



**STATE OF FLORIDA  
OFFICE OF FINANCIAL REGULATION**

**IN RE:**

**BAM TRADING SERVICES INC. d/b/a Case Number: 115490  
BINANCE.US,**

**Respondent.**

**EMERGENCY SUSPENSION ORDER**

1. Pursuant to sections 560.105 and 560.109, Florida Statutes, the Office is charged with administering and enforcing the provisions of chapter 560, Florida Statutes, and conducting examinations and investigations to determine whether any provision of chapter 560, Florida Statutes, has been violated.

2. Pursuant to section 120.60(6), Florida Statutes, when the Office finds that the operation of a licensed person poses an immediate serious danger to the public health, safety, or welfare, the Office may take an action that places the licensee on emergency suspension.

3. To make such a finding, the danger must be immediate and serious, and the action must be limited to that necessary to protect the public. *Allstate Floridians Ins. Co. v. Office of Ins. Reg.*, 981 So.2d 617 (Fla. 1st DCA 2008) (interpreting section 120.60(6), Florida Statutes, and citing the application of the statute to several cases). In addition, the action must be procedurally fair under the circumstances. *Id.*

4. Pursuant to section 560.114(2)(c), Florida Statutes, an immediate serious danger to the public health, safety, and welfare exists when, among other things, a natural person who is required to be listed on a licensee's application for a money services business license pursuant to section 560.141(1)(a)3., Florida Statutes, is criminally charged with, or arrested for, among other things, a crime described in sections 560.114(1)(o), Florida Statutes.

5. Pursuant to section 560.114(2), Florida Statutes, a proceeding in which the Office

seeks the issuance of a final order for the summary suspension of a licensee shall be conducted by the Commissioner of the Office, or his or her designee, who shall issue such order.

6. Pursuant to section 560.141, Florida Statutes, among other things, an application for licensure as a money services business must include the name of each control person.

7. Pursuant to sections 560.103(10)(e) and (f), Florida Statutes (2023), a “control person” of a money services business that is a corporation includes, among other things, all shareholders that, directly or indirectly, own 25 percent or more or that have the power to vote 25 percent or more of a class of voting securities, as well as any person who directs the affairs of a money services business or who participates in, or has authority to participate in, the major policymaking functions of a money services business, regardless of whether the person has an official title or receives a salary or other compensation.

8. The crime set forth in section 560.114(1)(o), Florida Statutes, is one that is punishable by imprisonment of 1 year or more under the law of any state or the United States which involves fraud, moral turpitude, or dishonest dealing.

### **FINDINGS OF FACT**

9. On July 16, 2020, the Office granted BAM Trading Services Inc. d/b/a Binance.US (“BAM Trading” or “Respondent”) a money services business license to conduct money transmission, pursuant to Part II, chapter 560, Florida Statutes. BAM Trading’s license number FT230000290 is due to expire on April 30, 2024.

10. Changpeng Zhao (“Zhao”) is and has been BAM Trading’s “Controlling Shareholder” and an indirect owner since February 24, 2019, and, pursuant to sections 560.103(10)(e) and (f) and 560.141, Florida Statutes, is a control person of BAM Trading whose name must be listed on its license application. In addition, Zhao is the founder and chief executive

officer (“CEO”) of Binance Holdings Limited (“Binance”), an affiliated entity of BAM Trading. Binance has been a virtual currency exchange which is based outside of the United States.

11. On November 14, 2023, Zhao was criminally charged by Information in the United States District Court, Western District of Washington at Seattle (Case No. CR23-179 JHC) with one count of willfully causing Binance to fail to maintain and implement an effective anti-money laundering (“AML”) program, in violation of the Bank Secrecy Act (“BSA”), specifically Title 31, U.S.C., §§ 5318(h), 5322(b), 5322(c), and 5322(e); Title 18, U.S.C., § 2; and, Title 31, C.F.R., § 1022.210, based upon conduct which occurred at least between August 2017 and October 2022.

12. On November 21, 2023, Zhao entered into a plea agreement with the U.S. Department of Justice in which he admitted, among other things, the following:

a. Zhao, as founder and CEO of Binance, exercised day-to-day control over its operations as an international virtual currency exchange, money services business, and money transmitter, willfully evaded BSA registration and AML requirements despite the fact that, between June 2017 and into 2022, Binance had over a million U.S. retail users conducting around \$65 billion in deposits and withdrawals and over \$550 billion in spot trades. Zhao prioritized Binance’s growth and profits over compliance with U.S. law, advising staff that it was “better to ask for forgiveness than permission” in what he described as a “grey zone.”

b. Specifically, as to Binance’s AML failures, Zhao willfully caused Binance to fail to collect or verify Know Your Customer (“KYC”) information from a large share of U.S. users (and other users in heavily sanctioned jurisdictions); failed to systematically monitor transactions; and failed to file suspicious activity reports (“SAR”) with the Financial Crimes Enforcement Network (“FinCEN”), U.S. Department of Treasury, which are all required by the BSA and its implementing regulations. Zhao believed that

compliance with these important AML requirements would have interfered with Binance gaining market share and increasing profits.

c. Although Zhao knew that both U.S. users and users in comprehensively sanctioned jurisdictions such as Iran, Cuba, and Syria were transacting business on the Binance exchange, he willfully ignored the risk of U.S. sanctions violations, and failed to implement appropriate KYC controls designed to block such high-risk transactions. In fact, Binance, under Zhao's direction, sometimes allowed "VIP" users who appeared to be involved in illicit activity to nonetheless continue using the exchange, even advising them to avoid transferring funds from "high risk" sources.

d. By design, Zhao and Binance profited handsomely from Zhao's willingness to sacrifice BSA compliance for increased market share and revenues, including significant fees earned from U.S. users and users in comprehensively sanctioned jurisdictions. At the same time, Zhao's conduct allowed Binance to operate without implementing an effective AML program to protect U.S. customers, the U.S. financial system, and Binance from transactions involving illicit funds.

### **CONCLUSIONS OF LAW**

13. Pursuant to section 560.114(2)(c), Florida Statutes, the continued operation of BAM Trading constitutes an immediate serious danger to the public health, safety, and welfare. Zhao, as a control person of BAM Trading that was required to be listed on Respondent's application for a money services business license pursuant to section 560.141(1)(a)3., Florida Statutes, was recently criminally charged in the United States District Court, Western District of Washington at Seattle for an extensive crime which involved fraud, moral turpitude, or dishonest dealing, pursuant to sections 560.114(1)(o), Florida Statutes.

14. Because Zhao's criminal charge (and subsequent guilty plea) relates to egregious conduct which has occurred on an ongoing basis during the licensed operation of BAM Trading, an emergency suspension is necessary to protect the public from this immediate serious danger.

15. Finally, this administrative action provides Respondent the opportunity to exercise its due process rights by affording an administrative proceeding pursuant to sections 120.57(2), and 560.114(2), Florida Statutes, if preserved in accordance with the Notice of Rights below.

16. Having found the existence of an immediate serious danger to the public, the Office finds it is necessary to immediately suspend Respondent's license number FT230000290.

**ORDERED:**

1. Pursuant to section 120.60(6), Florida Statutes, the money services business license of BAM Trading Services Inc. d/b/a Binance.US's License Number FT230000290, is **SUMMARILY SUSPENDED**.

2. BAM Trading shall immediately **CEASE AND DESIST** from engaging in any money transmission activity within the State of Florida.

3. Pursuant to sections 120.60, and 560.114(2), Florida Statutes, BAM Trading may request a hearing pursuant to section 120.57(2), Florida Statutes. Such a hearing request shall be in accordance with the Notice of Rights below.

4. If BAM Trading does not request a hearing, this Order shall remain in full force and effect until such time as it is modified or vacated by the Commissioner.

**DONE and ORDERED** this 29<sup>th</sup> day of November, 2023, in Tallahassee, Leon County, Florida.

  
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Russell C. Weigel, III  
Commissioner

**NOTICE OF RIGHTS**

The licensee is entitled to be represented by counsel or another qualified representative. The licensee also has the right to request a hearing pursuant to sections 120.569 and 120.57(2), Florida Statutes. Such request must comply with Rules 28-106.2015 and 28-106.104, Florida Administrative Code. An Election of Proceeding form is attached for your convenience.

Any such request must be filed as follows:

**By Mail or E-Mail**

**OR**

**By Hand Delivery**

Office of Financial Regulation  
P.O. Box 8050  
Tallahassee, FL 32314-8050  
Phone: (850) 410-9889  
Agency.Clerk@flofr.gov

Office of Financial Regulation  
General Counsel's Office  
The Fletcher Building  
101 East Gaines Street, Suite 504  
Tallahassee, FL 32399  
Phone: (850) 410-9889

**TO PRESERVE THE RIGHT TO A HEARING, A WRITTEN RESPONSE MUST BE FILED WITH THE OFFICE OF FINANCIAL REGULATION WITHIN TWENTY-ONE (21) DAYS AFTER THE RECEIPT OF THE ORDER. SAID RESPONSE MUST BE RECEIVED BY THE OFFICE NO LATER THAN 5:00 P.M. ON THE TWENTY-FIRST DAY AFTER THE RECEIPT OF THE ORDER. A FAILURE TO TIMELY RESPOND IN WRITING WILL CONSTITUTE A WAIVER OF THE LICENSEE'S RIGHT TO REQUEST A HEARING AND A FINAL ORDER MAY BE ENTERED WITHOUT FURTHER NOTICE.**

You may not make an oral request for an administrative hearing. With regard to a written request, if you fail to follow the outlined procedure, your request may be dismissed. Any request for an administrative proceeding received prior to the date of this notice is deemed abandoned and to be considered, must be timely renewed in compliance with the procedure set forth above.

Mediation of this matter pursuant to section 120.573, Florida Statutes, is not available.

**NOTICE TO RESPONDENTS**

In accordance with the Americans with Disabilities Act, persons with disabilities needing special accommodation to participate in this proceeding should contact the Agency Clerk no later than seven (7) days prior to the filing deadline or proceeding, at the Office of Financial Regulation, The Fletcher Building, 101 East Gaines Street, Tallahassee, Florida 32399-0379, Phone: (850) 410-9889, or by Email: Agency.Clerk@flofr.gov.

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Emergency Suspension Order has been sent for service to BAM Trading Services Inc. d/b/a Binance.US c/o Meagan Griffin, Esq. via electronic mail at meagangriffin@paulhastings.com, and to the Registered Agent for BAM Trading Services Inc. d/b/a Binance.US, Corporation Service Company, via U.S. certified mail at 1201 Hays Street, Tallahassee, Florida 32301, on this 29<sup>th</sup> day of November, 2023.

  
\_\_\_\_\_  
Agency Clerk  
Florida Office of Financial Regulation  
Tallahassee, FL 32314-8050  
Email: Agency.Clerk@flofr.gov

91 7199 9991 7039 5465 4922

STATE OF FLORIDA  
OFFICE OF FINANCIAL REGULATION

Case No: 115490  
BAM Trading Services Inc. d/b/a Binance.us  
c/o Corporation Service Company  
1201 Hays Street  
Tallahassee, Florida 32301

ELECTION OF PROCEEDING

I have received and read the Emergency Suspension Order, including the Notice of Rights, filed by the Office of Financial Regulation ("Office") regarding the above-referenced Respondent, and I am requesting disposition as indicated below. **PLEASE SELECT ONLY ONE OF THE OPTIONS:**

**OPTION #1:**  I do not request a hearing in this matter. I do not dispute any of the Office's factual allegations and application of the law as stated in the Emergency Suspension Order. I understand that upon my waiving the right to a hearing, the Office may **enter a final order adopting the findings of fact and conclusions of law in the Emergency Suspension Order, and imposing the penalties sought in the Emergency Suspension Order.**

**OPTION #2:**  I dispute the Office's application of the law to its factual allegations, and request disposition of this matter pursuant to section 120.57(2), Florida Statutes. I request to **(CHECK ONLY ONE OF THE FOLLOWING 3 OPTIONS):**

a.  Attend a hearing by **video conference call** before a Hearing Officer appointed by the Office;  
OR

b.  Attend a hearing **in Tallahassee** with a Hearing Officer appointed by the Office; OR

c.  Submit a **written statement** with supporting documentation to a Hearing Officer appointed by the Office.

**TO PRESERVE YOUR RIGHT TO A HEARING, A RESPONSE MUST BE FILED WITH THE OFFICE OF FINANCIAL REGULATION AGENCY CLERK NO LATER THAN 5:00 P.M. ON OR BEFORE THE TWENTY-FIRST DAY AFTER RECEIPT OF THE EMERGENCY SUSPENSION ORDER, AS FOLLOWS:**

1. By email: [Agency.Clerk@flofr.gov](mailto:Agency.Clerk@flofr.gov); or
2. By U.S. Mail: P.O. Box 8050, Tallahassee, Florida 32314-8050; or
3. By hand delivery: General Counsel's Office, Fletcher Bldg., 101 E. Gaines Street, Tallahassee, FL 32399.

\_\_\_\_\_  
Signature of Respondent or  
Authorized Representative of Respondent

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Printed Name & Title

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

\_\_\_\_\_  
Date

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Fax Number

Date Emergency Suspension Order Received: \_\_\_\_\_