



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

GOVERNOR **Gavin Newsom** • COMMISSIONER **Clothilde V. Hewlett**

**For Immediate Release**

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## **DFPI Suspends BlockFi’s Financing License Pending Investigation**

SACRAMENTO – The Department of Financial Protection and Innovation announced today that Commissioner Clothilde V. Hewlett issued an [Order](#) suspending BlockFi’s California Financing Law license for 30 days pending the DFPI’s investigation.

The suspension follows the DFPI’s notice to suspend issued on Nov. 11, 2022, which was prompted by BlockFi’s Nov. 10, 2022, announcement that it would limit platform activity, including pausing client withdrawals. BlockFi did not subsequently request a hearing on the DFPI’s notice to suspend.

BlockFi’s announcement to suspend withdrawals came days after crypto asset platform FTX’s apparent failure. On Nov. 10, 2022, DFPI announced its investigation into FTX. FTX and its affiliated entities filed for bankruptcy the next day on Nov. 11, 2022.

On Nov. 14, 2022, BlockFi confirmed its “significant exposure to FTX” and affiliated entities. BlockFi expected “that the recovery of the obligations owed to us by FTX will be delayed as FTX works through the bankruptcy process.” According to BlockFi, withdrawals would continue to be paused.

BlockFi reports to the DFPI that it has ceased offering loans in California and asks clients not deposit to the BlockFi Wallet or its interest accounts.

In February 2022, the Commissioner ordered BlockFi to desist and refrain from offering or selling unqualified, non-exempt securities in the form of BlockFi interest accounts in California.

The DFPI expects any person offering securities, lender, or other financial services provider that operates in California to comply with our financial laws. If you have been impacted by these events, please contact the DFPI online ([dfpi.ca.gov/file-a-complaint](https://dfpi.ca.gov/file-a-complaint)) or call toll-free at (866) 275-2677.

The DFPI administers the state’s lending and banking laws, the recent California Consumer Financial Protection Law, and the state’s securities laws, which govern broker dealers, investment advisers, and commodities. Learn more at [dfpi.ca.gov](https://dfpi.ca.gov).

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