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11 Attorneys for Complainant

12 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
13 OF THE STATE OF CALIFORNIA

14 In the Matter of:) CFL LICENSE NO.: 60DBO-81955
15)
16 THE COMMISSIONER OF FINANCIAL PROTECTION) ORDER SUSPENDING CFL
AND INNOVATION,) LICENSE PENDING
17) INVESTIGATION
Complainant,)
18) FIN. CODE, § 22710
v.)
19)
20 BLOCKFI LENDING LLC)
Respondent.)
21)
22)
23)

1 WHEREAS, on November 10, 2022, the Twitter account representing BlockFi Lending LLC
2 (BlockFi) @BlockFi, announced that “we are limiting platform activity, including pausing client
3 withdrawals as allowed under our Terms;” and

4 WHEREAS, the Commissioner of Financial Protection and Innovation (Commissioner) is
5 examining and investigating BlockFi related to its California Financing Law (CFL) license; and

6 WHEREAS, on November 11, 2022, the Commissioner issued a notification to BlockFi that
7 she would, three days after service of the notification, suspend BlockFi’s CFL license, No. 60DBO-
8 81955, for a period of 30 days, pending investigation, pursuant to Financial Code section 22710 (the
9 Notice); and

10 WHEREAS, on November 13, 2022, the Commissioner served the Notice upon BlockFi; and

11 WHEREAS, on November 14, 2022, BlockFi represented on its website at
12 <https://blockfi.com/november-14-2022-blockfi-update> that BlockFi has

13 significant exposure to FTX and associated corporate entities that encompasses
14 obligations owed to us by Alameda, assets held at FTX.com, and undrawn amounts
15 from our credit line with FTX.US. While we continue to work on recovering all
16 obligations owed to BlockFi, we expect that the recovery of the obligations owed to us
17 by FTX will be delayed as FTX works through the bankruptcy process.

18 At this time, withdrawals from BlockFi continue to be paused. **We also continue to**
19 **ask clients not to submit any deposits to BlockFi Wallet or Interest Accounts.**

20 WHEREAS, the Commissioner has not received a request for a hearing on the Notice.

21 IT IS ORDERED that the California Financing Law license of BlockFi Lending LLC, No.
22 60DBO-81955, is suspended for a period of 30 days, pending investigation, pursuant to Financial
23 Code section 22710.

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Pursuant to Financial Code section 22716, the order does not impair or affect the obligation of any preexisting lawful contract between BlockFi Lending LLC and any borrower.

Dated: November 18, 2022

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and
Innovation

By _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division