

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

PEOPLE OF THE STATE OF NEW YORK,
by LETITIA JAMES, Attorney General
of the State of New York,

Petitioner

STIPULATION AND CONSENT

- against -

Index No.: 450503/2023

VINO GLOBAL LIMITED
d/b/a COINEX,

Respondent.

WHEREAS Respondent Vino Global Limited d/b/a CoinEx (“CoinEx”) operated a cryptocurrency trading platform, located at www.coinex.com, through which it offered, sold, and purchased cryptocurrencies; and

WHEREAS on February 22, 2023, Petitioner, the People of the State of New York, by Letitia James, Attorney General of the State of New York (the “OAG”) filed a Verified Petition (“Verified Petition”) in Supreme Court, New York County, Index No. 450503/2023, alleging that CoinEx violated New York Executive Law § 63(12) through its repeated and persistent violation of the General Business Law §§ 359-e(3), 359-e(14), and 352-c(3) (“the Martin Act”). OAG alleges that, CoinEx violated the Martin Act by its unlawful offers, sales, and purchases of securities and commodities in New York State and its unlawful representation of its website as an “exchange”; and

WHEREAS the OAG and CoinEx are collectively referred to herein as the “Parties”; and

WHEREAS Petitioner served Respondent with the Verified Petition, Supporting Affidavits, Affirmation and exhibits thereto, Memorandum of Law and a Notice of Electronic Filing on February 27, 2023, and the Notice of Petition on March 1, 2023; and

WHEREAS CoinEx filed a notice of appearance on May 15, 2023; and

WHEREAS the Parties now desire to resolve the claims alleged in the Verified Petition and provide for the discontinuation of the OAG action pursuant the terms set forth below; and

WHEREAS CoinEx has agreed to the relief specified herein and in the [Proposed] Consent

Order and Judgment to resolve without further litigation the OAG's claims that (1) CoinEx acted as an unregistered securities broker or dealer and commodities broker-dealer by offering, selling, and purchasing securities and commodities, including but not limited to the AMP, LBRY, LUNA, and Rally tokens, within the State of New York and (2) while engaged in the business of the sale of securities and commodities, CoinEx unlawfully represented itself as an "exchange" in violation of the Martin Act, which acts constituted repeated and persistent illegalities in violation of New York Executive Law § 63(12); and

NOW, THEREFORE, IT IS HEREBY ACKNOWLEDGED, STIPULATED AND CONSENTED to, by, and among the Parties, that:

1. CoinEx admits to having been properly served with a copy of the Notice of Petition, Verified Petition, Supporting Affidavits, Affirmation, and exhibits thereto, Memorandum of Law, and Notice of Electronic Filing and desires to settle and resolve this proceeding in its entirety.

2. CoinEx waives any and all arguments concerning lack of personal or subject matter jurisdiction.

3. CoinEx admits the allegations contained in paragraphs 13-16, 19, 21, and 88 of the Verified Petition, but neither admits nor denies that any particular cryptocurrency is a security or commodity, and neither admits nor denies the remaining allegations contained in the Verified Petition.

4. CoinEx acknowledges that it has received and reviewed a copy of the [Proposed] Consent Order and Judgment (the "Consent Order") and agrees to the terms, obligations, and duties set forth therein.

5. CoinEx terminated access to its services for users in the United States ("U.S.") and prohibited U.S. users from registering new CoinEx accounts as of April 25, 2023. CoinEx will continue to prohibit the creation of new U.S. accounts and will restrict access to its platform to existing U.S. accounts for the sole purpose of withdrawing their assets.

6. CoinEx attests that it is in possession and control of cryptocurrencies that belong to New York Customers and as of April 25, 2023, those cryptocurrencies were worth \$1,172,971.50. For the purposes of this Stipulation and Consent, “New York Customer” means any existing CoinEx customer who provided a New York address, used a phone number with a New York area code to communicate with CoinEx, or accessed CoinEx’s public website or mobile app from an IP address or GPS location associated with New York.

7. CoinEx has reached an agreement with the OAG to resolve all claims alleged in the OAG’s Verified Petition. CoinEx will pay restitution in the amount of \$1,172,971.50 (exclusive of any cryptocurrencies returned to New York Customers as set forth in the Consent Order) and pay additional monetary relief in the amount of \$626,133.88 according to the terms set forth in the Consent Order and abide by all of the injunctive relief set forth therein as consideration for the settlement and discontinuation of the OAG special proceeding.

8. CoinEx further attests that as of the date of execution of this Stipulation and Consent CoinEx is not insolvent and has adequate funds and resources to pay the agreed upon restitution and monetary relief to the State of New York.

9. Yang Haipo, as Chief Executive Officer of CoinEx, represents and warrants that he has the authority to execute this Stipulation and Consent on behalf of CoinEx.


10. This Stipulation and Consent is entered into by CoinEx freely and voluntarily with full knowledge and understanding of the nature of the actions, terms, obligations, and duties imposed upon it by the Consent Order. CoinEx consents to the entry of the Consent Order without further notice and agrees to waive notice of entry thereof.

11. CoinEx agrees and acknowledges that failure to comply with any provision of the Consent Order, or any related provision in this Stipulation and Consent, shall be deemed to be a violation of the Consent Order. Upon any such violation, the OAG may take any and all steps available to enforce the Consent Order, including civil or criminal contempt, and nothing in the Consent Order


shall bar or preclude the OAG from using statements, documents, or materials produced or provided by CoinEx prior to or after the date of entry of the Consent Order, and any statute of limitations or other time-related defenses are tolled from and after the date of entry of the Consent Order.

12. Petitioner may apply to the Court for such other and further relief as Petitioner deems necessary for the enforcement of the [Proposed] Consent Order.

Dated: New York, New York
June 13, 2023

By: 
Shantelee Christie, Esq.
Assistant Attorney General
Investor Protection Bureau
Office of the Attorney General of
the State of New York
28 Liberty Street
New York, New York 10005
(212) 416-8355

Attorney for Petitioner People of
the State of New York

By: 
James Q. Walker, Esq.
Perkins Coie LLP
1155 Avenue of the
Americas, 22nd Fl.,
New York, New York
10036
(212) 261-6864

Attorneys for CoinEx VINO
Global Limited d/b/a
COINEX

By: 
Yang Haipo
Chief Executive Officer
VINO Global Limited
d/b/a CoinEx

At Part 52 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse, 60 Centre Street, Borough of Manhattan, City and State of New York, on the ____ day of _____, 2023

PRESENT:

Hon. Nicholas Moyne
Justice

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

PEOPLE OF THE STATE OF NEW YORK,
by LETITIA JAMES, Attorney General
of the State of New York,

Petitioner

Index No.: 450503/2023

- against -

**[PROPOSED] CONSENT ORDER
AND JUDGMENT**

VINO GLOBAL LIMITED
d/b/a COINEX,

CoinEx.

Petitioner, the People of the State of New York, by Letitia James, Attorney General of the State of New York (the "OAG") commenced this special proceeding by Verified Petition on February 22, 2023 against VINO Global Limited d/b/a CoinEx ("CoinEx") alleging that CoinEx acted as an unregistered securities broker or dealer and commodities broker-dealer and that while engaged in the business of the offer, purchase, and sale of securities and commodities, including but not limited to the AMP, LBRY, LUNA, and Rally tokens, CoinEx unlawfully represented CoinEx as an "exchange" and used an abbreviation or derivative of the word "exchange" in its name or assumed name in violation of New York General Business Law ("GBL") §§ 359-e(3), 359-e(14), and 352-c(3). The OAG also alleged that these violations of the GBL constituted persistent and repeated illegalities in violation of New York Executive Law § 63(12). CoinEx filed its notice of appearance on May 15, 2023.

As set forth in the Stipulation and Consent, dated June 13, 2023 ("Stipulation and Consent"),

CoinEx acknowledges receipt of a copy of the Notice of Petition, Verified Petition, Supporting Affidavits, Affirmation and exhibits thereto, Memorandum of Law, and Notice of Electronic Filing. The OAG and Coinex, collectively referred to herein as the “Parties” have reached an agreement to resolve claims alleged in the OAG’s Verified Petition. CoinEx consents to entry of this Consent Order and Judgment (“Consent Order”) to fully and finally resolve the summary proceeding initiated by the OAG and waive notice of entry thereof.

NOW, on motion of the OAG, consented to by CoinEx, upon the Stipulation and Consent, and upon all the pleadings, it is hereby:

1. ORDERED, ADJUDGED AND DECREED that CoinEx, as well as each of its agents, trustees, servants, employees, successors, heirs and assigns, or any other person under its direction and control, whether acting individually or in concert with others, or through any corporate or other entity or device through which they may now or hereafter act or conduct business in New York State, including businesses in which they have any legal or beneficial interest, are bound by the terms of this Consent Order with respect to the provisions below and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

Monetary Relief

2. It is further ORDERED, ADJUDGED AND DECREED that judgment be entered in favor of the OAG and against CoinEx, in the amount of \$1,799,105.38, which includes \$1,172,971.50 as restitution (“Restitution”) and \$626,133.88 as additional monetary relief (“Monetary Relief”). CoinEx may receive a credit against the Restitution amount, in an amount equal to the value of the assets withdrawn by New York Customers from CoinEx during the ninety-day notice period set forth in Paragraph 10. The assets withdrawn will be calculated as of April 25, 2023.

3. It is further ORDERED, ADJUDGED AND DECREED that CoinEx shall satisfy the judgment by making payment of the Monetary Relief, in full to the OAG within thirty days of the effective date (“Effective Date”) of the Consent Order by wire transfer payable to the “State of New

York” pursuant to wire transfer instructions provided by the OAG and shall reference index number 450503/2023. For the purposes of this agreement the Effective Date of the Consent Order shall be the date on which this Court signs the Consent Order.

4. It is further ORDERED, ADJUDGED AND DECREED that CoinEx shall pay Restitution as outlined in Paragraph 2, that has not already been withdrawn by New York Customers, to the OAG no later than ten days after the ninety-day notice period ends.

5. It is the OAG’s intention to distribute Restitution to New York Customers. Any funds remaining after the OAG has ceased efforts to distribute the full amount (*e.g.*, uncashed checks) shall be retained by the State of New York.

General Injunction

6. It is further ORDERED, ADJUDGED AND DECREED that CoinEx shall not engage in conduct in violation of the Martin Act or Executive Law § 63(12).

7. It is further ORDERED, ADJUDGED AND DECREED that CoinEx, as well as its subsidiaries, affiliates, successors, and assigns, are permanently enjoined from engaging in the issuance, offer, exchange, purchase, sale, promotion, negotiation, advertisement, investment advice, or distribution of securities or commodities within or from the State of New York, in any capacity.

8. It is further ORDERED, ADJUDGED AND DECREED that CoinEx is permanently enjoined from providing registration and trading access on its cryptocurrency trading platform, to New York, or within the state of New York.

9. It is further ORDERED, ADJUDGED AND DECREED that CoinEx is permanently enjoined from accepting further investments or deposits of cryptocurrencies or dollars into existing CoinEx accounts held by New York Customers. For the purposes of this Consent Order, “New York Customer” means any existing or prospective CoinEx customer who provides a New York address, uses a phone number with a New York area code to communicate with CoinEx, or accesses CoinEx’s public website or mobile app from an IP address or GPS location associated with New York. CoinEx

shall not induce a customer to provide a non-New York address, phone number, IP address or GPS location.

10. It is further ORDERED, ADJUDGED AND DECREED that CoinEx shall send weekly emails to all New York Customers instructing each customer to withdraw all assets from their account. CoinEx shall commence this weekly notification within five days of the Effective Date of the Consent Order and shall continue to provide weekly notifications for ninety days. The subject of the email shall clearly state the customer must withdraw their assets. The body of the email must inform the customer that failure to withdraw assets within the ninety-day period will result in a transfer of their account value (as of April 25, 2023) to the custody of the OAG at the end of the ninety-day period. Once the ninety-day period ends, CoinEx shall send weekly emails to all remaining New York Customers notifying them to contact the OAG, at coinexrefund@ag.ny.gov, in order to recover restitution. In addition to the weekly emails, as set forth above, CoinEx shall make separate conspicuous notifications of this directive to New York Customers on its mobile application, and accounts on social media platforms, including but not limited to Twitter, Instagram, and Facebook, on a weekly basis, beginning five days after the above-referenced ninety-day notice period until December 31, 2023.

11. It is further ORDERED, ADJUDGED AND DECREED that CoinEx will continue to prohibit the creation of new U.S. accounts and will restrict access to its platform to existing U.S. accounts for the sole purpose of withdrawing their assets.

Customer Verification

12. It is further ORDERED, ADJUDGED AND DECREED that CoinEx shall implement geo-restriction based on IP addresses and GPS location to prevent access to its mobile app, website and services from the U.S. and modify its terms of service to specifically exclude its services from users who provide a U.S. address, use a phone number with a U.S. area code to communicate with CoinEx, or access CoinEx's public website or mobile app from an IP address or GPS location associated with the U.S. CoinEx shall not induce any customer to provide a non-U.S. address, phone number, IP address or GPS location.

Reporting Obligations

13. It is further ORDERED, ADJUDGED AND DECREED that, within fifteen days of the Effective Date of the Consent Order, CoinEx shall provide the OAG with a complete and accurate list of New York Customers who held cryptocurrencies at CoinEx as at April 25, 2023 at 11:59 P.M. eastern standard time, including their IP address, email, amount, and types of cryptocurrencies held, amount of fees charged by CoinEx and the value of their account in U.S. dollars as of on April 25, 2023. CoinEx shall also include the full name, address, and telephone number for all New York Customers where available.

14. It is further ORDERED, ADJUDGED AND DECREED that CoinEx shall provide a written report to the OAG detailing the number of New York Customer accounts that have completed withdrawals ("Withdrawn Accounts") every thirty days during the ninety-day period described in Paragraph 10 herein. For each Withdrawn Account, the written report shall include the withdrawal date, email and I.P. address connected to the account, type of cryptocurrency held and its U.S. dollar equivalent as of April 25, 2023.

15. It is further ORDERED, ADJUDGED AND DECREED that, after the ninety-day period described in Paragraph 10 herein, CoinEx shall provide a written report detailing the basis for any credits it is claiming pursuant to Paragraph 2.

16. It is further ORDERED, ADJUDGED AND DECREED that CoinEx shall cooperate with any request by the OAG, including requests for information about any New York Customer including by providing any documents, email correspondence and information requested by the OAG related to customer asset withdrawals. CoinEx shall additionally aid the OAG in effecting restitution to New York Customers.

Miscellaneous

17. It is further ORDERED, ADJUDGED AND DECREED that failure to comply with any provision of this Consent Order, or any related provision in the Stipulation and Consent by and among the Parties, shall be deemed to be a violation of the Consent Order. Upon any such violation, the OAG may take any and all steps available to enforce the Consent Order, including civil or criminal contempt, and nothing in the Consent Order shall bar or preclude the OAG from using statements, documents, or materials produced or provided by CoinEx prior to or after the date of entry of the Consent Order, and any statute of limitations or other time-related defenses are tolled from and after the date of entry of the Consent Order.

18. It is further ORDERED, ADJUDGED AND DECREED that the facts alleged in the Verified Petition shall be deemed admitted by CoinEx for purposes of any subsequent proceeding or action taken pursuant Paragraph 17.

19. It is further ORDERED, ADJUDGED AND DECREED that this Consent Order is entered into solely for the purpose of resolving this action, and other than the obligations and provisions set forth herein, this Consent Order and Judgement does not limit or create liability for CoinEx nor limit or create defenses for CoinEx to any claims.

20. It is further ORDERED, ADJUDGED AND DECREED that nothing contained in this Consent Order shall be construed to limit the rights of a person or an entity who is not a party to this action.

21. It is further ORDERED, ADJUDGED AND DECREED that if any clause, provision, or

paragraph of this Consent Order shall, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision or paragraph of this Consent Order and this Consent Order shall be construed and enforced as if such illegal, invalid, or unenforceable clause, paragraph or provision had not been contained herein.

22. It is further ORDERED, ADJUDGED AND DECREED that nothing in this Consent Order shall be construed as relieving CoinEx of its obligation to comply with all state and federal laws and regulations, nor shall any of the terms of this Consent Order be deemed to grant CoinEx permission to engage in any acts or practices prohibited by such laws and regulations.

23. It is further ORDERED, ADJUDGED AND DECREED that any failure of the OAG to exercise any right under this Consent Order shall not constitute a waiver of any rights of the OAG hereunder.

24. It is further ORDERED, ADJUDGED AND DECREED that all correspondence required herein shall be delivered or mailed to the following address, unless a different address is specified in writing by the party changing such address:

If to OAG: Office of the Attorney General of the State of New York
Attn: Shantelee Christie, Assistant Attorney General
28 Liberty Street, 21st Floor
New York, New York 10005

If to CoinEx: James Q. Walker, Esq.
Perkins Coie LLP
1155 Avenue of the Americas, 22nd Fl.,
New York, New York 10036

25. It is further ORDERED, ADJUDGED AND DECREED that the Court hereby retains jurisdiction to enforce this Consent Order and any related agreements and all disputes arising

thereunder, and the Court retains authority to decide all such disputes.

26. It is further ORDERED, ADJUDGED AND DECREED that a violation by CoinEx of any agreement with the OAG as contemplated in this Consent Order shall be subject to remedies available for violation of this Consent Order.

Date: _____

ENTER:

HON. NICHOLAS MOYNE