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Businesses located in the State of Colorado,

In the matter of money transmission laws, it is of my legal opinion that Title 11 Article 110 DOES NOT apply to bitcoin ATM operators located within the State of Colorado. This finding is consistent with Colorado Department of Regulatory Agencies, Division of Banking statement entitled "Interim Regulatory Guidance Cryptocurrency and the Colorado Money Transmitters Act" issued September 20, 2018.

The regulatory guidance states that a money transmission license would be required when a business meets all 3 state criteria: "A person is engaged in the business of selling and buying cryptocurrencies for fiat currency; and A Colorado customer can transfer cryptocurrency to another customer within the exchange; and The exchange has the ability to transfer fiat currency through the medium of cryptocurrency."

Of the 3 criteria listed, bitcoin ATM operators meet only 1: "A person is engaged in the business of selling and buying cryptocurrencies for fiat currency". The second and third criteria would only apply if an ATM would somehow be able to transfer and store value on behalf of customers, between the customers, much like a money order. Since this is not possible, the criteria is non-applicable.

Sincerely,

Zachary Owens

Bitcoin Counsel, Certified Bitcoin Professional