



**MEMORANDUM OF AGREEMENT**  
For the Digital Currency Innovation Lab

This Memorandum of Agreement (“MOA”), executed on the respective dates indicated below, is effective as of \_\_\_\_\_ between the **HAWAII TECHNOLOGY DEVELOPMENT CORPORATION**, an instrumentality and agency of the State of Hawaii (“HTDC”), by its Executive Director and CEO, and \_\_\_\_\_ (“PARTICIPANT”).

The Digital Currency Innovation Lab (“PROGRAM”) is a pilot project by the State of Hawaii that is administered by HTDC. For any company that conducts virtual currency or digital currency transactions (“VC Transactions”) in Hawaii, participation in the PROGRAM is required for the Division of Financial Institutions (“DFI”) to allow VC transactions that would otherwise be considered unlicensed activity under Hawaii Revised Statutes Chapter 489D.

NOW, THEREFORE, in consideration of the promises contained in this MOA, HTDC and the PARTICIPANT agree as follows:

1. Scope of Participation. The PARTICIPANT shall fulfill the requirements set forth in Attachment 1, which is hereby made a part of this MOA.
2. Period of Participation. The PROGRAM will begin on \_\_\_\_\_ and be effective for a maximum of 1 term until June 30, 2022; unless this MOA is amended as hereinafter provided.
3. Payments. Upon participation in term 2 of the PROGRAM, the PARTICIPANT agrees to pay **ONE THOUSAND DOLLARS (\$1,000.00)**, set forth in Attachment 2.
4. Conflicts of Interest. HTDC does not approve, endorse, or provide any unwarranted advantage or benefit for any PARTICIPANT. PARTICIPANT shall comply with all federal and state ethics laws, codes, rules, and regulations.



- 5. Application of Laws. PARTICIPANT shall comply with all federal and state laws, codes, rules, and regulations, including consumer protection laws.
  
- 6. General Conditions. General Conditions required for this MOA are set forth in Attachment 3, which is hereby made a part of this MOA.

IN VIEW OF THE ABOVE, the parties execute this Memorandum of Agreement by their signatures, on the dates below.

HAWAII TECHNOLOGY DEVELOPMENT CORPORATION

By: \_\_\_\_\_

Print Name: Len Higashi

Title: Acting Executive Director & CEO

Date: \_\_\_\_\_

PARTICIPANT

Company: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Attachment 1

SCOPE OF PARTICIPATION

**1. REQUIREMENTS**

a) The PARTICIPANT shall provide HTDC with a report containing the following data:

- i) The number of transactions
- ii) The amount of value of the transactions
- iii) The number of complaints received
- iv) Any regulatory enforcement orders or pending regulatory enforcement orders

The data must be uploaded to an online folder by the deadline given for each reporting period throughout the program. Participants in the program will be notified of the deadline by HTDC.

b) The PARTICIPANT shall provide written disclosures for customers:

On its public-facing platform, the PARTICIPANT must provide written disclosures to inform customers of the risks of engaging in virtual currency transactions through its platform. The consumer disclosure shall include a statement “The virtual currency or digital currency invested or used for purchase may not retain its value and may lose value, including loss of the principal”.

**2. PROJECT EVALUATION**

The PARTICIPANT must complete a survey at the end of each participating year and submit it by the stipulated date to HTDC. The survey will be sent via email to the contact person on file.

**3. VOLUNTARY TERMINATION**

A PARTICIPANT may request to voluntarily withdraw from participating in the PROGRAM. The PARTICIPANT must submit, for HTDC’s review and approval, all requested or required data to date, and an exit plan approved by HTDC prior to cessation of services.

**4. COMPLAINTS**

The PARTICIPANT will immediately, or as soon as reasonably possible, notify HTDC of any consumer complaints. PARTICIPANT agrees to take reasonable steps and work with HTDC to respond to consumer complaints. Notwithstanding HTDC’s involvement or actions, PARTICIPANT will indemnify and defend HTDC as provided in Attachment 3.



## PAYMENT SCHEDULE

### 1. PAYMENTS

To participate in term 2 of this PROGRAM under this MOA, the PARTICIPANT agrees to pay to HTDC a participation fee:

Participation Fee – Term 2 (July 1, 2021 - June 30, 2022)	<u>\$1,000.00</u>
Total:	<u>\$1,000.00</u>

### 2. METHOD OF PAYMENT

Payment for services provided by HTDC under this MOA shall be made by the PARTICIPANT to HTDC as completed and outlined above. The PROGRAM Participation Fee is payable at the start of each term of participation.

The PROGRAM Participation Fee(s) will not be refunded should the PARTICIPANT, upon successful admission, withdraw from participating in the PROGRAM, at any time.



## GENERAL CONDITIONS

### 1. CONFIDENTIALITY OF MATERIAL

To the extent permitted by law, all material given to or made available to both parties by virtue of this MOA which is identified as proprietary or confidential information will be safeguarded by each party and shall not be disclosed to any individual or organization without prior written approval of both parties.

### 2. INDEMNIFICATION AND DEFENSE

The PARTICIPANT shall defend, indemnify, and hold harmless the State of Hawaii, the contracting agency (HTDC), and their officers, employees, board members, and agents from and against all liabilities, losses, damages, costs, and expenses, including all attorney's fees, and all claims, suits, and demands therefore, arising out of or resulting from the acts or omissions of the PARTICIPANT or PARTICIPANT's employees, officers, agents, or subcontractors under this MOA. HTDC shall not have any liability or obligation to the PARTICIPANT for any claim of infringement of any patent, copyright, trade secret, or trademark, or of any third-party claims with respect to any licensed material or trademarks or for the release of any information or documents. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this MOA.

### 3. GOVERNING LAW

The validity of this MOA and any of its terms or provisions, as well as the rights and duties of the parties to this MOA, shall be governed by the laws of the State of Hawaii. Any action at law or in equity to enforce or interpret the provisions of this MOA shall be brought in the First Circuit court of the State of Hawaii. Any dispute arising in connection with the parties' performance of their duties or rights under this MOA shall be governed by the laws of the State of Hawaii.

### 4. MODIFICATIONS OF MOA

Any modification, alteration, amendment, change, or extension of any term, provision or condition of this MOA shall be made by written amendment to this MOA and executed by both parties.

### 5. ENTIRE AGREEMENT

This MOA sets forth all of the agreements, conditions, understandings, promises, warranties, and representation between HTDC and the PARTICIPANT relative to this



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MOA. There are no agreements, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between HTDC and the PARTICIPANT other than as set forth or as specifically referred to herein.