure consumer protection in the offering and provision of crypto asset-related financial products and services?

Comment: DFPI should regulate crypto currency and closely track those engaged with these financial products. Environmental fees should be assessed and tax evasion, if applicable, should be minimized with this technology.

4. What steps should the DFPI take to better ensure investor protection in the offering and provision of crypto asset-related financial products and services?

Comment: DFPI should also hold customers and the general public accountable. Those engaged in cryptocurrency should be well informed of the risks. In case of fraud, losses should not be socialized to taxpayers broadly.

5. What steps should the DFPI take to better ensure financial stability in the market from risks posed in the offering and provision of crypto asset-related financial products and services?

Comment: DFPI should hold cryptocurrency officers based in the US legally responsible. Regulations and enforcement are lacking in this highly volatile industry.

Thank you for considering these comments.

Sincerely,
Cyrus Shahriari
San Jose District
<https://bit.ly/2020CYRUS>

Moreland West Neighborhood Association
<http://www.morelandwest.org>