

NY BITLICENSE LAWSUIT: JUDGE DECLINING TO DISMISS THE CASE & RESCHEDULING ORAL ARGUMENTS

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March 21, 2017, New York, NY – On March 16, 2017 at 9:30 AM, a hearing took place in a challenge against the New York Bitlicense regulation before Hon. Judge Lucy Billings (*Chino vs. NY Dept. Financial Services* (“NYDFS”), Index No. 0101880-2015).

During the hearing, Hon. Judge Lucy Billings chose not to dismiss the case as requested by NYDFS. Instead, she decided to hear all factual and legal issues raised by Theo Chino and wanted to hear oral arguments on all issues at a later date. A new hearing date is expected for May 2017.

“Just the fact that the judge wants to hear this case is a huge deal against ‘Overreaching Double Dealing Lawskys’ legacy,” said Chino.

In 2015, NYDFS promulgated its controversial “Virtual Currency” regulation (Part 200 of Chapter 1 of Title 23 of the New York Codes, Rules and Regulations), also known as BitLicense, aimed at regulating Bitcoin and other cryptocurrency businesses in New York. In October 2015, Theo Chino filed an action in New York State Supreme Court against NYDFS arguing that the agency exceeded its regulatory mandate, and that regulating Bitcoin lies with the legislature, not with the agency.

The 2015 promulgation of the regulation has had strong ripple effects for small businesses in New York. Reuters, in October 2016, quoted GoCoin CEO Steve Beauregard as saying that securing a New York license was not worth the effort: “It’s too overreaching and burdensome, especially for the smaller companies.” Furthermore, since the promulgation of the regulation, New York has seen Bitcoin businesses moving to other states where regulation is friendlier and less costly. Other businesses had to close down or abandon their Bitcoin expansion.

For more information on the lawsuit and to follow the progress, visit <http://www.article78againstnydfs.com>.

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