

Julie Sande
Commissioner



Department of Commerce,
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PRESS RELEASE

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**THE ALASKA DIVISION OF BANKING AND SECURITIES JOINS WITH OTHER STATE
SECURITIES REGULATORS AND THE US SECURITIES AND EXCHANGE COMMISSION
TO SETTLE CASE AGAINST BLOCKFI**

February 17, 2022 (Anchorage, AK) – The Alaska Division of Banking and Securities (Division) today announced that BlockFi Lending LLC (BlockFi), agreed to settle a case involving BlockFi’s offering and selling unregistered securities in the form of interest-bearing digital asset deposit accounts called BlockFi Interest Accounts (BIAs) to Alaska residents. As of December 31, 2021, BlockFi had 407,030 BIA investors in the US.

BlockFi agreed to pay \$50 million to 53 North American Securities Administrators Association (NASAA) member agencies and \$50 million to the Securities and Exchange Commission (SEC), for a settlement total of \$100 million. The NASAA member agencies will each receive \$943,396.22 after executing the appropriate consent orders. The Division is one of 32 NASAA member agencies that has already agreed to settle with BlockFi, and more jurisdictions are expected to follow.

In July and September 2021, according to actions filed by several states, BlockFi failed to comply with state registration requirements and, as a result, sold unregistered securities in violation of state law. This violation deprived investors of critical information and disclosure necessary to understand the potential risks of these lending products.

“State securities regulators recognize the value new technology brings to financial markets. Complying with existing laws and regulations promotes competitive capital markets and continued investor protection,” said **Rob Schmidt, Division Director**. “This action by NASAA member agencies and the SEC sets an example for other firms providing digital asset financial products and services of how to work toward complying with state and federal law.”

The Division would like to thank its fellow NASAA member agencies, especially the multistate working group, for its coordinated efforts and the SEC for their collaboration and assistance.

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