

Terms Completed

ORDER SUMMARY – Case Number: C-19-2750

Name: Celsius Network, Inc.

Order Number: C-19-2750-19-CO01

Effective Date: 9/16/19

License Number: NMLS ID 1905328
Or NMLS Identifier [U/L]

License Effect: N/A

Not Apply Until: N/A

Not Eligible Until: N/A

Prohibition/Ban Until: N/A

Investigation Costs	\$ 2,505.00		Paid <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	Date 9/17/19
	No. of Victims:	N/A		

Comments:

1 STATE OF WASHINGTON
2 DEPARTMENT OF FINANCIAL INSTITUTIONS
3 DIVISION OF CONSUMER SERVICES

4 IN THE MATTER OF DETERMINING
5 WHETHER THERE HAS BEEN A
6 VIOLATION OF THE UNIFORM MONEY
7 SERVICES ACT OF WASHINGTON AND
8 CONSUMER LOAN ACT OF WASHINGTON
9 BY:

10 CELSIUS NETWORK, INC.,

11 Respondent.

No. C-19-2750-19-CO01

CONSENT ORDER

12 COMES NOW the Director of the Department of Financial Institutions (“Director”), through
13 his designee Richard St. Onge, Division of Consumer Services Acting Director, and Celsius Network,
14 Inc., and finding that the issues raised in the above-captioned matter may be economically and
15 efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to
16 chapter 19.230 Revised Code of Washington (“RCW”), the Uniform Money Services Act (“UMSA”),
17 and chapter 31.04 RCW, the Consumer Loan Act (“CLA”), (collectively referred to as “Acts”), and
18 RCW 34.05.060 of the Administrative Procedure Act, based on the following:

19 A. FINDINGS OF FACT

20 1. **Respondent Celsius Network, Inc.** (“Respondent”) is a Delaware corporation with its office
21 at 221 River Street, 9th Floor, Suite 9129, Hoboken, New Jersey 07030. Respondent has never
22 obtained a license in accordance with the Acts from the State of Washington Department of Financial
23 Institutions (Department) to provide money services or to make loans.

24 2. **Unlicensed Activity.** Beginning in at least June 2018, Respondent advertised, held itself out
as providing money services, engaged in the business of money transmission, and offered to make

1 loans in Washington State without being licensed as a money transmitter or consumer loan company.
2 Respondent advertised through at least one website: <https://celsius.network>.

3 **B. CONCLUSION OF LAW**

4 Based on the above Findings of Fact, Respondent violated RCW 19.230.030 and RCW
5 31.04.025 by engaging in the business of money services and a consumer loan company in
6 Washington State without first obtaining and maintaining a license in accordance with the Acts or
7 meeting an exclusion from the Acts under RCW 19.230.030 and RCW 31.04.025.

8 **C. AGREEMENT AND ORDER**

9 The Department and Respondent have agreed upon a basis for resolution of the Findings of
10 Fact and Conclusion of Law identified in this Consent Order. Pursuant to RCW 19.230.233, RCW
11 31.04.093(7), and RCW 34.05.060, the Department and Respondent agree to entry of this Consent
12 Order and further agree that the matters alleged herein may be economically and efficiently settled by
13 the entry of this Consent Order. Respondent hereby admits the Findings of Fact and Conclusion of
14 Law identified in this Consent Order.

15 Based upon the foregoing:

- 16 **1. Jurisdiction.** It is AGREED that the Department has jurisdiction over the subject matter of the
17 activities discussed herein.
- 18 **2. Waiver of Hearing.** It is AGREED that Respondent has been informed of the right to a hearing
19 before an administrative law judge and hereby waives any right it has to a hearing and any and all
20 administrative and judicial review of the issues raised in this matter or the resolution reached herein.
- 21 **3. License Required.** It is AGREED that Respondent understands that in order to engage in the
22 business of money services in Washington State, Respondent must first obtain a money transmitter
23 license in accordance with UMSA or qualify for an exemption from licensing as delineated in

1 UMSA. It is further AGREED that Respondent understands that in order to make loans to
2 Washington State residents, Respondent must first obtain a consumer loan company license in
3 accordance with the CLA or qualify for an exemption from licensing as delineated in the CLA.

4 **4. Cease and Desist.** It is AGREED that Respondent shall cease and desist from holding itself
5 out being able to or providing money services to Washington State consumers until such time as
6 Respondent obtains a license in accordance with UMSA. It is further AGREED that Respondent
7 shall cease and desist from making, facilitating, or assisting in making or financing any loans to
8 Washington State residents until such time as Respondent obtains a license in accordance with the
9 CLA.

10 **5. Investigation Fee.** It is AGREED that Respondent shall pay an investigation fee to the
11 Department in the amount of \$2,505.00 in the form of a cashier's check made payable to the
12 "Washington State Treasurer" upon entry of this Consent Order.

13 **6. Application for License.** It is AGREED that the entry of this Consent Order will not
14 preclude Respondent from obtaining a license under either of the Acts. It is further AGREED and
15 understood, however, that should Respondent submit a license application under either of the Acts,
16 Respondent must still meet all requirements under the Acts.

17 **7. Non-Compliance with Order.** It is AGREED that Respondent understands that failure to
18 abide by the terms and conditions of this Consent Order may result in further legal action by the
19 Director. In the event of such legal action, Respondent may be responsible to reimburse the Director
20 for the cost incurred in pursuing such action, including but not limited to, attorney fees.

21 **8. Records Retention.** It is AGREED that Respondent, its officers, employees, and agents shall
22 maintain records in compliance with the Acts and provide the Director with the location of the books,
23 records and other information relating to Respondent's business conducted prior to licensure, and the

1 name, address and telephone number of the individual responsible for maintenance of such records in
2 compliance with the Acts.

3 **9. Rights of Non-Parties.** It is AGREED that the Department does not represent or have the
4 consent of any person or entity not a party to this Consent Order to take any action concerning their
5 personal legal rights. It is further AGREED that for any person or entity not a party to this Consent
6 Order, that this Consent Order does not limit or create any private rights or remedies against
7 Respondent, limit or create liability of Respondent, or limit or create defenses of Respondent to any
8 claims.

9 **10. Authority to Execute Order.** It is AGREED that the undersigned have represented and
10 warranted that they have the full power and right to execute this Consent Order on behalf of
11 Respondent.

12 **11. Counterparts.** This Consent Order may be executed by the parties in any number of
13 counterparts, including e-mail of a PDF file, or other similar file, each of which shall be deemed to be
14 an original, but all of which, taken together shall constitute one and the same Consent Order.

15 **12. Effective Date.** It is AGREED that this Consent Order shall be effective when signed by the
16 Director's designee.

17 **13. Voluntarily Entered.** It is AGREED that Respondent has voluntarily entered into this
18 Consent Order.

19 **14. Completely Read, Understood, and Agreed.** It is AGREED that Respondent has read this
20 Consent Order in its entirety and fully understands and agrees to all of the same.

21 //

22 //

23 //

1 **RESPONDENT:**

Celsius Network

2 By:

3 /s/_____

ALEX MASHINSKY
4 Chief Executive Officer

9-9-2019_____

Date

5 /s/_____

6 JEREMIE BEAUDRY
Chief Compliance Officer and
7 General Counsel

9-9-2019_____

Date

8 **DO NOT WRITE BELOW THIS LINE**

9
10 THIS ORDER ENTERED THIS 16th DAY OF September, 2019.

11
12 /s/_____

RICHARD ST. ONGE
13 Acting Director
14 Division of Consumer Services
Department of Financial Institutions

15
16
17 Presented by:

18 /s/_____

JEANJU CHOI
19 Financial Legal Examiner

20 Approved by:

21 /s/_____

22 STEVEN C. SHERMAN
Enforcement Chief