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Upon reviewing the revised BitLicense proposal, I discovered three major, categorical inefficiencies that will undoubtedly create disincentives to start and operate Virtual Currency businesses in the state of New York. Not only will the State have to deal with the loss of potential jobs and tax revenue because of these disincentives, but it will be placed at a severe competitive disadvantage in the future as Virtual Currency becomes a more integrated part of the global economy. Virtual Currency will become an essential part of the future economy, necessitating its acceptance and adoption by governments -- whether Virtual Currencies are used independent currencies or merely as a method of lowering transaction friction. Therefore, any governments that fail to facilitate the growth of Virtual Currency within their jurisdictions can expect to endure stagnation in the future as businesses gravitate towards jurisdictions with liberalized regulatory infrastructures for Virtual Currency.

The categorical inefficiencies present in the current BitLicense draft are listed as follows. Note that the issues are listed in no particular order, and their positions on this list do not reflect my opinions on their importance or urgency:

- Arbitrary power given to the superintendent
- Restrictive barriers to entry
- Violations of privacy

Having established these categorical inefficiencies, I will provide specific provisions from the revised BitLicense draft that contribute to the existence of these inefficiencies, as well as elaborating upon how these specific examples contribute to the broader problems -- where applicable. After listing and elaborating upon the provisions that contribute to the categorical inefficiencies of BitLicense, I will offer solutions to make the regulation more conducive to Virtual Currency industry growth.

Arbitrary Power Given to The Superintendent

200.4 Application:

- **200.4(a)(15):** *"Such other additional information as the superintendent may require."*
- **200.4(c):** *"Notwithstanding Subsection (b) of this Section, the superintendent may in his or her sole discretion and consistent with the purposes and intent of the Financial Services Law and this Part approve an application by granting a conditional license. "*
    - **Commenter's elaboration:** Although this power is limited by Financial Services Law, this subsection still grants the superintendent a higher degree arbitrary power, consequently creating a potential for the superintendent to abuse her authority. Such abuse would take the form of granting conditional licenses to non-compliant companies due to unspoken relationships or agreements between the superintendent and the company in question, as well as the revocation of others'

conditional licenses or the removal of a licensee's conditional status due to similar unspoken relationships or agreements.

200.6 Actions by Superintendent:

- **200.6(a):** *"**If the superintendent finds** these qualities are such as to warrant the belief that the applicant's business will be conducted honestly, fairly, equitably, carefully, and efficiently within the purposes and intent of this Part . . . the superintendent . . . shall issue to the applicant a license to conduct Virtual Currency Business Activity, subject to the provisions of this Part and such other conditions as **the superintendent shall deem appropriate**."*
- **200.6(b):** *"Such period of 90 days may be extended **at the discretion of the superintendent** for such additional **reasonable** period of time as may be required to enable compliance with this Part."*
  - **Commenter's elaboration:** "Reasonable" is a very vague term and largely constitutes a subjective valuation, thereby giving the superintendent the authority to essentially extend the approval period indefinitely. Additionally, allowing the superintendent to extend the approval period at her "discretion" allows the superintendent to apply different -- and necessarily arbitrary -- standards to each application.
- **200.6:(e):** *"The superintendent may, **when deemed by the superintendent** to be in the public interest, seek a preliminary injunction to restrain a Licensee from continuing to perform acts that violate any provision of this Part, the Financial Services Law, Banking Law, or Insurance Law."*
  - **Commenter's elaboration:** Allowing the superintendent to seek a preliminary injunction when "**deemed by the superintendent** to be in the public interest" grants the superintendent arbitrary power in that it allows the superintendent to make a decision to *not* seek a preliminary injunction, even if it is clear that one is needed. This arbitrary ability creates a failure in the equal application of BitLicense's provisions, allowing the superintendent to refrain from responding to certain business practices in some cases while treating the same practices as actionable offenses in other cases. This arbitrary power opens the door for abuse, as the superintendent could exercise favoritism by taking legal action against some companies for a certain behavior, while letting other companies practice the same behavior with impunity.

200.8 Capital Requirements:

- **200.8(a):** *"Each Licensee shall maintain at all times such capital in an amount and form **as the superintendent determines is sufficient** to ensure the financial integrity of the Licensee and its ongoing operations based on an assessment of the specific risks applicable to each Licensee. In determining the minimum amount of capital that must be maintained by a Licensee, the **superintendent may consider a variety of factors**.*
  - **Commenter's elaboration:** Giving the superintendent the ability to arbitrarily set the minimum amount of capital to be maintained by each Licensee creates the potential for abuse, as the superintendent may erect a barrier to entry that excludes a certain company or type of business that is undesirable to the

superintendent, either due to the superintendent's personal opinions or unspoken agreements with other Licensees.
- **200.8(a)(8):** *"The types of entities to be serviced by the Licensee."*
  - *Commenter's elaboration:* This addition extends the scope of the arbitrary power granted to the superintendent in 200.8(a).
- **200.8(a)(8):** *"The types of products or services to be offered by the Licensee."*
  - *Commenter's elaboration:* This addition extends the scope of the arbitrary power granted to the superintendent in 200.8(a).

200.11 Change of Control; Mergers and Acquisitions:

- **200.11(a)(3):** *"The superintendent may determine upon application that any Person does not or will not upon the taking of some proposed action control another Person. Such determination shall be made within 30 days or such further period as the superintendent may prescribe."*
  - **Commenter's elaboration:** Allowing the superintendent to determine on a case-by-case basis whether or not an action will give a Person control over another Person grants arbitrary power in that the superintendent can choose to apply or to not apply the "change of control" requirements at will. This ability creates the possibility of abuse, for the superintendent will have the power to increase or decrease the difficulty involved in conducting business that may be arbitrarily construed as "change of control." The superintendent may be inclined to exercise this power to shape the Virtual Currency business landscape in the State in accordance with her personal desires. Additionally, the ability to extend the 30-day waiting period "as the superintendent may prescribe" gives the superintendent the ability to indefinitely postpone any actions that may be construed as "change of control." This ability increases the extent to which the superintendent can arbitrarily shape the Virtual Currency business landscape in the State.
- **200.11(b)(2):** *"Such period of 120 days may be extended by the superintendent, for good cause shown, for such **additional reasonable period of time** as may be required to enable compliance with the requirements and conditions of this Part."*
  - **Commenter's elaboration:** "Reasonable" is very vague and subjective. The superintendent can argue for any period of time as being "reasonable," thereby allowing the superintendent to essentially extend the 120-day period indefinitely.

200.13 Examinations:

- **200.13(a):** *"Each Licensee shall permit and assist the superintendent to examine the Licensee **whenever in the superintendent's judgment** such examination is necessary or advisable."*
  - **Commenter's elaboration:** Allowing the superintendent to demand an examination at any time for any reason constitutes arbitrary power in that the superintendent can halt the operations of a Virtual Currency Business at will. The superintendent may be inclined to order an examination for the purposes of

halting Virtual Currency Business Activity either for personal reasons, or on the behalf of another company or Person as per some unspoken agreement.
- **200.13(d):** *"The Licensee shall permit and assist the superintendent, **when in the superintendent's judgment** it is necessary or advisable, to examine an Affiliate of the Licensee."*

200.15 Anti-Money Laundering Program:

- **200.15(e)(2):** *"When a Licensee is involved in a Virtual Currency transaction or series of Virtual Currency transactions, including transactions for the receipt, exchange, conversion, purchase, sale, transfer, or transmission of Virtual Currency, in an aggregate amount exceeding the United States dollar value of $10,000 in one day, by one Person, the Licensee shall notify the Department, in a **manner prescribed by the superintendent**, within 24 hours."*
  - **Commenter's elaboration:** This provision gives the superintendent the ability to arbitrarily set reporting standards. The superintendent may be inclined to use this ability to indefinitely halt a company's Virtual Currency Business Activity by arbitrarily imposing overly-strict reporting standards.
- **200.15(e)(3)(ii):** *"Each Licensee that is not required to file SARs under federal law shall file with the superintendent, **in a form prescribed by the superintendent**, reports of transactions that indicate a possible violation of law or regulation within 30 days from the detection of the facts that constitute a need for filing."*
  - **Commenter's elaboration:** This provision gives the superintendent the ability to arbitrarily set reporting standards. The superintendent may be inclined to use this ability to indefinitely halt a company's Virtual Currency Business Activity by arbitrarily imposing overly-strict reporting standards.
- **200.15(h):** *"Identification and verification of account holders. When opening an account for, or establishing a service relationship with, a customer, each Licensee must, at a minimum, **verify the customer's identity, to the extent reasonable and practicable**, maintain records of the information used to verify such identity, including name, physical address, and other identifying information, and check customers against the Specially Designated Nationals ("SDNs") list maintained by the Office of Foreign Asset Control ("OFAC"), a part of the U.S. Treasury Department. Enhanced due diligence may be required based on additional factors, such as for high risk customers, high-volume accounts, or accounts on which a suspicious activity report has been filed.*
  - **Commenter's elaboration:** Requiring that Licensees must "verify the customer's identity, to the **extent reasonable and practicable**" is vague, and allows the superintendent to arbitrarily collect private information from customers. This gives the superintendent arbitrary power, and also acts as a violation of privacy

200.19 Consumer Protection:

- **200.19(e)(7):** *"Receipts. Upon completion of any transaction, each Licensee shall provide to a customer a receipt containing the following information: (7) **any additional information the superintendent may require**."*

- ○ **Commenter's elaboration:** Allowing the superintendent to arbitrarily require information on consumer receipts creates a possibility for abuse, as the superintendent may feel inclined to delay or speed up Virtual Currency Business Activity by increasing or decreasing the amount of information required on a consumer receipts in order to shape the Virtual Currency business landscape in a way that suits the superintendent's subjective desires.

200.20 Complaints:

- **200.20(b)(4):** *"Each Licensee must provide, in a clear and conspicuous manner, on its website or websites, in all physical locations, and in any other location as the superintendent may prescribe, the following disclosures: (4) **such other information as the superintendent may require**."*
  - ○ **Commenter's elaboration:** Allowing the superintendent to arbitrarily require that information be put on Licensee properties creates a possibility for abuse, as the superintendent may feel inclined to delay or speed up Virtual Currency Business Activity by increasing or decreasing the amount of information required on Licensee properties in order to shape the Virtual Currency business landscape in a way that suits the superintendent's subjective desires.

All instances in which BitLicense give the superintendent arbitrary power need to be eliminated completely, as arbitrary power gives the superintendent room to abuse her authority. Regardless of the superintendent's merits or intentions, she is human, and is thereby a rational economic actor. Therefore, the superintendent will act in her self interest, and exploit any profit opportunities that she is presented with. Therefore, if the potential, subjective benefits of an opportunity to help a special interest by abusing her arbitrary power outweigh the risks, the superintendent will abuse her arbitrary power. This statement reflects the foundation of public choice economics, and is explored in far greater depth and detail in public choice literature. Such abusive actions will create a system of cronyism, where competition is limited, and the wealthiest companies will control the superintendent and use her arbitrary authority in their favor. This system of cronyism will lead to stagnation in New York's Virtual Currency industry.

In order to eliminate the arbitrary power given to the superintendent by BitLicense, the Department needs to make the following changes to the regulation:

- All provisions that give the superintendent the ability to extend waiting or approval periods by a "reasonable" amount need to be amended so that:
  - ○ The superintendent can only extend these periods by an exact amount of time that is explicitly stated in BitLicense.
  - ○ The superintendent can only extend these periods by the explicitly stated amount of time if the situation in question satisfies criteria that are explicitly stated in BitLicense.
- All provisions that give the superintendent the ability to make decisions at her discretion need to be amended so that:

- ○ The superintendent can only take additional actions that are explicitly stated in BitLicense.
        - ○ The superintendent can only take these additional actions when the situation in question satisfies criteria that are explicitly stated in BitLicesne.
- All provisions that give the superintendent the ability to require Licensees to provide additional information need to be amended so that:
    - ○ The superintendent can only require additional information of certain types, which are explicitly stated in BitLicense

Restrictive Barriers to Entry

200.5 Application Fees:

- *"As part of an application for licensing under this Part, each applicant must submit an initial application fee, in the amount of five thousand dollars, to cover the cost of processing the application, reviewing application materials, and investigating the financial condition and responsibility, financial and business experience, and character and general fitness of the applicant."*

200.7 Compliance:

- **200.7(b):** *"Compliance officer. Each Licensee shall designate a qualified individual or individuals responsible for coordinating and monitoring compliance with this Part and all other applicable federal and state laws, rules, and regulations."*
    - ○ **Commenter's elaboration:** Requiring that companies hire a compliance officer creates a fixed cost that smaller companies may not be able to afford.

200.8 Capital Requirements:

- While this section is intended to ensure "financial integrity," capital requirements erect a barrier to entry that will exclude many small businesses from operating in New York. 200.9(b) and 200.9(c) essentially create the Virtual Currency business equivalent of a 100% reserve requirement, which serves as a sufficient consumer protection against any business failures. Therefore, 200.9(b) and 200.9(c) create capital requirements that protect consumer assets while avoiding the creation of a restrictive barrier to entry, thereby enabling BitLicense to ensure financial integrity without section 200.8.

200.10 Material Change to Business:

- Requiring approval for material changes to business creates a barrier to entry in a broader sense, in that it severely slows the pace at which Licensees can adapt to changes in the Virtual Currency business landscape. New developments in the Virtual Currency economy occur on a remarkably fast timescale, and the approval period for material change to business could mean the difference between a Licensee's success or failure.

<u>200.15 Anti-Money Laundering Program:</u>

- **200.15(c)(3):** *"designate a qualified individual or individuals in compliance responsible for coordinating and monitoring day-to-day compliance with the anti-money laundering program."*
- **200.15(c)(4):** *"provide ongoing training for appropriate personnel to ensure they have a fulsome understanding of anti-money laundering requirements and to enable them to identify transactions required to be reported and maintain records required to be kept in accordance with this Part."*
  - **Commenter's elaboration:** Requiring Virtual Currency businesses to hire and continually train an anti-money laundering team -- as per 200.15(c)(3) and 200.15(c)(4) -- creates a fixed cost that will exclude businesses from operating in the state of New York.

<u>200.16 Cyber Security Program:</u>

- **200.16(a):** *"Generally. Each Licensee shall establish and maintain an effective cyber security program to ensure the availability and functionality of the Licensee's electronic systems and to protect those systems and any sensitive data stored on those systems from unauthorized access, use, or tampering."*
- **200.16(c):** *"Chief Information Security Officer. Each Licensee shall designate a qualified employee to serve as the Licensee's Chief Information Security Officer ("CISO") responsible for overseeing and implementing the Licensee's cyber security program and enforcing its cyber security policy."*
- **200.16(g):** *"Personnel and Intelligence. Each Licensee shall: (1) employ cyber security personnel adequate to manage the Licensee's cyber security risks and to perform the core cyber security functions specified in Paragraph 200.16(a)(1)-(5); (2) provide and require cyber security personnel to attend regular cyber security update and training sessions; and (3) require key cyber security personnel to take steps to stay abreast of changing cyber security threats and countermeasures.*
  - **Commenter's elaboration:** Mandating a cyber security program, a Chief Information Security officer, and additional cyber security personnel -- as per 200.16(a), 200.16(c), and 200.16(g) -- creates a fixed cost that will exclude Virtual Currency businesses from operating in the state of New York.

<u>200.18 Advertising and Marketing:</u>

- **200.18(b):** *"Each Licensee shall maintain, for examination by the superintendent, all advertising and marketing materials for a period of at least seven years from the date of their creation, including but not limited to print media, internet media (including websites), radio and television advertising, road show materials, presentations, and brochures. Each Licensee shall maintain hard copy, website captures of material changes to internet advertising and marketing, and audio and video scripts of its advertising and marketing materials, as applicable."*

- ○ **Commenter's elaboration:** This provision requires Virtual Currency businesses with marketing-intensive business models to set aside a substantial amount of physical space for advertising storage. This requirement places a floor on the minimum size of buildings Virtual Currency businesses can acquire for office space, which increases Virtual Currency businesses' real estate costs. These increased costs act as a barrier to entry that will exclude Virtual Currency businesses from operating in the State of New York.

All instances in which a provision creates a fixed cost that Virtual Currency businesses must pay in order to operate within the state of New York constitute a "restrictive barrier to entry." It is important that barriers to entry be as close to nonexistent as possible so that Virtual Currency businesses will have a strong incentive to operate in New York. Otherwise, Virtual Currency businesses will prefer to operate in states with lower barriers to entry, meaning that New York will lose out on both jobs and revenue. It is essential to address these barriers to entry now, for failure to do so will seriously hinder New York's competitive edge in the future -- as Virtual Currency and Virtual Currency businesses become a more essential part of the economy.

In order to eliminate the barriers to entry created by BitLicense, the Department needs to make the following changes to the regulation:

- 200.5 Application Fees
    - ○ This provision can be amended to require all eligible Virtual Currency businesses to register with the Department, rather than apply for a License. Such an amendment would turn BitLicense from a restrictive licensure scheme to a simple registration system in which all Virtual Currency businesses are allowed to operate in New York, given they comply with the rest of the provisions that will go into effect after registering with the Department.
- 200.10 Material Change to Business
    - ○ This provision does not necessarily create a fixed cost that will exclude Virtual Currency businesses from operating in New York. It does, however, create a high amount of friction for making necessary changes to business models. This provision needs to be struck so that New York-based Virtual Currency businesses can keep up with the rapidly evolving state of the Virtual Currency industry.

- All other provisions that create a fixed cost that Virtual Currency businesses must pay in order to operate in new york need to be struck from BitLicense. The provisions that need to be struck are as follows:
    - ○ 200.7 Compliance
        - ■ **200.7(b)**
    - ○ 200.8 Capital Requirements
    - ○ 200.15 Anti-Money Laundering Program
        - ■ **200.15(c)(3)**
        - ■ **200.15(c)(4)**
    - ○ 200.16 Cyber Security Program
        - ■ **200.16(c)**

Violations of Privacy

200.4 Application:

- **200.4(a):** *"Application for a license required under this Part shall be in writing, under oath, and in a form prescribed by the superintendent, and shall contain the following: (1) the exact name of the applicant, including any doing business as name, the form of organization, the date of organization, and the jurisdiction where organized or incorporated; (2) a list of all of the applicant's Affiliates and an organization chart illustrating the relationship among the applicant and such Affiliates; (3) a list of, and detailed biographical information for, each individual applicant and each director, Principal Officer, Principal Stockholder, and Principal Beneficiary of the applicant, as applicable, including such individual's name, physical and mailing addresses, and information and documentation regarding such individual's personal history, experience, and qualification, which shall be accompanied by a form of authority, executed by such individual, to release information to the Department; (4) a background report prepared by an independent investigatory agency acceptable to the superintendent for each individual applicant, and each Principal Officer, Principal Stockholder, and Principal Beneficiary of the applicant, as applicable; (5) for each individual applicant; for each Principal Officer, Principal Stockholder, and Principal Beneficiary of the applicant, as applicable; and for all individuals to be employed by the applicant who have access to any customer funds, whether denominated in Fiat Currency or Virtual Currency: (i) a set of completed fingerprints, or a receipt indicating the vendor (which vendor must be acceptable to the superintendent) at which, and the date when, the fingerprints were taken, for submission to the State Division of Criminal Justice Services and the Federal Bureau of Investigation; (ii) if applicable, such processing fees as prescribed by the superintendent; and (iii) two portrait-style photographs of the individuals measuring not more than two inches by two inches; (6) an organization chart of the applicant and its management structure, including its Principal Officers or senior management, indicating lines of authority and the allocation of duties among its Principal Officers or senior management; (7) a current financial statement for the applicant and each Principal Officer, Principal Stockholder, and Principal Beneficiary of the applicant, as applicable, and a projected balance sheet and income statement for the following year of the applicant's operation."*

200.12 Books and Records:

- **200.12(a):** *"Each Licensee shall, in connection with its Virtual Currency Business Activity, make, keep, and preserve all of its books and records in their original form or*

native file format for a period of at least seven years from the date of their creation and in a condition that will allow the superintendent to determine whether the Licensee is complying with all applicable laws, rules, and regulations."

- **200.12(a)(1):** *"for each transaction, the amount, date, and precise time of the transaction, any payment instructions, the total amount of fees and charges received and paid to, by, or on behalf of the Licensee, and the names, account numbers, and physical addresses of (i) the party or parties to the transaction that are customers or accountholders of the Licensee; and (ii) to the extent practicable, any other parties to the transaction."*
- **200.12(a)(6):** *"records demonstrating compliance with applicable state and federal anti-money laundering laws, rules, and regulations, including customer identification and verification documents, records linking customers to their respective accounts and balances, and a record of all compliance breaches ."*

200.13 Examinations:

- **200.13(b):** *"Each Licensee shall permit and assist the superintendent at any time to examine all of the Licensee's books, records, accounts, documents, and other information."*
    - **Commenter's elaboration:** This provisions allows the superintendent to view sensitive information regarding Virtual Currency business employees and customers at any time, without a specific reason.

200.15 Anti-Money Laundering Program:

- **200.15(e):** *"Each Licensee, as part of its anti-money laundering program, shall maintain records and make reports in the manner set forth below. (1) Records of Virtual Currency transactions. Each Licensee shall maintain the following information for all Virtual Currency transactions including involving the payment, receipt, exchange or conversion, purchase, sale, transfer, or transmission of Virtual Currency: i) the identity and physical addresses of the party or parties to the transaction that are customers or accountholders of the Licensee and, to the extent practicable, any other parties to the transaction; ii) the amount or value of the transaction, including in what denomination purchased, sold, or transferred; iii) the method of payment; iv) the date or dates on which the transaction was initiated and completed; and v) a description of the transaction. (2) Reports on transactions. When a Licensee is involved in a Virtual Currency transaction or series of Virtual Currency transactions, including transactions for the receipt, exchange, conversion, purchase, sale, transfer, or transmission of Virtual Currency, in an aggregate amount exceeding the United States dollar value of $10,000 in one day, by one Person, the Licensee shall notify the Department, in a manner prescribed by the superintendent, within 24 hours."*
- **200.15(g):** *"No Licensee shall engage in, facilitate, or knowingly allow the transfer or transmission of Virtual Currency when such action will **obfuscate or conceal the identity of an individual customer or counterparty**. Nothing in this Section, however, shall be construed to require a Licensee to make available to the general public the fact*

or nature of the movement of Virtual Currency by individual customers or counterparties."

- **200.15(h)(1):** *"Identification and verification of account holders. When opening an account for, or establishing a service relationship with, a customer, each Licensee must, at a minimum,* **verify the customer's identity, to the extent reasonable and practicable***, maintain records of the information used to verify such identity, including name, physical address, and other identifying information, and check customers against the Specially Designated Nationals ("SDNs") list maintained by the Office of Foreign Asset Control ("OFAC"), a part of the U.S. Treasury Department. Enhanced due diligence may be required based on additional factors, such as for high risk customers, high-volume accounts, or accounts on which a suspicious activity report has been filed.*
    - **Commenter's elaboration:** Requiring that Licensees must "verify the customer's identity, to the extent reasonable and practicable" is vague and allows the superintendent to arbitrarily collect private information from customers. This gives the superintendent arbitrary power, and also acts as a violation of privacy

All instances in which a provision requires Licensees to relinquish to the superintendent, on demand, the personal information of their employees or customers constitute a violation of privacy. Protecting the privacy of private individuals is important not only from a moral and Constitutional perspective, but also from a competitive perspective. Consumers will likely prefer to patronize businesses that are as unintrusive as possible, meaning that they require little to no sensitive information from the consumers. Therefore, consumers may be apprehensive towards patronizing New York-based Virtual Currency businesses, as some provisions in BitLicense intrude on the customers' privacy, and create inconvenient information requirements for customers. Consequently, Virtual Currency businesses will prefer to set up in states that are less demanding when it comes to gathering the personal data of a Virtual Currency business' employees or customers.

In order to respect the privacy of customers, and ensure that BitLicense does not diminish New York's competitive edge in the Virtual Currency industry, the Department needs to make the following changes to the regulation:

- All provisions that require Licensees to gather and store personal data on customers and employees, which are listed above, need to be restricted by the Fourth Amendment of the United States Constitution. Therefore, BitLicense must mandate that the superintendent, as well as the Department in general, obtain a legitimate search warrant before accessing any of the personal data of a Licensee's customers and employees.
    - While it would be ideal to strike the privacy-violating provisions altogether, this commenter understands that the Department has a vested interest in preventing cybercrime and money laundering, and will likely not strike provisions that violate the privacy of a Licensee's customers and employees. Thus, given that these privacy violations will inevitably occur, the superintendent, and the Department in general, need to be blocked from accessing personal information unless it is to investigate an ongoing crime. Mandating that the superintendent, and the Department in general, obtain a legitimate search warrant to access the personal

information of a Licensee's customers and employees will successfully limit their abilities to violate customer and employee privacy to instances of legitimate criminal investigation.

Let it be known that this comment does not constitute a comprehensive, exhaustive list of the inefficiencies present in BitLicense, and that the commenter may have missed provisions that full under the three categorical inefficiencies identified in this comment. The superintendent and the Department should seek out all provisions that fall under the three categorical inefficiencies identified in this comment and work towards striking them -- or amending them, if striking is not an option.