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BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

OF THE STATE OF CALIFORNIA

In the Matter of: THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION, Complainant, v. GPD HOLDINGS LLC dba COINFLIP, Respondent.	**CONSENT ORDER**

The Commissioner of Financial Protection and Innovation (Commissioner) and GPD Holdings LLC dba CoinFlip (CoinFlip) (collectively, the Parties) enter this Consent Order with respect to the following facts:

State of California – Department of Financial Protection and Innovation

I. RECITALS

Introduction

A. GPD Holdings, LLC is an Illinois limited liability company doing business as CoinFlip, duly registered to do business in California, with a principal address of 433 W. Van Buren Street Suite 1050N, Chicago, Illinois 60607.

B. CoinFlip operates CoinFlip-branded digital financial asset transaction kiosks, also known as "Bitcoin ATMs" in California. These kiosks allow consumers to buy and sell digital financial assets such as Bitcoin by exchanging cash for digital financial assets directly at the kiosk machine. CoinFlip began offering kiosk services in California in 2020.

C. CoinFlip also operates a CoinFlip-branded service where users can purchase and sell digital financial assets online. This service is known in the industry as an "over-the-counter desk," "OTC desk," or "trade desk." CoinFlip began offering trade desk services in California in 2020.[1]

Legal Background

Digital Financial Assets Law

D. The Commissioner has jurisdiction over persons who own, operate or manage digital financial asset kiosks in California under the DFAL. Cal. Fin. Code § 3101 et seq.

E. DFAL section 3902 requires that "[a]n operator shall not accept or dispense more than one thousand dollars ($1,000) in a day from or to a customer via a digital financial asset transaction kiosk."

F. DFAL section 3904 provides that:

> On or after January 1, 2025, an operator shall not collect charges, whether direct or indirect, from a customer related to a single digital financial asset transaction that exceed the greater of the following:
>
> (a) Five dollars ($5).
>
> (b) Fifteen percent of the United States dollar equivalent of digital financial assets involved in the transaction according to the publicly quoted market

[1] Prior to December 26, 2024, GPD Holdings conducted CoinFlip-branded business alongside CF Preferred LLC, an affiliate. The two entities merged on December 26, 2024. For purposes of this Order, "GPD Holdings" refers to CoinFlip-branded activities by both entities during the relevant period.

price of the digital asset on a licensed digital financial asset exchange at the time the customer initiates the transaction.

G. DFAL section 3905, subdivision (a) provides:

> (1) On or after January 1, 2025, before a digital financial asset transaction, an operator shall provide a written disclosure in English and in the same language principally used by the operator to advertise, solicit, or negotiate with a customer containing the terms and conditions of the transaction, which shall include, at a minimum, all of the following:
>
> (A) The amount of a digital financial asset involved in the transaction.
>
> (B) The amount, in United States dollars, of any fees, expenses, and charges collected by the operator.
>
> (C) The United States dollar price of the digital financial asset that is charged to the customer and the United States dollar price of the digital financial asset as listed by a licensed digital financial asset exchange.
>
> (D) If an operator does not provide a method to reverse or refund a transaction, a warning that all transactions are final and cannot be undone.
>
> (2) The disclosure required by this subdivision shall be clear and conspicuous and provided separately from any other disclosure provided by the operator.

H. DFAL section 3905, subdivision (b) provides, in relevant part, that:

> An operator shall provide a customer with a receipt for any transaction made at the operator's digital financial asset transaction kiosk that includes among other things: [. . .]
>
> (1) The name of the operator
> . . .
>
> (7) The amount, in United States dollars, of any spread between the United States dollar price of the digital financial asset that is charged to the customer and the United States dollar price of the digital financial asset as listed by a licensed digital financial asset exchange.
>
> (8) The name of the licensed digital financial asset exchange the operator used to calculate the spread described in paragraph (7).

I. The DFAL defines "digital financial asset transaction kiosk" to mean "an electronic information processing device that is capable of accepting or dispensing cash in exchange for a digital financial asset." Cal. Fin. Code § 3901(b)(1).

J. The DFAL defines "operator" to mean "a person who owns, operates, or manages a digital financial asset transaction kiosk located in this state." Cal. Fin. Code § 3901(d).

California Consumer Financial Protection Law

K. The Commissioner also has jurisdiction over the regulation of covered persons who engage, have engaged, or propose to engage in offering or providing a consumer financial product or service in California and affiliated service providers under the California Consumer Financial Protection Law (CCFPL). Cal. Fin. Code § 90000 et seq.

L. A "covered person" is "[a]ny person that engages in offering or providing a consumer financial product or service to a resident of this state." Cal. Fin. Code § 90005(f)(1).

M. A "consumer financial product or service" is generally a "financial product or service that is delivered, offered, or provided for use by consumers primarily for personal, family, or household purposes." Cal. Fin. Code § 90005(e)(1).

N. A "financial product or service" includes, among other things, "[e]ngaging in deposit taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of funds or any financial instrument for use by or on behalf of a consumer." Cal. Fin. Code § 90005(k)(4).

O. Under the CCFPL, it is unlawful for a covered person or service provider to "[e]ngage, have engaged, or propose to engage in any unlawful, unfair, deceptive, or abusive act or practice with respect to consumer financial products or services." Cal. Fin. Code § 90003(a)(1).

P. Under the CCFPL, it is also unlawful for a covered person or service provider to "offer or provide to a consumer any financial product or service not in conformity with any consumer financial law or otherwise commit any act or omission in violation of a consumer financial law." Cal. Fin. Code § 90003(a)(2).

Q. Under California Financial Code section 90015(d), if, in the opinion of the Commissioner, any person engages, has engaged, or proposes to engage in any activity prohibited by section 90003 or 90004, the Commissioner "may issue an order directing the person to desist and refrain from engaging in the activity, act, practice, or course of business." Cal. Fin. Code § 900015(d).

BSA/AML Requirements

R. Money services businesses (MSBs) as defined by 31 C.F.R. § 1010.100(ff) are required to comply with all applicable federal laws, rules, and regulations relating to anti-money laundering (AML) compliance, including the Bank Secrecy Act (BSA) (31 U.S.C. § 5311 et seq.), and the rules and regulations issued thereunder by the U.S. Department of the Treasury (31 C.F.R. Chapter X) (collectively, the BSA/AML Requirements).

S. Under the BSA/AML Requirements, money services businesses are required to "develop, implement and maintain an effective anti-money laundering program," including, at minimum "policies, procedures, and internal controls . . . to the extent applicable to the money services business, requirements for [v]erifying customer identification." 31 C.F.R. § 1022.210(a), (d)(1)(i)(A). The anti-money laundering program must also be "commensurate with the risks posed by the location and size of, and the nature and volume of the financial services provided by, the money services business." 31 C.F.R. § 1022.210(b).

Commissioner's Findings and Conclusions

T. Following an investigation, the Commissioner made the following findings of fact (Findings):

U. Since January 1, 2024, on multiple occasions, CoinFlip kiosks in California accepted more than $1,000 from a customer on the same day in violation of Financial Code section 3902.

V. Since January 1, 2025, CoinFlip processed multiple transactions in which it charged customers more than the allowable fees and charges, in violation of Financial Code 3904.

W. Since January 1, 2025, CoinFlip processed multiple transactions in which it did not provide customers a pre-transaction disclosure containing the elements specified in Financial Code section 3905(a).

X. Since January 1, 2024, CoinFlip kiosks in California printed transaction receipts without including elements specified by Financial Code sections 3905(b).

Y. Since at least January 1, 2021, CoinFlip was, and is, an MSB offering kiosk and trade desk services to California consumers, for which it was, and is, required to develop, implement, and maintain an effective anti-money laundering program. Such a program must be reasonably designed

to prevent the company from being used to facilitate illicit activity. An investigation by the Department identified deficiencies with respect to CoinFlip's customer due diligence, transaction monitoring, and risk management.

Z. Based upon the Findings, the Commissioner made the following conclusions (Conclusions):

AA. CoinFlip is a "covered person" under the CCFPL that engages in offering or providing consumer financial products or services to California residents, including providing access to "deposit-taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of funds . . . for use by or on behalf of a consumer." Cal. Fin. Code § 90005(k)(4).

BB. CoinFlip is an "operator" as defined under the DFAL, operating digital financial asset transaction kiosks in California. Cal. Fin. Code § 3901(d).

CC. CoinFlip engaged in unlawful, unfair, abusive, or deceptive acts or practices with respect to consumer financial products or services in violation of Financial Code sections 90003(a)(1) and (a)(2).

DD. CoinFlip neither admits nor denies any of the above Findings and Conclusions contained in this Consent Order.

NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set forth herein, the Parties agree as follows:

II. TERMS AND CONDITIONS

1. Purpose. This Consent Order resolves the issues before the Commissioner set forth in Paragraphs A-CC, above, in a manner that avoids the expense of a hearing and other possible court proceedings, protects consumers, is in the public interest, and is consistent with the purposes, policies, and provisions of the CCFPL and the DFAL.

2. Finality of Consent Order. CoinFlip agrees to comply with this Consent Order and stipulates this Consent Order is hereby deemed final.

3. Desist and Refrain Order. Pursuant to Financial Code section 90015(d)(1), CoinFlip and its managers, officers, directors, agents, owners or employees are hereby ordered to desist and

refrain from engaging in, or proposing to engage in unlawful, unfair, abusive, or deceptive acts or practices in the operation of digital financial asset kiosks and trade desk operation in California in violation of Financial Code section 90003(a)(1); or offering or providing to a consumer any financial product or service not in conformity with any consumer financial laws, including but not limited to the following: sections 3902, 3904, 3905(a), 3905(b) of the DFAL, and 31 C.F.R. § 1022.210.

4. Disgorgement. CoinFlip is hereby ordered to pay disgorgement of $351,530.00 to the Commissioner, representative of fees and charges collected by CoinFlip in excess of those permissible under Financial Code section 3904 ("Disgorgement"). Within 180 days of the Effective Date of this Consent Order, CoinFlip shall remit the Disgorgement to the Commissioner, payable in the form of a cashier's check or Automated Clearing House deposit transmitted to the attention of Accounting – Litigation, at the Department of Financial Protection and Innovation, 651 Bannon Street, Suite 300, Sacramento, California 95811. A notice of payment must be concurrently sent to the Commissioner at the Notice address listed in paragraph 25.

5. Restitution. Pursuant to Financial Code section 90012(b)(3), the Commissioner hereby orders CoinFlip to pay Restitution in the total amount of not less than $4,811,483.00 to sixteen (16) specific California consumers identified by the Commissioner who transacted through the trade desk before February 21, 2023 and four (4) specific California consumers identified by the Commissioner who transacted through a kiosk after January 1, 2024 ("Restitution"). Within 14 days from the Effective Date of this Consent Order, the Commissioner shall provide a complete list of California consumers to whom CoinFlip will pay restitution ("Restitution Consumers"), including the name, address, and amount owed for each consumer.

a. CoinFlip shall make all Restitution payments directly to the Restitution Consumers in the form of a check in United States Dollar (USD) sent by registered or certified mail, with a request for address correction on the outside of each envelope. CoinFlip, directly or through an agent, shall re-send all Restitution checks returned by the United States Postal

Service with a forwarding or corrected address. Payments must be issued according to the following schedule from the Effective date of this Consent Order: (1) 50% Restitution due no later than 90 calendar days; (2) 25% of Restitution due no later than 120 calendar days; and (3) 25% of Restitution due no later than 180 calendar days.

b. No later than 210 calendar days from the Effective Date of this Consent Order, a report of the Restitution payments shall be sent to the Commissioner at the Notice address listed in paragraph 25. The report shall include the customer's name, address, amount of refund, and whether the check has been cashed.

6. Notice to Consumer. At least seven (7) days prior to the distribution of any Restitution, CoinFlip shall send to each Restitution Consumer to whom Restitution is required to be paid pursuant to Paragraph 5 of this Consent Order an electronic notice informing that consumer of the impending Refund and/or Restitution payment(s) to that consumer's last known email address. The Notice shall not be accompanied by any other documents or text when emailed to consumers unless first approved by the Commissioner.

Notice shall say:

> Pursuant to a settlement with the California Department of Financial Protection and Innovation, GPD Holdings, LLC (also fka CF Preferred, LLC) dba CoinFlip (CoinFlip) is issuing you a restitution of amounts transacted through CoinFlip's trade desk or kiosks. CoinFlip will send the refund by check via U.S. Mail to the last known address we have on file for you, which is [COINFLIP TO INSERT ADDRESS]. If you would like to update your mailing address information before we process your refund, please contact us immediately at _____.

7. No Consumer Waiver. Payment to any consumer under this Consent Order may not be conditioned on that consumer waiving any right. Nothing in this Consent Order prevents CoinFlip

from presenting this Consent Order and its associated records at any future proceeding brought against CoinFlip by the Restitution Consumers.

8. Handling of Unclaimed Refund and Restitution Payments. CoinFlip shall escheat any returned or unclaimed Refund and/or Restitution payments to the California State Controller's Office within the period provided by Code of Civil Procedure section 1520 of the Unclaimed Property Law (Cal. Civ. Proc. §§ 1500-1582 (West 2026)). In the event of escheatment, notice shall be sent within five business days to the Commissioner at the Notice address in Paragraph 25 and shall include a copy of any escheatment report(s) submitted to the California State Controller.

9. Full and Final Settlement. The Parties hereby acknowledge and agree that this Consent Order is intended to constitute a full, final, and complete resolution of the Commissioner's investigation into CoinFlip's compliance with the DFAL, CCFPL, and BSA/AML Regulations, which covered the period between January 1, 2021 and June 6, 2025, with regard to the findings and conclusions described herein. No further proceedings or actions will be brought by the Commissioner in connection with these findings and conclusions under the CCFPL and DFAL or any other provision of law, excepting therefrom any proceeding to enforce compliance with the terms of this Consent Order.

10. Failure to Comply with the Consent Order. CoinFlip agrees that if it fails to comply with the terms of this Consent Order, the Commissioner may take any remedies available under the DFAL, CCFPL, the BSA/AML Regulations, or any other provisions of law, including but not limited to denial of any pending or future application and suspension or revocation of any license or conditional license. CoinFlip waives any notice and hearing rights which may be afforded under the DFAL, CCFPL, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law that the Commissioner may use to ensure compliance with this Consent Order. Pursuant to Financial Code section 90015(g), the Commissioner may apply to the appropriate superior court for an order compelling compliance with this Consent Order.

11. Opportunity to Cure. In the event CoinFlip fails to comply with the terms of this Consent Order, CoinFlip will have twenty (20) calendar days to cure such breach from the date written

notice of the breach is emailed by the Commissioner, or their representative, to CoinFlip. Proof of cure, satisfactory to the Commissioner, shall be sent via email by CoinFlip within twenty-five (25) calendar days of the date of notice to Kelly.suk@dfpi.ca.gov. The Commissioner must afford CoinFlip the opportunity to cure prior to taking any actions outlined in the immediately preceding paragraph.

12. Information Willfully Withheld or Misrepresented. Notwithstanding Paragraph 17, this Consent Order may be revoked and the Commissioner may pursue any and all remedies available under law against CoinFlip if the Commissioner discovers that CoinFlip knowingly or willfully withheld or misrepresented information that is material to the Findings and Conclusions contained herein.

13. Future Actions by Commissioner. If CoinFlip fails to comply with any terms of the Consent Order, the Commissioner may institute proceedings for any and all violations otherwise resolved under this Consent Order. The Commissioner reserves the right to bring any future actions against CoinFlip, or any of its partners, owners, officers, shareholders, directors, employees or successors for any and all unknown violations of the CCFPL or the DFAL.

14. Waiver of Hearing Rights. CoinFlip acknowledges the Commissioner is ready, willing, and able to proceed with the filing of an administrative action based on the charges contained in this Consent Order. CoinFlip hereby waives the right to any hearings, and to any reconsideration, appeal, or other right to review which may be afforded pursuant to the Digital Financial Assets Law, California Consumer Financial Protection Law, the California Administrative Procedure Act, the California Code of Civil Procedure, or any other provision of law. CoinFlip further expressly waives any requirement for the filing of an Accusation pursuant to California Government Code section 11415.60, subdivision (b). By waiving such rights, CoinFlip effectively consents to this Consent Order becoming final.

15. Headings. The headings to the paragraphs of this Consent Order are inserted for convenience only and will not be deemed a part hereof or affect the construction or interpretation of the provisions hereof.

16. Binding. This Consent Order is binding on all heirs, assigns, and/or successors in interest.

17. Reliance. Each of the parties represents, warrants, and agrees that in executing this Consent Order it has relied solely on the statements set forth herein and the advice of its own counsel, if represented. Each of the parties further represents, warrants, and agrees that in executing this Consent Order it has placed no reliance on any statement, representation, or promise of any other party, or any other person or entity not expressly set forth herein, or upon the failure of any party or any other person or entity to make any statement, representation or disclosure of anything whatsoever. The parties have included this clause: (1) to preclude any claim that any party was in any way fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

18. Waiver, Amendments, and Modifications. No waiver, amendment, or modification of this Consent Order will be valid or binding unless it is in writing and signed by each of the parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any other provision. No waiver by either party of any breach of, or of compliance with, any condition or provision of this Consent Order by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

19. Full Integration. This Consent Order is the final written expression and the complete and exclusive statement of all the agreements, conditions, promises, representations, and covenant between the parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous agreements, negotiations, representations, understandings, and discussions between and among the parties, their respective representatives, and any other person or entity, with respect to the subject matter covered hereby.

20. Governing Law. This Consent Order will be governed by and construed in accordance with California law. Each of the parties hereto consents to the jurisdiction of such court, and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in such court.

21. Effect Upon Future Proceedings. If CoinFlip applies for any license, permit or qualification under the Commissioner's current or future jurisdiction or is the subject of any future action by the Commissioner to enforce this Consent Order, then the subject matter hereof may be admitted for the purpose of such application(s) or enforcement proceeding(s). The Commissioner hereby agrees, except as otherwise set forth herein, that upon CoinFlip's satisfactory completion of its obligations contained in Section II of this Consent Order, the Commissioner shall treat the findings and conclusions contained herein as resolved in the Commissioner's consideration of CoinFlip's DFAL license application, pursuant to Fin. Code § 3907. The Commissioner's findings and conclusions as stated in paragraphs T through DD of this Consent Order shall not be the sole basis of any decision to approve or deny such application.

22. Third Party Actions. This Consent Order does not create any private rights or remedies against Respondents, create any liability for Respondents, or limit defenses of Respondents for any person or entity not a party to this Consent Order.

23. Voluntary Agreement. CoinFlip enters this Consent Order voluntarily and without coercion and acknowledges that no promises, threats or assurances have been made by the Commissioner or any officer, or agent thereof, about this Consent Order. The parties each represent and acknowledge that they are executing this Consent Order completely voluntarily and without any duress or undue influence of any kind from any source.

24. Counterparts. This Consent Order may be executed in one or more separate counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall together constitute a single document.

25. Notice. Any notice required under this Consent Order shall be provided to each party at the following addresses:

To CoinFlip:

Joshua Allen
Chief Operating Officer, CoinFlip
433 West Van Buren Street suite 10N
jallen@coinflip.tech
(877) 757-2646

To the Commissioner:

Kelly Suk
Senior Counsel, Enforcement Division
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
Kelly.suk@dfpi.ca.gov
(213) 823-3458

26. Signatures. A fax or electronic mail signature shall be deemed the same as an original signature.

27. Public Record. CoinFlip hereby acknowledges that this Consent Order is a matter of public record.

28. Effective Date. This Consent Order shall become final and effective when signed by all parties and delivered by the Commissioner's agent via e-mail to Kelly Suk at kelly.suk@dfpi.ca.gov.

29. Authority to Sign. Each signatory hereto covenants that he/she possesses all necessary capacity and authority to sign and enter into this Consent Order and undertake the obligations set forth herein.

IN WITNESS WHEREOF, the Parties hereto have approved and executed this Consent Order on the dates set forth opposite their respective signatures.

Dated: November 4, 2026

KHALIL MOHSENI
Commissioner of Financial Protection and Innovation

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division

Dated: November 2, 2026

GPD HOLDINGS, LLC

By: _____
Benjamin Weiss
Chief Executive Officer