



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF BANKING AND SECURITIES
Anchorage Office

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December 10, 2025

Coinme Inc.
Attn: Neil Bergquist, CEO
600 1st Avenue
Suite 330, PMB 77544
Seattle, WA 98104

Sent by email to: neil@coinme.com
Certified mail: 7010 1060 0000 8457 1439

RE: Coinme Inc.
Alaska Money Transmitter License NMLS #1185542/AKMT-014762
Statement of Issues, 2026 License Renewal Application Denial
Case #2025-00127

Dear Mr. Bergquist,

The Alaska Division of Banking and Securities (Division) received a request for a money transmitter license renewal on November 7, 2025, sent via the Nationwide Multistate Licensing System (NMLS) from Coinme Inc. The renewal request was placed in an On-Hold status on November 10, 2025, as a precaution to prevent auto-renewal before the clearing of the ACH payment for renewal fees. The Division first issued license number AKMT-014762 to the on July 19, 2021.

The Division denies Coinme Inc.'s request to renew license number AKMT-014762 for the following reasons:

- (1) Permitting Coinme Inc. to engage in money transmission is no longer in the public interest due to Coinme's poor financial condition. AS 06.55.105(a)(2).
- (2) Coinme Inc. has engaged in unsafe or unsound practices that create a likelihood of material loss, insolvency, or dissipation of its assets, or otherwise materially prejudices the interests of the money transmission licensee's customers. AS 06.55.601(a)(5) and (6).
- (3) Coinme Inc. does not meet the minimum net worth requirements because it has a negative net worth. AS 06.55.107.

- (4) Coinme Inc. has failed to maintain adequate permissible investments because it has pledged substantially all of its assets as collateral for its debt. AS 06.55.501.

In June 2025, the Division, alongside its counterparts in Ohio, Colorado, Florida, Georgia, Kentucky, New Hampshire, North Carolina, and South Dakota, conducted a multi-state examination of Coinme Inc. The examination identified significant concerns regarding the Coinme's financial condition. A copy of the resulting Report of Examination (Report) was delivered to you by the Ohio Division of Financial Institutions on November 5, 2025. A copy of the report is enclosed with this letter.

As detailed below and in the Report, Coinme Inc.'s financial condition has deteriorated. As of March 31, 2025, the company has accumulated receivables totaling \$19,314,511 from Coinme Holdings Inc. (Holdings), its parent company, and has not demonstrated receipt of meaningful payments. The following table illustrates a 93.7% increase in the Due from Holdings balance since December 31, 2024.

	12/31/2024	1/31/2025	2/28/2025	3/31/2025
Due from Parent, services (DPS);	\$ 2,829,319	\$ 6,186,402	\$ 7,561,716	\$ 12,033,212
Due from Parent, refund escheatment reserve;	-	\$ 3,297,372	\$ 3,334,259	\$ 3,365,517
Due from Parent, assumption of regulatory and other liability;	\$ 3,770,000	\$ 3,770,000	\$ 3,770,000	\$ 3,770,000
Due from Parent, assumption of escheatment reserve.	\$ 3,371,418	\$ 145,782	\$ 145,782	\$ 145,782
Due from Holdings	\$ 9,970,737	\$ 13,399,556	\$ 14,811,757	\$ 19,314,511

Holdings has failed to reimburse Coinme Inc. for debt servicing, resulting in a rapidly increasing receivable that is now highly likely to be uncollectible. Audited financials for Holdings indicate that Holdings is insolvent and lacks the ability to make payments to Coinme Inc. The auditor's qualified opinions on Coinme's 2023 and 2024 financial statements also indicate that Holdings does not have the financial ability to support the immediate collectability of the receivables, further highlighting the questionable value of the asset. This financial exposure to Holdings represents a material risk to Coinme's overall stability.

An additional concern, based on the examination findings, is the disqualification of the \$25.68 million gain from the BTCDD Labs Ltd. investment by other examining states. The exchange was deemed unreliable due to a lack of independent valuation and BTCDD Lab's nonoperational status; the gain was ultimately removed from the net worth calculation. The Division considered this disqualification when examining the financial standing of the Licensee, as required under AS 06.55.105(a)(2). Disqualification is appropriate if the gain is contingent, disputed, or lacks sufficient objective evidence for recognition. Generally Accepted Accounting Principles (GAAP) support excluding such gains from financial reporting to ensure accuracy and reliability. The Division agrees with the other examining states that the gain should be disqualified.

The following table illustrates the deficient financial status of Coinme Inc., characterized by largely uncollectible receivables from Holdings, as well as the disqualification of the BTCDD investment gain.

	3/31/2025	4/30/2025	5/31/2025	6/30/2025
Reported Capital	\$ 16,743,275	\$ 41,549,420	\$ 40,963,515	\$ 39,729,598
<i>Disqualified Assets:</i>				
<i>Due from Holdings</i>	\$ 19,314,511	\$ 20,303,387	\$ 20,947,892	\$ 21,856,988
<i>Investment in BTCDD Labs</i>	-	\$ 25,681,000	\$ 25,681,000	\$ 25,681,000
Capital	\$ (2,571,236)	\$ (4,434,967)	\$ (5,665,377)	\$ (7,808,390)
Minimum Net Worth Requirement	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Capital Deficiency	\$ (2,596,236)	\$ (4,459,967)	\$ (5,690,377)	\$ (7,833,390)

Based on the current financial circumstances, the Coinme has a negative net worth and failed to meet the minimum net worth requirement of at least \$25,000. AS 06.55.107.

Coinme Inc. has failed to maintain sufficient permissible investments. A licensee must maintain permissible investments with a market value of “not less than the aggregate amount of all of its outstanding payment instruments and stored value obligations issued or sold in all states and money transmitted from all states by the money services licensee.” AS 06.55.501(a). Permissible investments are held in trust for the benefit of the purchasers and holders of the money services licensee's outstanding payment instruments and stored value obligations in the event of bankruptcy or receivership of the money services licensee. AS 06.55.501(a).

Coinme Inc. had identified \$13,650,383 held in virtual currency as permissible investments. However, during the examination, examiners learned that the company had pledged substantially all of its assets, including virtual currency, as collateral to various creditors. These assets were not earmarked for the benefit of customers, raising concerns about compliance with trust obligations. Pledging these assets as collateral for Coinme Inc.'s debt undermines the ability to hold these assets in trust for customers in the event of bankruptcy, materially prejudicing the interests of Coinme Inc.'s customers. The Company failed to maintain permissible investments. AS 06.55.501(a).

The company's financial instability, poor asset quality, risk of insolvency, negative net worth, and lack of permissible investments indicate that it is no longer in the public interest to allow Coinme Inc. to operate as a money transmission business in Alaska. Accordingly, the Division denies Coinme Inc.'s request to renew license AKMT-014762.

You have the right to appeal this decision. Unless a written request for a hearing signed by an authorized representative of Coinme Inc. is delivered or mailed to the Division within 30 days after this statement of issues was personally served on you or mailed to you, the Division may proceed upon the statement of issues without a hearing. The request for a hearing may be made by delivering

or mailing the enclosed form entitled “Notice of Defense,” or by delivering or mailing a notice of defense as provided by AS 44.62.390 to:

Alaska Division of Banking and Securities
Attn: Brandi Estes
550 W. 7th Avenue, Suite 1850
Anchorage, AK 99501

You may also send the notice of defense by e-mail to financialinstitutions@alaska.gov. Hearings will be conducted by the Office of Administrative Hearings under the Alaska Administrative Procedure Act, AS 44.62 et seq.

License number AKMT-014762 expires on December 31, 2025.

Coinme Inc. may surrender its Alaska Money Transmitter license before close of business on December 31, 2025, accompanied by a wind-down plan that mitigates consumer impact. The company must ensure its Regulatory Contact information is current in the NMLS.

The statutes concerning this matter may be found online at [AS 06.55](#) and the regulations may be found online at [3 AAC 13](#).

If you have any questions, please contact Brandi Estes by email at financialinstitutions@alaska.gov or 907-269-8038.

Sincerely,

/S/ Tracy Reno

Tracy Reno
Director
Division of Banking & Securities

Enclosures:
Notice of Defense
Report of Examination