



March 12, 2026

433 W. Van Buren Street
Suite 1050N
Chicago, IL 60607

Representatives,

CoinFlip supports smart regulation and shares your goal of protecting consumers. We have implemented industry-leading safeguards to protect our customers and believe state-level regulation plays an important role in ensuring all operators follow the same standards. That's why we work with legislatures across the country to develop policies that protect consumers while preserving reasonable access for experienced users with legitimate and consistent activity.

CoinFlip and our Customers

CoinFlip is a global digital currency platform, focused on providing consumers a simple and secure way to buy and sell virtual currency. Founded in 2015, CoinFlip is one of the world's largest operators of virtual currency kiosks, with more than 6,000 locations across 49 states in the United States and in seven countries around the world, employing more than 200 people.

CoinFlip has 7 locations in Alaska.

See the attached document to reveal some reasons why people use our kiosks and why customers gave us '5 stars'. Overall, they like ease of use and customer service where they can talk to a real person 24/7, something that is almost impossible to do at an online exchange.

Policy

Here is some explanation of the policies we have been supportive of in other states:

- **Require licensure with the state.** CoinFlip believes a money transmitter license should be required for all virtual currency kiosk operators, allowing for state oversight and periodic audits to determine the adequacy of compliance, finance, and cybersecurity programs.
- **Require robust compliance programs.** Kiosk operators should be required to directly employ a qualified, in-house, Chief Compliance Officer and compliance team, that does not have a large ownership interest in the company. At CoinFlip, we take compliance seriously: our Chief Compliance Officer is a former federal prosecutor, and our general counsel is a former Illinois Assistant Attorney General.
- **Require clear, highly visible warnings and fee disclosures.** We agree with the proposed legislation regarding the requirement of clear disclosures regarding all fees and terms of service. We also believe highly visible fraud warnings should be required to be displayed and acknowledged by the customer prior to the initiation and completion of any transaction.
- **Require blockchain analytics.** The use of blockchain analytics technology should be required to fight fraud by automatically blocking customer transactions to high-risk digital wallets.
- **Require live customer service.** Customer service is the first line of defense for consumer protection. We believe every virtual currency kiosk operator should be required to provide trained, live customer service at minimum during business hours.
- **Reasonable fee caps.**

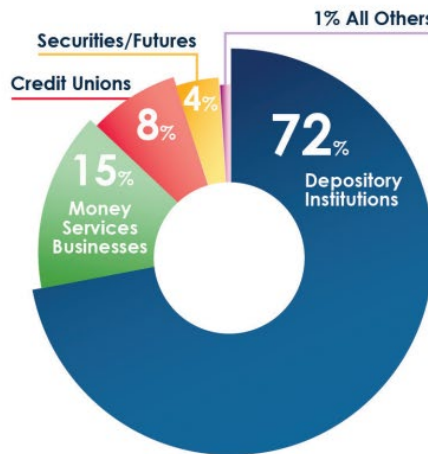
Fraud

An independent blockchain analytics firm analyzed activity across the entire cryptocurrency kiosk industry and found that 1.2% of total transaction volume was associated with illicit activity, a rate comparable to and in some cases lower than traditional financial institutions.

Fraud is an evolving problem. In all industries. From 2018 to 2021, there was a 364% increase in gift card fraud. The increase in total fraud is not specific to the kiosk industry.

To cite the FTC, "Checks and Wires are Most Frequent Methods for Transmitting Scam Funds... While virtual currency is an increasingly popular transfer method, it appears that scammers still rely heavily on more traditional methods that victims are familiar with."

**Filers by Financial Institution Type
(Percentage of Total EFE-Related SARs)**



CoinFlip is pro-reregulation and wants to be a resource in thinking through what that looks like using the tools that have proven successful for us over the last 10 years we have been in business.

Sincerely,

/s/ Ethan McClelland

Associate Director, Government Affairs

CoinFlip