

# Exhibit 190

# CFTC Ruling Defines Bitcoin and Digital Currencies as Commodities

*Pete Rizzo*

The US Commodity Futures Trading Commission (CFTC) has issued its first action against an unregistered bitcoin options trading platform, ordering the startup to cease operations and simultaneously settling the case.

The CFTC charged San Francisco-based startup Coinflip Inc, which does business under the name Derivabit, and CEO Francisco Riordan with conducting activity related to commodity options, without registering with the agency or meeting rules for exemption.

With [the ruling](#), the CFTC has also confirmed that bitcoin and other digital currencies are commodities covered by the Commodity Exchange Act (CEA). In the past, CFTC chairman Timothy Massad had stated that bitcoin was likely to be considered a commodity.

CFTC director of enforcement Aitan Goelman suggested in a statement that the agency will seek to hold digital currency companies to the same standards as more traditional businesses that fall under its purview.

"While there is a lot of excitement surrounding bitcoin and other virtual currencies, innovation does not excuse those acting in this space from following the same rules applicable to all participants in the commodity derivatives markets."

More specifically, the CFTC found that Coinflip violated Section 4c of the CEA and Part 32 of the CFTC's regulations, and that it should have registered as a swap execution facility or designated contract market. The agency also found that Riordan was liable for the violations.

In its ruling, the CFTC offered clarity as to the ruling, stating that Section 1a(9) of the CEA defines commodity to include "all services, rights, and interests in which contracts for future delivery are presently or in the future dealt in."

"The definition of a 'commodity' is broad... Bitcoin and other virtual currencies are encompassed in the definition and properly defined as commodities," the agency [wrote](#).

Speaking to CoinDesk, New York Law School professor Houman Shadab, who has [authored works](#) on the use of cryptographic technologies such as bitcoin for financial derivatives, went on to caution that the CFTC's oversight of the technology is limited to these applications.

However, he suggested the ruling may have larger implications.

"The action puts to rest any notion that virtual currencies qualify as securities. Otherwise, the Securities and Exchange Commission would be bringing this action,

not the CFTC," Shadab said.

For more of the agency's views on bitcoin and blockchain technology, revisit our full interview with former CFTC Commissioner [Mark Wetjen](#).

The CFTC did not offer additional commentary on the announcement.

*More details on the ruling can be found [here](#).*

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