

# How Lawmakers can Protect Consumers who use Digital Currency



# CoinFlip Meets Surging Consumer Demand for Digital Currency

We serve ~150 customers in Vermont, and operate 5,000+ locations in 10 countries



The Digital Currency Economy has boundless potential for helping increase access to financial markets and wealth creation for consumers across all strata of society in the U.S. and around the world.



Digital currencies are gaining acceptance more broadly as a credible and stable investment vehicle. **About 30% of all Americans own cryptocurrency.<sup>1</sup>**



We give consumers **safe and convenient** ways to use cash to buy Bitcoin and other cryptocurrencies through our ATM network and other services. We work to protect our customers through a combination of cutting-edge technology and rigorous compliance and consumer protection practices.

<sup>1</sup> [2025 Cryptocurrency Adoption and Consumer Sentiment Report | Security.org](#)

# How It Works: Making Transactions Simple, Safe & Transparent

CoinFlip controls transactions from end to end, with robust Anti-Money Laundering and Know Your Customer protocols



## 1. Safety First

When customers visit the kiosk, CoinFlip provides education and warnings on common scam tactics to empower users to make informed decisions. The company also collects required KYC information, a vital safeguard for the financial ecosystem.



## 2. Transparent

The price, inclusive of the transaction and network fee, is fully displayed and then the customer places the order.



## 4. Reliable

CoinFlip offers 24/7 live customer support to assist users every step of the way. The team receives ongoing training related to compliance requirements and financial crime typologies with an emphasis on fraud prevention.



## 3. Efficient

CoinFlip sends the crypto to the customer for the order minus network and transaction fees.



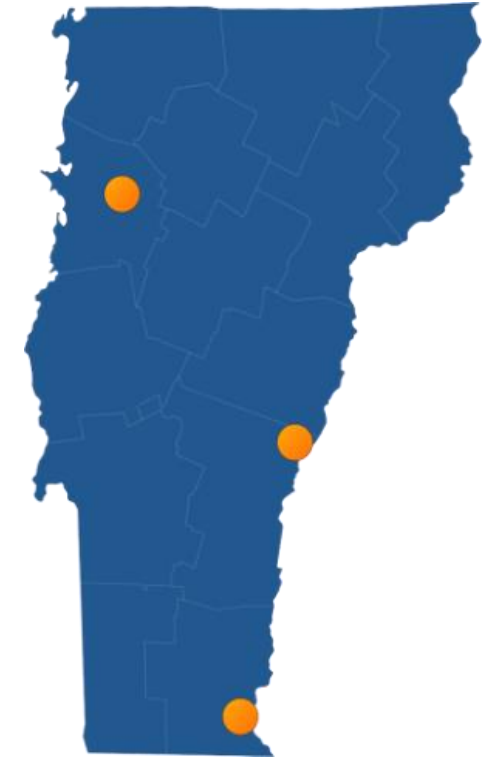
# CoinFlip in Vermont

Small businesses in Vermont that host CoinFlip kiosks have earned over **\$29,000 in revenue.**

They include various retailers such as **Central Beverage, Lipton Mart Store and Dan & Whit's General Store.**

## State Regulatory Landscape & Opportunity

CoinFlip was granted a Money Transmitter License in September 2021. CoinFlip advocates for mandatory licensure as it helps protect consumers and bring consistency to the industry.



Total Number  
of Vt. Customers

**~150**

Vt. State Taxes  
Generated

**~\$2K**

Rent and Fees Paid  
to Vt. Host Locations

**~\$30K**

Total Fees Paid for Vt. Cash  
Transportation Services &  
Technicians\*

**~\$5K**

Locations

**3**

# How We Protect Consumers at the Kiosk

CoinFlip deploys several anti-fraud safeguards that are visible to the consumer, including these best practices:



## Identification Verification

We use leading technology to determine if an ID matches the person at the kiosk



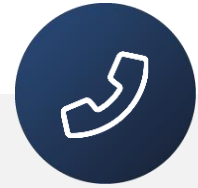
## Transaction Warnings & Fee Disclosures

We provide clear, customizable transaction warnings and fee disclosures prior to every transaction



## Helping them Spot Fraud

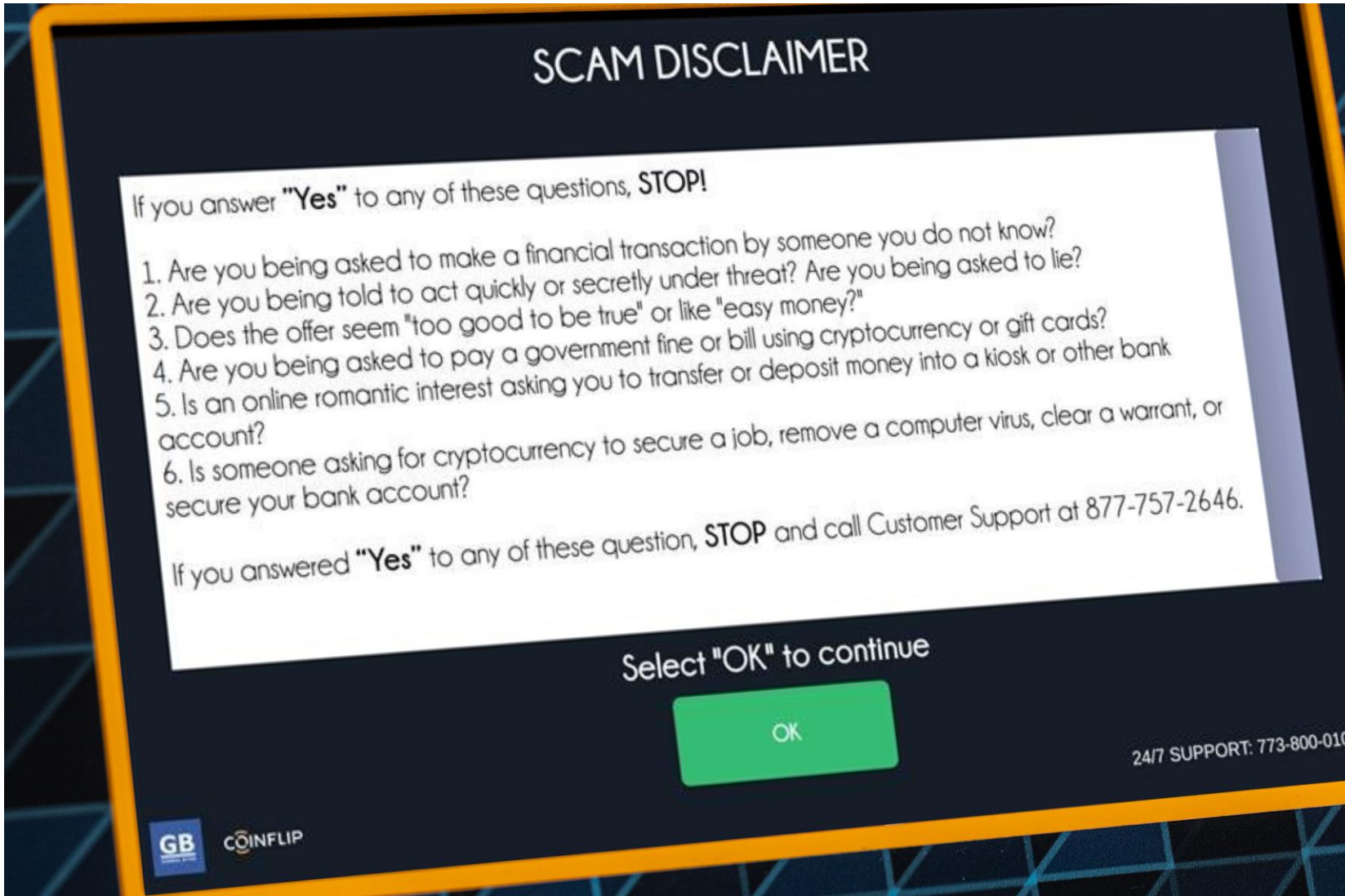
We equip customers with our "Safe in Six" questions to help them evaluate risk and spot fraud



## Live Customer Service

Our trained team of experts are available 24/7 to help stop potentially fraudulent transactions

# We Require Users to Acknowledge Our Scam Disclaimer Before Every Transaction



# Clear, Visible Scam Alerts Make a Difference

Our "Safe in Six" questions are designed to help users spot scams.



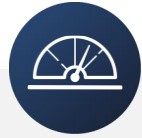
# Our Compliance Team Augments Customer-Facing Safeguards

CoinFlip's dedicated compliance team deploys anti-fraud safeguards that are invisible to the consumer, including:



## Risk Assessments & Audits

Annual risk assessments and independent audits help continually mitigate risk



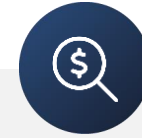
## Automated Case Management

We use case management tools that integrate automated alerts and allows compliance to build case files and file suspicious activity reports directly to FinCEN



## Transaction Monitoring

We use technology and automated alerts to detect and identify potentially suspicious transactions



## Anti-Money Laundering Program

We employ a trained compliance team with Anti-Money Laundering analysts who identify, investigate and report on potentially suspicious transactions and enforce our Know Your Customer requirements



## Blockchain Analytics

We use leading third-party software to scan and rate digital wallet addresses, auto-blocking transactions that attempt to send to government-sanctioned wallets or those associated with criminal or fraudulent activity



# How Lawmakers Can Protect Consumers

Smart regulation is good for consumers – and for business and innovation. Lawmakers can protect customers by passing legislation with these requirements for digital currency kiosk operators:

## **State licensure**

Mandatory money transmitter licenses for all kiosk operators would allow for state oversight and audits.

## **Clear, highly visible warnings and fee disclosures**

Operators should clearly communicate all fees and terms of service, and customers should be required to acknowledge highly visible fraud warnings before starting and completing transactions.

## **Blockchain analytics**

This technology prevents fraud by automatically blocking customer transactions to high-risk digital wallets.

## **Live customer service**

Customer service is the first line of defense for consumer protection. Every operator should be required to provide trained, live customer service.

## **Expert compliance staff and robust programs**

Operators should have a qualified, in-house compliance team with a dedicated chief compliance officer who does not have a large ownership interest in their company.

# Thank You

---

LET'S WORK TOGETHER TO PROTECT CONSUMERS  
WHO TRANSACT WITH DIGITAL CURRENCY



CoinFlip Legal & Compliance Team:

**[subpoena@coinflip.tech](mailto:subpoena@coinflip.tech)**

or **[legal@coinflip.tech](mailto:legal@coinflip.tech)**



CoinFlip 24/7 Customer Service:

**1-877-757-2646**

## **Colleen Kavanagh**

Chief Legal & Compliance Officer

[ckavanagh@coinflip.tech](mailto:ckavanagh@coinflip.tech)

## **Larry Lipka**

General Counsel

[llipka@coinflip.tech](mailto:llipka@coinflip.tech)

## **Kevin Lolli**

Consumer Protection Officer

[klolli@coinflip.tech](mailto:klolli@coinflip.tech)

## **Benjamin Weiss**

Chief Executive Officer

[ben@coinflip.tech](mailto:ben@coinflip.tech)