

Jonathan Merry
Director
Banklesstimes.com
403 34-37 Liverpool Street
London, England, ECM2M 7PP
contact@monefize.com

February 15, 2023

RE: Potential Violations of Section 18(a)(4) of the Federal Deposit Insurance Act

Dear Mr. Merry,

The Federal Deposit Insurance Corporation (“FDIC”) has reason to believe that Banklesstimes.com, by and through its officers, directors, and employees (collectively referred to herein as “Banklesstimes”) has made false and misleading statements, directly or by implication, concerning FDIC deposit insurance in violation of section 18(a)(4) of the Federal Deposit Insurance Act (“FDI Act”), 12 U.S.C. § 1828(a)(4), and its implementing regulation, 12 C.F.R. Part 328, Subpart B (“Part 328”). We hereby demand that you cease and desist, and take immediate corrective action to address these false and misleading statements, as more fully set forth below.

Section 18(a)(4) of the FDI Act, 12 U.S.C. § 1828(a)(4), and Part 328 prohibit any person from using the FDIC’s name or logo, or similar terms, to represent or imply that an uninsured deposit liability, obligation, certificate, or share is insured, or from knowingly misrepresenting the extent and manner in which a deposit liability, obligation, certificate or share is insured under the FDI Act. The FDIC has the authority to enforce these provisions against any person or entity. Enforcement tools available to the FDIC include the authority to issue cease-and-desist orders and to assess civil money penalties for violations of Section 18(a)(4) and Part 328.

Among other false and misleading statements, Banklesstimes published an article on its website entitled, “An Honest CEX Review in 2023.” See <https://www.banklesstimes.com/brokers/cex-io/>. Under the heading “Am I and My Cryptocurrency Protected?” the article represents: “US residents’ funds denominated in USD are covered by the FDIC up to \$250,000.”

This statements and other statements in the article state or imply that CEX.Io, a cryptocurrency exchange, is FDIC-insured and that such insurance would provide protection for customers and their cryptocurrency. In fact, the FDIC does not insure any cryptocurrency exchange, and FDIC insurance only protects against losses caused by the failure of insured depository institutions (IDIs) and not against any other losses. Accordingly, your statements are likely to mislead, and potentially harm, consumers.

Based on the information available to the FDIC, it appears that the statements discussed above regarding deposit insurance violate Section 18(a)(4) of the FDI Act and Part 328. Consequently, the FDIC hereby demands the following corrective action:

Legal Division
550 17th Street NW, Washington, D.C. 20429-9990

1. You shall immediately remove any and all statements, representations, or references that suggest in any way that (a) CEX.Io or any other cryptocurrency exchange is FDIC-insured; (b) any funds held in cryptocurrency or other financial products such as stocks, bonds, money market mutual funds, other types of securities or commodities are or can be protected by FDIC insurance; (c) FDIC insurance may provide coverage for any event other than the failure of an insured depository institution; or (d) FDIC insurance provides protection or coverage in any manner or extent other than those set forth in the FDI Act, from the Banklesstimes.com website (including any pop-ups, hyperlinks, or chatbots), and any other websites, Twitter and any other social media platforms (including both corporate accounts and personal accounts of senior management of Banklesstimes), mobile app, online outlet, and any other form (electronic or hard copy) of marketing, advertising or other consumer-facing publication or materials of any kind that you control influence or control.
2. You shall cease and desist from making any statements, representations, or references that suggest in any way, expressly or implicitly, that: (a) any cryptocurrency or cryptocurrency exchanges are FDIC-insured; (b) any funds held in cryptocurrency or other financial products such as stocks, bonds, money market mutual funds, other types of securities or commodities are or can be protected by FDIC insurance; (c) FDIC insurance may provide coverage for any event other than the failure of an insured depository institution; or (d) FDIC insurance provides protection or coverage in any manner or extent other than those set forth in the FDI Act.
3. Within fifteen (15) business days of receipt of this letter, Banklesstimes shall provide written confirmation to the FDIC that it has fully complied with the requests set forth above. Such confirmation shall detail all efforts that you took to comply with this letter, including all efforts to identify and locate all misrepresentations and the scope of your removal of such material.

If you believe that any statement Banklesstimes has made regarding CEX.Io's FDIC-insured status is true and accurate, please provide a full listing of all such statements together with information and documentation supporting the accuracy of all such statements, not later than fifteen (15) days from the date of this letter.

Failure to respond to this letter may result in the FDIC taking appropriate action as authorized by the FDI Act and any other applicable law or regulation.

Should you have any questions about the contents of this letter, please contact [REDACTED], an attorney in the FDIC's Legal Division, at [REDACTED] or [REDACTED].

Sincerely,

/s/ _____
Seth P. Rosebrock
Assistant General Counsel, Enforcement
Federal Deposit Insurance Corporation