



BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE  
FOR THE STATE OF TENNESSEE

TENNESSEE SECURITIES DIVISION, )  
)  
Petitioner, )  
)  
v. ) TSD No.: 22-013  
)  
BLOCKFI LENDING LLC, )  
)  
Respondent. )

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CONSENT ORDER

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WHEREAS BlockFi Lending LLC (“BlockFi”) is a New Jersey-based financial services company that offered and sold interest-bearing digital asset accounts called BlockFi Interest Accounts (“BIAs”), through which investors lend digital assets to BlockFi in exchange for BlockFi’s promise to provide variable monthly interest payment; and

State securities regulators, as members of the North American Securities Administrators Association (“NASAA”), formed a working group (the “Multistate Working Group”) and conducted an investigation into whether BIAs involved the offer and sale of unregistered securities by BlockFi to retail investors; and

BlockFi has cooperated with state securities regulators and the Multistate Working Group conducting the investigation by responding to inquiries, providing documentary evidence and other materials, and providing access to facts relating to the investigations; and

BlockFi has advised the Multistate Working Group of its agreement to resolve the investigation pursuant to the terms specified in this Consent Order (the “Consent Order”) and pursuant to the multistate resolution recommended by the Multistate Working Group; and

BlockFi will cease and desist offering or selling the BIAs or any security that is not registered, qualified, or exempt to new clients in the United States and cease accepting further investments or funds in the BIAs by current U.S. clients, unless and until the BIAs or other securities are registered, qualified, or otherwise exempt; and

BlockFi shall pay up to a total of fifty million dollars (\$50,000,000.00) in settlement payments divided equally among the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands and paid to each of the 53 Jurisdictions that enter into a consent order pursuant to the terms of BlockFi's agreement with the Multistate Working Group; and

Solely for the purpose of terminating the Multistate Working Group investigation and in settlement of the issues contained in this Consent Order, BlockFi, without admitting or denying the findings of fact or conclusions of law contained in this Consent Order, consents to the entry and execution of this Consent Order.

NOW, THEREFORE, the Commissioner of the Tennessee Department of Commerce and Insurance ("Commissioner"), as administrator of the Tennessee Securities Act of 1980, as amended, Tenn. Code Ann. §§ 48-1-101 to 48-1-201 ("Act"), hereby enters and executes this Consent Order:

## **I. GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order is subject to the Commissioner's acceptance and has no force and effect until such acceptance is evidenced by the entry and execution of this Consent Order by the Commissioner. Entry and execution of this Consent Order by the Commissioner shall occur when the Commissioner signs and dates this Consent Order.

2. It is expressly understood that this Consent Order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

3. This Consent Order is executed by the Commissioner, the Tennessee Securities Division (“Division”), and the Respondent to avoid further administrative action with respect to the same findings of fact and conclusions of law described herein. Should this Consent Order not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Consent Order by the Commissioner (i) shall not unfairly or illegally prejudice the Commissioner from further participation or resolution of these proceedings, and (ii) shall not waive any argument or defense that Respondent may make in such further proceeding.

4. The Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts and/or omissions not specifically addressed in this Consent Order nor for facts and/or omissions that do not arise from the facts or transactions herein.

5. The Respondent fully understands that this Consent Order will in no way preclude proceedings by state government representatives, other than the Commissioner, for (i) violations of law arising from the acts or omissions addressed specifically in this Consent Order; (ii) violations of law under statutes, rules, or regulations of the State of Tennessee that arise out of the facts, acts, or omissions contained in this Consent Order; or (iii) violations of law arising from acts or omissions addressed specifically herein that result from the execution of this Consent Order.

6. Once this Consent Order is accepted and entered by the Commissioner, the Respondent waives all further procedural steps and all rights to seek judicial review of, or otherwise challenge the validity of this Consent Order, the stipulations and imposition of discipline

contained herein, or the consideration and entry and execution of this Consent Order by the Commissioner.

## II. FINDINGS OF FACT

7. The Division has jurisdiction over this matter pursuant to Tenn. Code Ann. § 48-1-115.

8. BlockFi Inc., a Delaware corporation, incorporated on August 1, 2017, with offices at 201 Montgomery Street, Suite 263, Jersey City, New Jersey, is a financial services company that, through its subsidiaries, generates revenue through cryptocurrency and other digital asset trading, lending, and borrowing, as well as investments and other types of transactions.

9. BlockFi Trading LLC, a Delaware limited liability company formed on May 28, 2019, with offices at 201 Montgomery Street, Suite 263, Jersey City, New Jersey, is a wholly owned subsidiary of BlockFi Inc. and acts as a money transmitter that accepts money and digital assets from investors and transfers the funds to BlockFi for investment in BIAs.

10. BlockFi, a Delaware limited liability company formed on January 11, 2018, with offices at 201 Montgomery Street, Suite 263, Jersey City, New Jersey, is a wholly owned subsidiary of BlockFi Inc. and an affiliate of BlockFi Trading LLC and is the issuer of the BIAs.

11. Starting on January 7, 2021, members of the Multistate Working Group contacted BlockFi to notify it that it may have offered and sold securities that may not comply with state securities laws.

12. On July 19, 2021, New Jersey filed a summary cease and desist order alleging BlockFi and its parent and affiliate, BlockFi Inc. and BlockFi Trading LLC, were offering and selling unregistered securities in the form of BIAs.

13. On July 22, 2021, Alabama filed an order to show cause alleging BlockFi and its parent and affiliate, BlockFi Inc. and BlockFi Trading LLC, were offering and selling unregistered securities in the form of BIAs.

14. On July 22, 2021, Texas filed a notice of hearing alleging BlockFi and its parent and affiliate, BlockFi Inc. and BlockFi Trading LLC, were offering and selling unregistered securities in the form of BIAs.

15. On July 22, 2021, Vermont filed a show cause order alleging BlockFi and its parent and affiliate, BlockFi Inc. and BlockFi Trading LLC, were offering and selling unregistered securities in the form of BIAs.

16. On July 29, 2021, Kentucky filed an emergency cease and desist order alleging BlockFi and its parent and affiliate, BlockFi Inc. and BlockFi Trading LLC, were offering and selling unregistered securities in the form of BIAs.

17. On September 23, 2021, Washington filed a statement of charges alleging BlockFi and its parent and affiliate, BlockFi Inc. and BlockFi Trading LLC, were offering and selling unregistered securities in the form of BIAs.

18. On February 14, 2022, BlockFi agreed to cease and desist offering and selling BIAs nationwide to new investors in the United States and cease and desist accepting further investments or funds in the BIAs by current U.S. investors, including in Tennessee.

#### THE OFFER AND SALE OF SECURITIES NATIONWIDE

19. From at least March 4, 2019 through February 14, 2022 (the “Relevant Period”), BlockFi has offered and sold securities in the form of interest-bearing digital asset accounts called BIAs and marketed, offered, and sold those securities to Tennessee residents.

20. On March 4, 2019, BlockFi publicly announced the launch of the BIA, through which investors could lend digital assets to BlockFi and in exchange, receive interest, “paid monthly in cryptocurrency.” Interest began accruing the day after assets were transmitted to BlockFi and compounded monthly, with interest payments made to accounts associated with each BIA investor, in digital assets, on or about the first business day of each month.

21. Investors in BIAs lent digital assets to BlockFi in exchange for BlockFi’s promise to provide a variable monthly interest payment.

22. BlockFi represented it generated the interest it paid BIA investors by deploying investors’ digital assets in various ways, including loans made to institutional investors, lending U.S. dollars to retail investors, and investing in digital assets, equities, and futures.

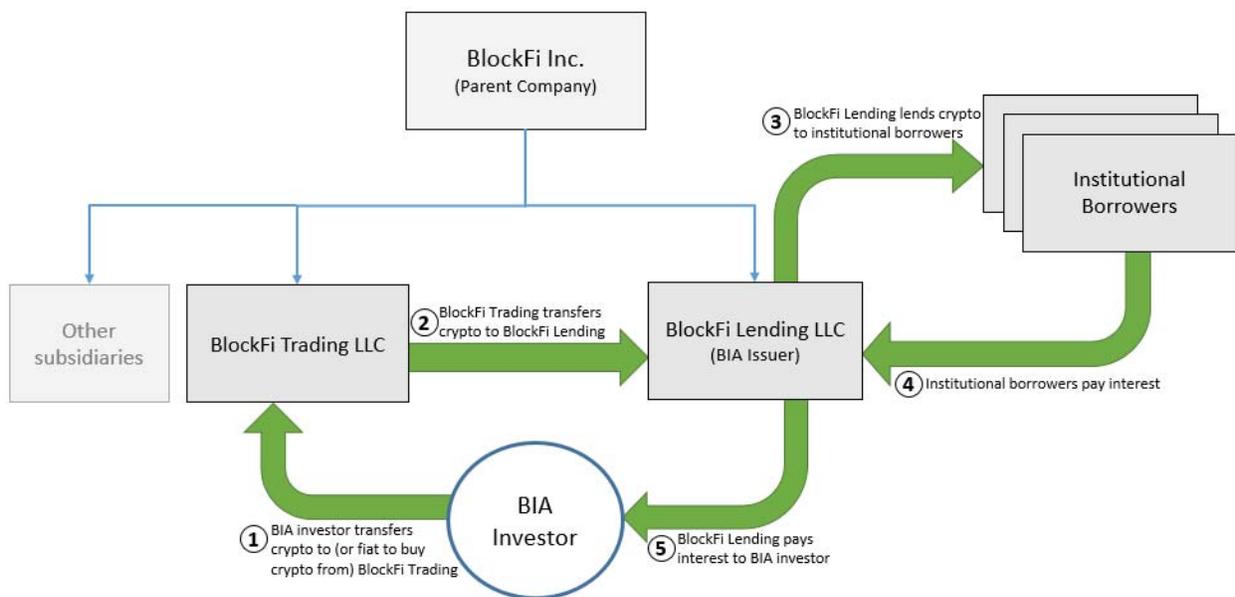
23. Under BlockFi’s terms for the BIA, investors:

grant BlockFi the right, without further notice to [the investor], to hold the cryptocurrency held in [the] account in BlockFi’s name or in another name, and to pledge, repledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer, invest or use any amount of such cryptocurrency, separately or together with other property, with all attendant rights of ownership, and for any period of time and without retaining in BlockFi’s possession and/or control a like amount of cryptocurrency, and to use or invest such cryptocurrency at its own risk.

24. BlockFi offered and sold BIAs to obtain digital assets for the general use of its business, namely to use the assets in its lending and investment activities, which generated income both for BlockFi and to pay interest to BIA investors. BlockFi pooled the loaned assets, and exercised full discretion over how much to hold, lend, and invest. BlockFi had complete legal ownership and control over the digital assets loaned to it by BIA investors and advertised that it managed the risks involved.

25. To begin investing in a BIA, an investor could transfer digital assets to the digital wallet address assigned by BlockFi to the investor or purchase digital assets with fiat currency

from BlockFi Trading LLC for the purpose of investing in a BIA. BlockFi Trading LLC accepted the digital asset or fiat from the investor, and then transferred the asset to BlockFi. BlockFi did not hold private keys for the investors' wallet addresses; rather, investors' digital assets were sent to BlockFi's wallet addresses at third-party custodians.



26. BIA investors were permitted to withdraw the equivalent to the digital assets they loaned to BlockFi and accrued interest at any time, with some limitations, and could borrow money in U.S. dollars against the amount of digital assets deposited in BIAs.

27. BlockFi adjusted the interest rates payable on BIAs for particular digital assets periodically, and typically at the start of each month. BlockFi set the rates based, in part, on “the yield that [BlockFi] can generate from lending,” to institutional borrowers, and thus interest rates were correlated with the efforts that BlockFi put in to generate that yield. BlockFi periodically adjusted its interest rates payable on the BIAs in part after analysis of current yield on its investment and lending activity. BIA investors could demand that BlockFi repay the loaned digital assets at any time.

28. As of March 31, 2021, BlockFi and its affiliates held approximately \$14.7 billion in BIA investor assets. As of December 8, 2021, BlockFi and its affiliates held approximately \$10.4 billion in BIA investor assets, and had approximately 572,160 BIA investors, including 391,105 investors in the United States.

29. As of December 31, 2019, BlockFi and its affiliates held approximately one million, one hundred forty-four thousand, five hundred sixty-seven dollars (\$1,144,567) in BIA investor assets from Tennessee residents. As of December 31, 2020, BlockFi and its affiliates held approximately twenty-six million, one hundred one thousand, seven hundred seven dollars (\$26,101,707) in BIA investor assets from Tennessee residents. As of December 31, 2021, BlockFi and its affiliates held approximately seventy-nine million, four hundred twenty thousand, eight hundred forty-four dollars (\$79,420,844) in BIA investor assets from Tennessee residents.

#### MARKETING BLOCKFI'S BIA

30. BlockFi offered and sold the BIA securities to investors, including retail investors, through advertising and general solicitations on its website, [www.blockfi.com](http://www.blockfi.com). BlockFi also promoted distribution of the BIA offering through its social media accounts, including YouTube, Twitter, and Facebook. In addition, through its “Partner” program, an affiliate marketing program in which participants could “earn passive income by introducing your audience to financial tools for crypto investors,” BlockFi extended its distribution of the BIA securities to retail investors through certain offers and promotions.

31. BlockFi regularly touted the profits investors may earn by investing in a BIA. When announcing the BIA, BlockFi promoted the interest earned, promising “an industry-leading 6.2% [annual percentage yield],” compounded monthly. BlockFi described it as “an easy way for crypto investors to earn bitcoin as they HODL.”

32. Within the first few weeks of launching the BIA, BlockFi again touted investors' potential for profit. On March 20, 2019, BlockFi announced that BIAs experienced significant growth, including from large firms who participated in BIAs "as a way to bolster their returns." BlockFi asserted that its "mission is to provide the average crypto investor with the tools to build their wealth," and that it "look[ed] forward to giving even more investors a chance to earn a yield on their crypto."

33. On April 1, 2019, BlockFi began to "tier" the interest rates that investors received, initially announcing that "BIA balances of up to and including 25 [Bitcoin] or 500 [Ether] (equivalent to roughly \$100,000 and \$70,000 respectively) will earn the 6.2% APY interest rate. All balances over that limit will earn a tiered rate of 2% interest." Even when changing the interest rates customers receive, BlockFi touted the yields to investors. On August 27, 2021, BlockFi stated that the adjustments to interest rates are done "with the goal of maintaining great rates for the maximum number of clients."

34. On January 1, 2021, BlockFi advertised that it had "distributed more than \$50 million in monthly interest payments to [its] clients."

35. As of November 1, 2021, the interest rates BlockFi paid investors ranged from 0.1% to 9.5%, depending on the type of digital asset and the size of the investment. For example, investors could receive 9.5% in interest for up to 40,000 Tether ("USDT") and 8.5% for anything over 40,000 USDT, as well as 4.5% interest for up to 0.1 Bitcoin ("BTC"), 1% for 0.1 to 0.35 BTC, and 0.1% for anything over 0.35 BTC.

#### MISREPRESENTATION OF COLLATERALIZATION PRACTICES FOR INSTITUTIONAL LOANS

36. BlockFi's offer of BIAs included an untrue statement of a material fact that was misleading or otherwise likely to deceive the public on its website from March 4, 2019 to August

31, 2021, concerning its collateral practices and, therefore, the risks associated with its lending activity.

37. Beginning at the time of the BIA launch on March 4, 2019 and continuing to August 31, 2021, BlockFi made a statement in multiple website posts that its institutional loans were “typically” over-collateralized, when in fact, most institutional loans were not.

38. When BlockFi began offering the BIA investment, it intended to require over-collateralization on a majority of its loans to institutional investors, but it quickly became apparent that large institutional investors were frequently not willing to post large amounts of collateral to secure their loans.

39. Approximately 24% of institutional digital asset loans made in 2019 were over-collateralized; in 2020 approximately 16% were over-collateralized; and in 2021 (through June 30, 2021) approximately 17% were over-collateralized.

40. As a result, BlockFi’s statement materially overstated the degree to which it secured protection from defaults by institutional borrowers through collateral. Through operational oversight, BlockFi’s personnel failed to take steps to update the website statement to accurately reflect the fact that most institutional loans were not over-collateralized.

41. Although BlockFi made other disclosures on its website regarding its risk management practices, because of BlockFi’s misrepresentations and omissions about the level of risk in its loan portfolio, BIA investors did not have complete and accurate information with which to evaluate the risk that, in the event of defaults by its institutional borrowers, BlockFi would be unable to comply with its obligation to pay BIA investors the stated interest rates or return the loaned digital assets and accrued interest to investors upon demand.

## FAILURE TO COMPLY WITH REGISTRATION REQUIREMENTS

42. During the Relevant Period, BlockFi's offer and sale of BIAs was not done subject to an exception or exemption from registration.

43. During the Relevant Period, BlockFi offered and sold securities in Tennessee that were not registered or permitted for sale in Tennessee as required by Tenn. Code Ann. § 48-1-104.

44. During the Relevant Period, BlockFi offered and sold securities in Tennessee without being registered as a broker-dealer or agent as required by Tenn. Code Ann. § 48-1-109.

### **III. CONCLUSIONS OF LAW**

45. Pursuant to Tenn. Code Ann. § 48-1-115(a), the responsibility for the administration of the Act is vested in the Commissioner. The Division is the lawful agent through which the Commissioner discharges this responsibility pursuant to Tenn. Code Ann. § 48-1-115(b).

46. Tenn. Code Ann. § 48-1-116 provides that the Commissioner may make, promulgate, amend, and rescind such orders as are necessary to carry out the provisions of the Act upon a finding that such order is in the public interest, necessary for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act.

47. Tenn. Code Ann. § 48-1-102(20)(A) states:

“Security” means any note, stock, treasury stock, bond, debenture, evidence of indebtedness, a life settlement investment or any fractional or pooled interest in a life insurance policy or life settlement investment, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, *investment contract* [emphasis added], voting-trust certificate, certificate of deposit for a security, certificate of interest or participation in an oil, gas, or mining title or lease or in payments out of production under such a title or lease; or, in general, any interest or instrument commonly known as a “security,” or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing[.]

48. Tenn. Code Ann. § 48-1-104(a)(1)-(2) sets forth that it is unlawful to sell any security in this state unless it is registered or exempt from registration under Tenn. Code Ann. § 48-1-103.

49. Tenn. Code Ann. § 48-1-104(b) states that “[t]he commissioner may, after notice and opportunity for a hearing . . . impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars (\$10,000) per violation[.]”

50. Tenn. Code Ann. § 48-1-109(a) sets forth that “[i]t is unlawful for any person to transact business from, in, or into this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent . . .” and under subsection (e), “[t]he commissioner may, after notice and an opportunity for a hearing . . . impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars (\$10,000) per violation[.]”

51. Tenn. Code Ann. § 48-1-121(a)(2) states:

It is unlawful for any person, in connection with the offer, sale or purchase of any security in this state, directly or indirectly, to . . . [m]ake any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading . . . .

52. Tenn. Code Ann. § 48-1-121(d) further states:

The commissioner may, after notice and opportunity for a hearing under the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, impose a civil penalty against any person found to be in violation of this section, or any rule or order adopted or issued under this section, in an amount not to exceed ten thousand dollars (\$10,000) per violation, or in an amount not to exceed twenty thousand dollars (\$20,000) per violation if an individual who is a designated adult is a victim.

53. The BIAs are securities as defined in Tenn. Code Ann. § 48-1-102(20)(A).

54. During the Relevant Period, BlockFi's offer and sale of securities in Tennessee that were not registered or permitted for sale in Tennessee violated Tenn. Code Ann. § 48-1-104.

55. During the Relevant Period, BlockFi's offer and sale of securities in Tennessee without being registered as a broker-dealer or agent violated Tenn. Code Ann. § 48-1-109.

56. During the Relevant Period, BlockFi's offer included an untrue statement of a material fact that was misleading or otherwise likely to deceive the public on its website concerning its collateral practices and, therefore, the risks associated with its lending activity in violation of Tenn. Code Ann. § 48-1-121(a)(2).

57. The foregoing violations of the Act constitute the basis for the assessment of a civil penalty against BlockFi.

58. The Commissioner finds the following relief appropriate, in the public interest, and necessary for the protection of investors.

#### **IV. UNDERTAKING**

58. BlockFi's parent, BlockFi Inc., undertakes and agrees to file with the Commissioner for registration to offer and sell a new investment product, BlockFi Yield, which BlockFi Inc. intends to register under the federal Securities Act of 1933, as required by Tenn. Code Ann. § 48-1-104.

59. BlockFi and BlockFi's parent, BlockFi Inc., further undertake and agree to cease and desist offering or selling BIAs or any security that is not registered, qualified, or exempt to new investors in the United States and cease and desist accepting further investments or funds in the BIAs by current U.S. investors unless and until the BIAs or other securities have been registered by the Commissioner or are otherwise exempt.

60. BlockFi's parent, BlockFi Inc., undertakes and agrees to file with the Commissioner for registration as a broker-dealer or engage a registered broker-dealer as required by Tenn. Code Ann. § 48-1-109 before offering or selling securities, unless otherwise exempt.

61. BlockFi's parent, BlockFi Inc., undertakes and agrees to cease and desist making any statement of a material fact that is materially misleading or otherwise likely to deceive the public.

62. BlockFi undertakes and agrees to pay a civil penalty in the amount of \$943,396.22.

## **V. ORDER**

**NOW, THEREFORE**, based on the foregoing, including the Respondent's waiver of the right to a hearing and appeal under the Act, the Tennessee Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-101 *et seq.*, and the Respondent's admission to the jurisdiction of the Commissioner, the Commissioner finds that the Respondent agrees to the entry and execution of this Consent Order to settle this matter as evidenced by the signature of Respondent's representative.

**IT IS ORDERED**, pursuant to Tenn. Code Ann. § 48-1-116, that:

1. This Consent Order concludes the investigation by the Division and resolves any other action the Division could commence against BlockFi and its affiliates concerning the Findings of Fact and Conclusions of Law, including as it relates to the offer and sale of BIAs without registration, qualification, or otherwise complying with an exemption and the above-referenced statements regarding BlockFi's collateral practices made thereto during the Relevant Period.

2. This Consent Order is entered into and executed solely for the purpose of resolving the referenced multistate investigation and is not intended to be used for any other purpose. Other

than the obligations and provisions set forth herein, this Consent Order does not limit or create liability for BlockFi nor limit or create defenses for BlockFi to any claims.

3. This Consent Order and the order of any other State in any proceeding related to BlockFi's agreement to resolve the above-referenced multistate investigation (collectively, the "Orders") shall not be used as sole grounds to deny registration or qualification of securities issued by BlockFi or its parent BlockFi Inc.

4. This Consent Order is not intended to subject any Covered Person to any disqualifications under the laws of the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands, or under the rules or regulations of any securities or commodities regulator or self-regulatory organization, including, without limitation, any disqualification from relying upon the state or federal registration exemptions or safe harbor provisions. "Covered Persons" means BlockFi, its parent, or any of its affiliates and their current or former officers, directors, employees, or other persons that could otherwise be disqualified as a result of the Orders.

5. This Consent Order does not preclude BlockFi from paying interest or returns to existing clients, refunding principal to investors consistent with the terms of the BIAs, or otherwise lawfully dealing with existing clientele.

6. BlockFi is hereby ORDERED to cease and desist from offering or selling the BIAs or any security that is not registered, qualified, or exempt to new investors in Tennessee and cease and desist accepting further investments or funds in the BIAs by current Tennessee investors, unless and until the BIAs or other securities are registered or otherwise exempt in Tennessee.

7. BlockFi is hereby ORDERED to pay a civil penalty in the amount of \$943,396.22 to the Tennessee Securities Investor Education Fund. The payment of such civil penalty shall be made by check payable to the State of Tennessee, Securities Division. Page one (1) of this Consent

Order must accompany the payment for reference. The payment shall be mailed to the attention of:

**State of Tennessee  
Department of Commerce and Insurance  
Attn: Legal Division  
500 James Robertson Parkway  
Davy Crockett Tower  
Nashville, Tennessee 37243**

8. Payment shall be made in the following installments:
  - a. \$188,679.24 within 14 days of entry and execution of this Order;
  - b. \$188,679.24 by August 15, 2022;
  - c. \$188,679.24 by February 14, 2023;
  - d. \$188,679.24 by August 14, 2023;
  - e. \$188,679.26 by February 14, 2024;
9. If BlockFi fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Consent Order minus any payments made, shall become due and payable immediately at the discretion of the staff of the Division without further application to the Division.
10. This Consent Order shall be binding upon BlockFi, its parent and affiliates, and their respective successors and assigns with respect to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.
11. This Consent Order is in the public interest and the best interests of the Parties.

12. This Consent Order may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document. The facsimile, email, or other electronically delivered signatures of the parties shall be deemed to constitute original signatures, and facsimile or electronic copies shall be deemed to constitute duplicate originals.

**ENTERED AND EXECUTED** May 13, 2022.

  
Carter Lawrence (May 13, 2022 15:59 CDT)

Carter Lawrence, Commissioner  
Department of Commerce and Insurance

**APPROVED FOR ENTRY AND EXECUTION:**

  
Elizabeth H. Bowling (May 12, 2022 17:36 CDT)

Elizabeth H. Bowling  
Assistant Commissioner for Securities  
Department of Commerce and Insurance



William H. Leslie, BPR #036098  
Associate General Counsel for Securities  
Department of Commerce and Insurance



**CONSENT TO ENTRY AND EXECUTION OF ADMINISTRATIVE ORDER BY  
BLOCKFI INC.**

BlockFi Inc., BlockFi Lending LLC's parent, hereby acknowledges that it has been served with a copy of this Consent Order, has read the foregoing Consent Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

BlockFi Inc. admits the jurisdiction of the Tennessee Securities Division, neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Consent Order, and consents to entry and execution of this Consent Order by the Commissioner of the Tennessee Department of Commerce and Insurance as settlement of the issues contained in this Consent Order.

BlockFi Inc. unconditionally guarantees payment of the civil penalty in the amount of nine hundred forty-three thousand, three hundred ninety-six dollars and twenty-two cents (\$943,396.22) as agreed in this Consent Order.

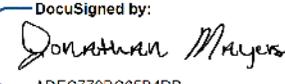
BlockFi Inc. agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any civil penalty that BlockFi Inc. shall pay pursuant to this Consent Order.

BlockFi Inc. states that no promise of any kind or nature whatsoever was made to it to induce it to consent to this Consent Order and that it has consented to this Consent Order voluntarily.

Jonathan Mayers represents that s/he is General Counsel of BlockFi Inc. and that, as such, has been authorized by BlockFi Inc. to enter into and execute this Consent Order for and on behalf of BlockFi Inc.

Dated this 10<sup>th</sup> day of May, 2022.

BlockFi Inc.

DocuSigned by:  
By:   
ADEC7703C85B4DB...  
Title: General Counsel