

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)
)
BYTE FEDERAL, INC.,)
)
RESPONDENT)

**CONSENT ORDER
NO. CO-2024-0007**

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of the Alabama Monetary Transmission Act, Code of Alabama 1975, §8-7A-1 et seq. (the "Act"), upon due consideration of the subject matter hereof, and having confirmed information of the unlicensed transmission of money in the State of Alabama, has determined as follows:


Byte Federal, Inc., Nationwide Multistate Licensing System & Registry (NMLS) #2327474, is a money service business with a business address of 795 Commerce Drive, Suite 5, Venice, FL 34292. Commission records reflect that Respondent began operating in the State of Alabama on or about September 11, 2018 and submitted an application for a license under the Act on or about September 15, 2022, within 24-hours of being notified by the Commission of their interpretation of the money transmission laws. Respondent has cooperated with the Commission in its investigation into this matter and demonstrated good faith in submitting an application to become licensed as a money transmitter. During this period, Alabama residents purchased \$35,220,064.00 in digital currency through Respondent's crypto kiosks, and Respondent received \$5,047,769.42 in markup fees, without consideration of extensive cost of operations, from Alabama customers.

Respondent voluntarily consents to the entry of this Order. The Commission finds this Order necessary and appropriate in the public interest and consistent with the purposes and provisions of the Act. Accordingly, it is hereby agreed that, pursuant to Code of Alabama 1975, §8-7A-19(a), Respondent shall pay to the **State of Alabama** an administrative assessment of Ninety Thousand Dollars (\$90,000.00). It is also hereby agreed that, pursuant to Code of Alabama 1975, §8-7A-19(b), Respondent shall pay to the Alabama Securities Commission Ten Thousand Dollars (\$10,000.00) as a charge for the actual cost of the investigation. The total amount to be paid by Respondent is One Hundred Thousand Dollars (\$100,000.00), said funds to be tendered in certified

funds contemporaneously with the entry of this Agreement, and Respondent's application for licensure shall continue with the prior activity issue hereby resolved.

AGREED AND CONSENTED to on dates indicated:

BYTE FEDERAL, INC.



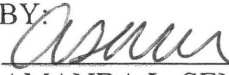
Mark Paolillo
Chief Financial Officer

2/21/24

DATE

APPROVED AND AGREED this 21st day of February 2024.



ALABAMA SECURITIES COMMISSION
445 Dexter Avenue, Suite 12000
Montgomery, AL 36104
(334) 242-2984
BY: 

AMANDA L. SENN
Director