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From: Louise Pais <louise@hiltventures.com>
Sent: Monday, March 30, 2026 9:50 AM
To: Senate Judiciary
Cc: Louise Pais
Subject: For your consideration re: SB 249B - proposed redlines and comments
Attachments: SB249B_redlines_Hilt_3.30.26.docx

Greetings, Chair Claman, Vice Chair Kiehl, and Honorable Members of the Senate Judiciary Committee.

My name is Louise Pais Meyers, Chief Compliance Officer for Hilt Ventures, the largest crypto kiosk operator in Alaska.

We appreciate the opportunity to provide feedback on SB 249B and submit a proposed redline version of the bill for your consideration.

We share your deep concern about protecting customers from devastating scams. Hilt already implements - and in many cases exceeds - the core consumer protections outlined in SB 249B. These include clear fee disclosures, prominent warnings, electronic receipts, robust anti-fraud and AML policies, blockchain analytics, customer identification, training, refunds in certain cases, transaction limits, customer service access, and coordination with law enforcement.

However, we believe several provisions are overly broad. We respectfully urge the following targeted amendments, beginning with the most critical areas:

1. Refunds [AS 06.55.160] A blanket requirement for a full refund for all customers reporting fraud within 90 days risks abuse and does not reflect actual fraud patterns, which overwhelmingly involve first time users. We support strong consumer protections and recommend a differentiated approach already adopted in many AARP-backed laws in states such as Arizona, Colorado, Nebraska, and the recently passed legislation in West Virginia.

We propose:

- For a **new user** (a customer of the operator for less than 7 days) who reports fraud to the operator and law enforcement within **30 days**, the operator shall issue a **full refund** (including fees) upon verification.
- For an **existing user** (7 days or more), the operator shall refund **fees only**.

Please add these definitions to the bill:

- “New User” means a customer who has been a customer of the operator for **less than 7 days**.
- “Existing User” means a customer who has transacted with the operator for **7 days or more**.

2. Transaction Limits [AS 06.55.170] Uniform limits fail to distinguish risk levels. Fraud victims are overwhelmingly new, first-time users, while established customers with vetted histories present

significantly lower risk. Limits should also not apply equally to customers selling crypto they already own.

We propose tiered daily limits:

- **\$2,000** (or equivalent in virtual currency) per day for new users; and
- **\$10,500** (or equivalent) per day for existing users.

This tiered structure has been adopted in nearly all other states with similar kiosk protections and has been consistently supported by the AARP.

3. Transaction Fee Cap [AS 06.55.172] The proposed low percentage cap does not reflect the high real costs of operating crypto kiosks in Alaska, including armored cash logistics, site leases, machine maintenance, licensing, and specialized monitoring software. Other money services businesses routinely charge 10% or more, and traditional banks charge flat wire fees with no percentage cap.

Most states with crypto kiosk laws either have no fee cap or set it at 15% or higher (e.g., California 15%, Illinois 18%). We respectfully suggest **increasing the cap to at least 15%, or removing it entirely** in favor of the bill's strong upfront disclosure requirements, which already empower consumers to make informed choices. Similar concerns about price controls and reduced access led to the Governor's veto of SB 39 in 2025.

4. Reporting [AS 06.55.125] Subsection (b)(2) requiring submission of every customer complaint is overly broad and would flood the regulator with unverified, one-sided allegations.

We propose requiring submission only when three safeguards are met: (1) the complaint is signed under penalty of perjury (or equivalent sworn statement), (2) the operator has received formal notice, and (3) the operator has had a meaningful opportunity to respond.

5. Disclosures [AS 06.55.130] We support strong disclosures with these practical adjustments:

- Align the government complaint contact in (c)(4) with existing Alaska money transmitter licensing requirements for the Division of Banking and Securities.
- Allow flexible receipt options in (c)(5) — paper or electronic — to reflect modern practices (photo of final screen with QR code, texted receipt, or email upon request).
- Require a dedicated customer service phone number in (c)(6) that users can call or text, without mandating it be toll-free.

6. User Identification [AS 06.55.150] Requiring government-issued ID for **every** transaction, regardless of amount, is inconsistent with FinCEN's risk-based, tiered approach under the Bank Secrecy Act (BSA). FinCEN does not mandate photo ID for all transactions and has consistently recognized that a tiered system balances compliance, user convenience, and risk management.

We strongly urge amending subsection (a) to state: "A virtual currency kiosk operator or its authorized delegate shall verify a user's identity before accepting payment for a virtual currency transaction, following the operator's tiered approach as outlined in its AML policy."

We also recommend removing subsections (b) and (c).

Hilt is committed to working collaboratively with the Committee to refine SB 249B into effective, balanced legislation that protects consumers while preserving access to services. I welcome any questions and am prepared to discuss our compliance program and fraud-prevention measures in greater detail.

Thank you for your time and consideration.

Respectfully submitted, Louise Pais Meyers Chief Compliance Officer Hilt Ventures