

Sixty-seventh  
Legislative Assembly  
Of North Dakota

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My name is Jason Desimone and I serve as Head of Blockchain for Ubik Group, where we develop high-profile blockchain projects and solutions for clients of all sizes, ranging from Fortune 500 enterprises to governmental agencies. Our client base spans the globe and includes the likes of the United Nations, Amazon, IBM, American Express, Coinbase, the Green Bank Network, the Ethereum Foundation, and more, and our areas of expertise include tokenization, digital identity, digital wallets and custody solutions, data sovereignty, security, decentralized exchanges, cross-border and micropayments, supply chain logistics, and distributed networks. Additionally, I launched the NYC Blockchain Center in 2019, which was the first public and private partnership (sponsored by NYCEDC alongside Microsoft and the Global Blockchain Business Council) aimed at creating a regulatory sandbox by gathering regulators and entrepreneurs to openly discuss how to reform New York's stringent laws around blockchain technology and support the burgeoning industry while educating blockchain enthusiasts throughout the state.

I am writing to you as a firm supporter of bill HB1268 put forth to the Legislative Assembly of North Dakota. Having worked alongside regulators in New York in regards to the establishment of a financial technology sandbox through the NYC Blockchain Center, I can attest to the widespread support and approval for such a program. The adoption of blockchain technology throughout the U.S. is inevitable, but in order for the industry to properly mature and ultimately reach its full potential, the constructive involvement of both state and federal government is paramount. In New York, overly stringent laws and regulations around blockchain technology stemming from the BitLicense have pushed innovation out of the ecosystem and stymied the adoption and development of this crucial technology. As a result, regulators are intent on correcting these mistakes by forming a financial technology sandbox where entrepreneurs can openly innovate, institutions and businesses can fully operate, and individuals can safely interact with blockchain technology and digital assets with well-defined laws under the proper guidance and support of local government. I applaud North Dakota's efforts to do the same and wholeheartedly believe that creating the right framework around the development of blockchain technology early on through a financial technology sandbox will ultimately lead to a thriving entrepreneurial ecosystem that is capable of attracting the best talent, creating local jobs, and establishing North Dakota amongst the leaders of this cutting-edge technology for years to come.

I also firmly support bill HCR 3024 and believe that regulating special purpose depository institutions for cryptocurrency is an integral step towards creating a safe and prosperous cryptocurrency and digital asset ecosystem throughout North Dakota. The

past four years has seen a precipitous rise in the use of cryptocurrency and digital assets as more and more capital has been flowing from the legacy markets directly into the crypto market, which has officially passed \$1 trillion in total market cap earlier this year. It is only a matter of time until the incumbent financial institutions merge entirely with this ever-evolving decentralized financial landscape, which is growing rapidly but still in its infancy. The ambiguity and lack of regulatory certainty around cryptocurrency users and businesses, however, is a massive impediment to the overall evolution of the space as it remains exceptionally difficult to navigate and innovate. I believe that the states and countries that develop the most progressive regulatory framework around cryptocurrency (including special purpose depository institutions) will find themselves extremely well positioned as financial and technological hubs of the future. The fact that North Dakota is actively taking steps to study the feasibility of regulating special purpose depository institutions for cryptocurrency is a testament to the state's open-mindedness and forward thinking attitude when it comes to establishing a solid backbone for what many believe to be the undeniable financial system of the future. Those institutions and states that resist will unfortunately be left behind.