



## **LAWSUIT: THE DEPARTMENT OF FINANCIAL SERVICES ACTED ARBITRARILY, INAPPROPRIATELY USED BITCOINERS AS “GUINEA PIGS” WHEN IT PROMULGATED ITS VIRTUAL CURRENCY REGULATION**

*For Immediate Release*

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The New York Department of Financial Services acted illegally and arbitrarily, and exceeded its regulatory power when it promulgated its controversial “Virtual Currency” regulation in 2015 (Part 200 of Chapter 1 of Title 23 of the New York Codes, Rules and Regulations).

In response to a motion to dismiss a lawsuit challenging the regulation, the plaintiff in the case, a small business owner, Theo Chino, argued that the Department acted inappropriately and beyond the scope of its statutory authority, and exercised its regulatory power arbitrarily.

Furthermore, the response includes clear evidence that the regulation triggered an exodus of bitcoin technology start-ups out of New York, and that B. Lawsky, the former Department’s Superintendent, acknowledged he intended to use these rules as a testing ground of unauthorized regulatory power on traditionally regulated financial institutions, and not as a genuine response to an objective need.

*“It is appalling that the former head of the Department admitted that his ultimate goal was to use the bitcoin community as “guinea pigs” to test new rules for the banks, which the legislature never authorized. This may be a game for Mr. Lawsky, but his inappropriate behavior has real life consequences. Because of this regulation, I am no longer able to pursue the expansion of my business, which I have to close as a consequence. This is why I am seeking the help of the judiciary branch, to tell these regulators they cannot play around with people’s lives and investments, and to stop them from using us as his toys,”* said Chino.

The case is *Chino v. Dept of Financial Services*, Claim # 124835, Index # 101880-15, and is before Judge Lucy Billings.

The Ciric Law Firm, PLLC, located in New York, NY, is a boutique firm specialized in commercial litigation services for businesses, nonprofit organizations and individuals, as well as in cultural heritage law.

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