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REC'D - AR SECURITIES

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-24-0013

ORDER NO. C-24-0013-24-OR01

IN THE MATTER OF:

**Payward Ventures, Inc.
D/B/A Kraken**

RESPONDENT

SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order (“Order”) is entered pursuant to the Arkansas Money Services Act (“AMSA”), codified at Ark. Code Ann. §§ 23-55-101 to 23-55-1007, the Arkansas Money Services Rules (“Rules”) promulgated under the AMSA, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-101 to 25-15-221, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and Respondent, Payward Ventures, Inc. (NMLS ID No. 2029266), doing business as Kraken (“PVI”), in full and final settlement of all claims that could be brought against PVI by the Staff on the basis of the facts set forth herein.

PVI admits the jurisdiction of the AMSA and the Arkansas Securities Commissioner (“Commissioner”), waives its right to a formal hearing and appeal, consents to the entry of this Order, and agrees to abide by its terms.

FINDINGS OF FACT

1. PVI is a corporation formed under the laws of Delaware and based in San Francisco, California.
2. On November 18, 2022, the Arkansas Securities Department (“Department”) issued PVI an Arkansas money transmitter license.

3. Arkansas money transmitter licenses expire on December 31 of each year but may be renewed by filing a complete application for renewal with the Department. Ark. Code Ann. §§ 23-55-205(e), 206.

4. PVI sought a renewal of its license for 2024, but for reasons outside of PVI's control, not all necessary information for renewal was provided; therefore, PVI's Arkansas money transmitter license was not renewed and expired on December 31, 2023.

5. Beginning January 1, 2024, without an Arkansas money transmitter license, PVI continued to provide money transmission services to Arkansas consumers.

6. PVI provided the Staff with a transition plan to transfer the operation of its business as a money transmitter in Arkansas to another entity that holds a license under the AMSA, and the Staff has approved the transition plan provided by PVI.

CONCLUSIONS OF LAW

7. A person may not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission services unless the person is: (1) licensed, (2) an authorized delegate of a licensed person, or (3) is excluded under § 23-55-103. Ark. Code Ann. § 23-55-201(a).

8. PVI, by providing money transmission services to Arkansas consumers in 2024 without an Arkansas money transmitter license, failed to comply with Arkansas Code Annotated section 23-55-201(a).

9. Pursuant to Ark. Code Ann. § 23-55-805, the Commissioner may assess a civil penalty against a person that violates the ASMA in an amount not to exceed \$1,000 per day for each day the violation is outstanding.

10. Ark. Code Ann. § 23-55-804 provides that matters may be resolved by consent order.

UNDERTAKINGS

11. PVI neither admits nor denies the allegations herein but desires to resolve this matter without further cost or expense through this Order.

12. Consistent with the transition plan provided to the Department, PVI shall wind down its business as a money transmitter in Arkansas.

13. PVI shall pay a fine of seventy-five thousand dollars (\$75,000) to the Department within ten days of the effective date of this Order.

14. After the transition plan has been completed, PVI shall not thereafter engage in money transmission under the AMSA until such time as it holds a license to do so.

15. Upon filing of this Order, PVI agrees not to violate its terms or the AMSA. If PVI fails to abide by the terms of this Order, the Commissioner may pursue any action against PVI allowed by law, including, but not limited to, the following: cease and desist orders, denial of any application for license or registration, revocation of any license, imposition of any fine, imposition of bars from future licensure or registration, or any other remedy allowed by law.

OPINION

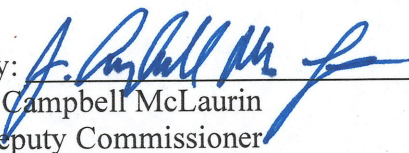
This Order is in the public interest. The facts set forth in paragraphs one through six support the violations of the AMSA as set forth in paragraphs seven through ten.

ORDER

IT IS THEREFORE ORDERED that, in accordance with its undertakings, PVI shall pay a fine in the amount of \$75,000.00 to the Department upon entry of this Order.

WITNESS MY HAND this the 17th day of June, 2024.

SUSANNAH T. MARSHALL
ARKANSAS SECURITIES COMMISSIONER

By: 

J. Campbell McLaurin
Deputy Commissioner
Arkansas Securities Department
1 Commerce Way, Suite 402
Little Rock, Arkansas 72202

Payward Ventures, Inc., hereby agrees to the entry of this Consent Order, and consents to all terms, conditions, and orders contained therein, and waives any right to an appeal from this Order.

DocuSigned by:
John Trohan 13 June 2024
B600FF3AB17B428
Title: Authorized Person Date
Payward Ventures, Inc.

Approved as to Form and Content:

DocuSigned by:
Monique Boucher 13 June 2024
9825C589D4BA45B
Payward Ventures, Inc. Counsel Date

Christina Redmann 6-17-2024
Christina Redmann Date
Staff Attorney
Arkansas Securities Department