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REC'D - AR SECURITIES

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. C-24-0038

ORDER NO. C-24-0038-24-OR01

IN THE MATTER OF:

**PLUTUS FINANCIAL, INC.,
ABRA TRADING, LLC,
PLUTUS FINANCIAL HOLDINGS, INC.,
PLUTUS LENDING, LLC, and
WILLIAM JOHN BARHYDT.**

RESPONDENT

CONSENT ORDER

WHEREAS state money transmitter regulators, as part of a multistate Money Transmitter Regulators Association Working Group, including regulators from the states of Arkansas, Connecticut, Georgia, Ohio, Oregon, Texas, Washington, and Vermont (“the MTRA Working Group”) conducted a multistate investigation into whether Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and William John Barhydt (“Mr. Barhydt”) engaged in unlicensed money transmission as set forth herein to customers residing in the United States.

WHEREAS on or about June 26, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt executed a Term Sheet with the MTRA Working Group to enter into consent orders to resolve the multistate investigation within 15 days of executing the Term Sheet.

NOW THEREFORE, Arkansas Securities Department and Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt, and finding

that the issues raised in the multistate investigation may be economically and efficiently settled, agree to the entry of this Consent Order. This Consent Order is entered pursuant to Arkansas Uniform Money Services Act codified at Ark. Code Ann. § 23-55-101 through 23-55-1007 and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. § 25-15-201 through 25-15-221 and based upon the following:

FINDINGS OF FACT

1. **Plutus Financial, Inc.** is a Delaware corporation formed in 2014. Plutus Financial Inc. has never been licensed as a money transmitter or currency exchanger by the Arkansas Securities Department (“Department”).
2. **Abra Trading, LLC** is a Delaware limited liability company formed in 2022. Abra Trading, LLC has never been licensed as a money transmitter or currency exchanger by the Department.
3. **Plutus Financial Holdings, Inc.** is a Delaware corporation formed in 2022. Plutus Financial Holdings, Inc. has never been licensed as a money transmitter or currency exchanger by the Department.
4. **Plutus Lending, LLC** is a Delaware limited liability company formed in 2020. Plutus Lending, LLC has never been licensed as a money transmitter or currency exchanger by the Department.
5. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC, were in the business of providing customers with a digital platform that enabled their customers to buy, sell, borrow, trade, and hold virtual assets. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC, operated a mobile phone application that enabled U.S. customers to create an Abra Trade Account (“U.S. Trade

Customers”) in order to conduct these financial transactions.

6. **Mr. Barhydt** is the largest owner of the equity ownership interests of Plutus Financial Holdings, Inc., its direct subsidiaries Plutus Financial, Inc., Abra Trading, LLC, Abra Boost, LLC, and its indirect subsidiary Plutus Lending, LLC. Further, Mr. Barhydt is the Chief Executive Officer of Plutus Financial, Inc., and directly or indirectly controls Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC.

Mr. Barhydt is responsible for defining the strategy and the day-to-day operations of Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC to include (i) the decision to utilize Digital Capital Solutions Limited and Plutus Technologies Philippines Corporation in connection with the money transmission products and services of Plutus Financial, Inc., Plutus Financial Holdings, Inc., and Plutus Lending, LLC, and (ii) the decision to allow Abra Trading, LLC to hold itself out as providing money transmission services.

7. **Digital Capital Solutions Limited** is a British Virgin Islands entity that assisted Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC in its provision of money transmission products and services to U.S. Trade Customers from at least January 2023 to June 2023. Digital Capital Solutions Limited has never been licensed as a money transmitter or currency exchanger by the Department.

Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt represented to the MTRA Working Group that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt exercise no control over Digital Capital Solutions Limited and are unable to waive service on behalf of Digital Capital Solutions Limited. Thus, Digital Capital Solutions Limited is not named as a Respondent in this matter.

8. **Plutus Technologies Philippines Corporation** is a Philippines Corporation, and partially owned subsidiary of Plutus Financial, Inc., that assisted Plutus Financial, Inc., Plutus Financial Holdings, Inc., and Plutus Lending, LLC in its provision of money transmission products and services to U.S. Trade Customers. Plutus Technologies Philippines Corporation has never been licensed as a money transmitter or currency exchanger by the Department.

Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt represented to the MTRA Working Group that because Plutus Technologies Philippines Corporation is a partially-owned subsidiary, they are unable to waive service on behalf of Plutus Technologies Philippines Corporation. Thus, Plutus Technologies Philippines Corporation is not a named Respondent in this matter.

9. **Abra Boost, LLC** is a Delaware limited liability company formed in 2022. Abra Boost, LLC has never been licensed as a money transmitter or currency exchanger by the Department. Abra Boost, LLC offered a securities product in reliance on an exemption from registration under the Securities Act of 1933 (Boost Securities), which Abra Boost, LLC represented made the product exempt from state securities registration requirements. Boost Securities launched in November 2022 and wound down in June 2023. With respect to Boost Securities, all purchase funds and accrued interest, which were denominated in virtual assets, were redeemed. The redeemed virtual assets were credited to Abra Trade Accounts and made available for withdrawal by U.S. Trade Customers as of August 1, 2023.

Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt objected to the inclusion of Abra Boost in this matter based upon their representation that Boost Securities are securities products that do not involve money transmission. Thus, in order to resolve the multistate investigation, Abra Boost is not a named

Respondent in this matter.

10. From at least March of 2021 until June of 2023, Plutus Financial, Inc., and Plutus Lending, LLC engaged in the business of receiving money or its equivalent value to transmit, deliver, or instruct to be delivered money or its equivalent value to another location, or at least advertised, solicited, or held themselves out as providing those services via their products Abra Trade, Abra Earn, and Abra Wallets.

11. From at least June of 2022 to June of 2023, Abra Trading, LLC held itself out as providing money transmission services.

12. In approximately July 2021, Plutus Technologies Philippines Corporation signed an agreement with Fireblocks. Pursuant to this agreement, beginning in January 2023, some U.S. Trade Customer virtual assets in Abra Trade Accounts were held in Fireblocks Vaults, where they remain available for withdrawal as of the date of this Consent Order.

13. From at least January 2023 to June 2023, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC also held U.S. Trade Customer virtual assets with Digital Capital Solutions Limited, which resulted in U.S. Trade Customer virtual assets in Abra Trade Accounts actually being held on Binance.com, an unlicensed foreign exchange.

14. On or about May 24, 2023, Plutus Financial, Inc. and Abra Trading, LLC provided a breakdown of U.S. Trade Customer virtual assets held by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC including customer level data, for Arkansas customers.

15. On or about June 7, 2023, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC identified for the MTRA Working Group all entities involved in their money transmission flow of funds, including all entities necessary for processing

withdrawals or executing other transactions or transfers in order to facilitate the return of virtual assets to U.S. Trade Customers of Arkansas.

16. On or about June 14, 2023, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC, issued an announcement that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC would phase out any products and services offered to U.S. Trade Customers in a gradual and orderly fashion.

17. On or about June 15, 2023, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC ceased accepting U.S. Trade Customer virtual asset allocations into their money transmission products and services, and ceased making the buying, selling, or trading of cryptocurrencies available to U.S. Trade Customers in Arkansas.

18. On or about July 8, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC sent a written communication to all U.S. Trade Customers stating that they should withdraw all virtual assets held by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC prior to July 31, 2024.

19. On or about June 26, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC posted separate clear and conspicuous notifications that U.S. Trade Customers should withdraw all virtual assets held by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC prior to July 31, 2024, on their mobile application, website, and all social media platforms on which they are active.

20. On or about June 26, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC confirmed and ratified the announcement of June 14, 2023, to phase out any money transmission products and services offered to U.S. Trade Customers

in a gradual and orderly fashion, with all necessary amendments for consistency with the executed Term Sheet.

21. On or about June 26, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC attested, under penalty of perjury, that as of June 26, 2024, they held virtual assets on behalf of U.S. Trade Customers sufficient to facilitate and fulfill withdrawals of all such virtual assets belonging to all such U.S. Trade Customers residing in Arkansas.

22. On or about June 26, 2024, Mr. Barhydt attested, under penalty of perjury, that as of June 26, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC held virtual assets on behalf of Abra Trade's U.S. Trade Customers sufficient to facilitate and fulfill withdrawals of all such virtual assets belonging to such U.S. Trade Customers who are residents of Arkansas. Mr. Barhydt further attested that he will assume personal liability for the return of all such Abra Trade U.S. Trade Customer virtual assets if Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC do not process and fulfill withdrawals of all such virtual assets belonging to all such U.S. Trade Customers residing in Arkansas.

CONCLUSIONS OF LAW

Based upon the above Findings of Fact:

1. The Abra Earn Accounts and Abra Trade Wallets constituted stored value as defined by Ark. Code Ann. § 23-55-102(20).
2. By offering and providing Abra Trade Accounts, Abra Earn Accounts, and Abra Wallets, and related products and services to residents of Arkansas, Plutus Financial, Inc., Plutus Financial Holdings, Inc., and Plutus Lending, LLC engaged in the business of money transmission in

Arkansas without a license issued by the Department.

AGREEMENT AND ORDER

The Department and Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt have agreed upon a basis for resolution of the Finding of Facts and Conclusions of Law in this Consent Order. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt hereby agree to the Department's entry of this Consent Order and further agree this Consent Order constitutes a full and final resolution of the MTRA Working Group investigation as it relates to unlicensed money transmission by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt neither admit nor deny the Findings of Fact and Conclusions of Law identified in this Consent Order.

Based upon the foregoing:

A. Jurisdiction. It is AGREED that the Department has jurisdiction over the subject matter of the activities discussed herein.

B. Waiver of Hearing. It is AGREED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt hereby waive any right they may have to a hearing and any and all administrative and judicial review of the issues raised in the MTRA Working Group investigation or the resolution reached herein

C. Ceasing Operations. It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC shall not accept new U.S. Trade Customer virtual asset allocations. This does not prevent Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC from allowing U.S. Trade

Customers to withdraw their virtual assets from Abra Trade Accounts maintained by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, Plutus Technologies Philippines Corporation, or Digital Capital Solutions Limited.

D. No Future Activity with Unlicensed Entities. It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall not engage directly or indirectly with Plutus Technologies Philippines Corporation or Digital Capital Solutions Limited in order to facilitate or provide money transmission products or services to customers in Arkansas or with respect to U.S. Trade Customer virtual assets, except to the limited extent necessary to complete processing withdrawal requests from U.S. Trade Customers.

It is FURTHER AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall not engage directly or indirectly with any entity that is unlicensed or not properly licensed in order to facilitate or provide money transmission products or services to customers of Arkansas or with respect to U.S. Trade Customer virtual assets.

E. Money Transmitter License Required. It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC shall not perform money transmission or hold themselves out as a money transmitter or money service business in Arkansas, without first obtaining a money transmitter license in accordance with the Act or qualifying for an exclusion from licensing as delineated in the Act. It is FURTHER AGREED this provision does not prohibit Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt from returning U.S. Trade Customer virtual assets consistent with Paragraphs K and L of this Consent Order.

F. No Control - Passive Investor Only. It is AGREED, that Mr. Barhydt will not participate in any capacity in the conduct of the affairs of any money transmitter or money service business licensed by Arkansas or subject to licensure or regulation by Arkansas for a period of five years from June 26, 2024. This includes acting as a director, manager, owner, supervisor, control person, or qualified individual of any entity acting directly as a money transmitter or money service business in Arkansas or acting indirectly in such capacity through a third-party entity. Mr. Barhydt may participate as a “passive investor,” who does not otherwise exercise control of an entity duly licensed as a money transmitter or money service business in Arkansas.

It is FURTHER AGREED that if Mr. Barhydt acts as a “passive investor,” he shall not have the power to elect a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority of a person in control of a licensee; shall not be employed by and does not have any managerial duties of the licensee or person in control of a licensee; and shall not have the power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or person in control of a licensee.

It is FURTHER AGREED that if after the five-year period, Mr. Barhydt or any entity for which he acts as an officer or control person applies for licensure, approval of Mr. Barhydt’s application or participation in such entity’s activities will be subject to any and all licensing requirements of Arkansas in effect at that time. It is FURTHER AGREED and ORDERED that Mr. Barhydt shall ensure that any entity he controls or as to which he is a principal that engages, in any capacity, in the conduct of the affairs of any money transmitter or money service business must be duly licensed in each jurisdiction in which it operates.

It is further AGREED and ORDERED that if Mr. Barhydt does not comply with the agreed upon terms set forth in this Paragraph F, it shall constitute a violation of this Consent Order.

G. No Control – Effect of Paragraph F. It is AGREED that Paragraph F is not intended to form the basis for Mr. Barhydt's disqualification from registration as a broker-dealer, securities salesperson, investment adviser, investment adviser representative, or issuer under the laws, rules, and regulations of Arkansas or any other jurisdiction or self-regulatory organization, or to disqualify Mr. Barhydt from relying upon the securities registration exemptions or safe harbor provisions for which Mr. Barhydt may qualify under the laws, rules and regulations of Arkansas or any other jurisdiction or self-regulatory organization.

H. Wallet Addresses. It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall continue to make all wallet addresses holding U.S. Trade Customer virtual assets available to Arkansas until all virtual assets are returned pursuant to Paragraphs K and L.

I. Updated Terms of Service. It is AGREED and ACKNOWLEDGED that legal title to all virtual assets in U.S. Trade Customer Accounts, held and maintained by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC belong to the U.S. Trade Customer. It is FURTHER AGREED and ORDERED that Plutus Financial, Inc. and Abra Trading, LLC shall immediately amend and update its terms of service, and any other terms or conditions of Plutus Financial, Inc. and Abra Trading, LLC's relationship with U.S. Trade Customers of Arkansas to reflect:

1. Title to a U.S. Trade Customer's virtual assets belong to the U.S. Trade Customer.
2. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Plutus Technologies Philippines Corporation hold virtual assets for U.S. Trade Customers in custody only.

3. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Plutus Technologies Philippines Corporation have and will keep U.S. Trade Customers' virtual assets segregated and will not commingle, use, pledge, rehypothecate, or lend U.S. Trade Customer virtual assets.
4. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Plutus Technologies Philippines Corporation will return U.S. Trade Customers' virtual assets in accordance with Paragraphs K and L of this Consent Order.

It is FURTHER AGREED and ORDERED that Plutus Financial, Inc. and Abra Trading, LLC shall execute the above changes using the preapproved language in Attachment A of this Consent Order.

J. Return of Customer Assets – Applicability of Securities Orders. It is AGREED and ORDERED that U.S. Trade Customer virtual assets, or U.S. Trade Customer virtual assets converted to fiat (converted assets) transitioned by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC pursuant to any agreement or order entered with state securities regulators are subject to the terms of this Consent Order.

K. Return of Customer Assets – Procedure. It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC shall utilize the procedure described below to return U.S. Trade Customer virtual assets that are (a) maintained in Fireblocks Vaults on behalf of U.S. Trade Customers or otherwise under the control of Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, Plutus Technologies Philippines Corporation, or Digital Capital Solutions Limited and (b) owned by U.S. Trade Customers residing in Arkansas.

It is AGREED and ORDERED that Plutus Financial, Inc. and Abra Trading, LLC will convert the outstanding virtual assets owned by U.S. Trade Customers identified in Attachment B to fiat, and Abra will send the converted assets to Arkansas unclaimed property fund managed by the Arkansas Auditor of State, taking the appropriate steps to identify U.S. Trade Customers, amounts owed/owned, and other necessary data. Checks will be sent within 30 days of the date this agreement is fully executed. The Department, Plutus Financial, Inc. and Abra Trading, LLC acknowledge and agree that Arkansas' unclaimed property agency's rules and requirements may require U.S. Trade Customer converted assets to be held for a longer statutory period in order for the outstanding U.S. Trade Customer converted assets to be considered dormant.

L. Return of Customer Assets – Conflicting Orders. It is AGREED and ORDERED that in the event that the state securities regulator in Arkansas has entered into a Term Sheet or Consent Order (a "Prior Securities Agreement") that requires Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and/or Mr. Barhydt to return U.S. Trade Customer virtual assets held in Abra Trade Accounts, in a manner that is inconsistent with the procedure elected by the Department in Paragraph K of this Consent Order, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall:

1. Return all U.S. Trade Customer virtual asset balances consistent with the Prior Securities Agreement entered into with the Arkansas securities regulator; and
2. Return all remaining U.S. Trade Customer virtual assets, one cent and above, in the manner elected by the Department pursuant to Paragraph K. The Department may consider the procedure elected in the Prior Securities Agreement. However, the Department is not bound by the procedure elected in the Prior Securities Agreement, and may use the procedure elected in Paragraph K.

It is FURTHER AGREED and ORDERED that in the event that the state securities regulator in Arkansas enters into a Prior Securities Agreement that requires Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and/or Mr. Barhydt to return U.S. Trade Customer virtual assets held in Abra Trade Accounts prior to June 26, 2024, in a manner that is only inconsistent regarding the threshold for the amount to be returned, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and/or Mr. Barhydt shall return all remaining U.S. Trade Customer virtual assets according to the procedure elected in Paragraph K.

M. Return of Customer Assets – Reporting. It is AGREED and ORDERED that Plutus Financial, Inc. and Abra Trading, LLC shall continue to provide the Department a breakdown of U.S. Trade Customer virtual assets and converted assets held by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC, to include customer level data on January 31, 2025 and quarterly thereafter until Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending LLC are no longer holding virtual assets or converted assets on behalf of U.S. Trade Customers Arkansas. It is FURTHER AGREED and ORDERED that this term shall be deemed fulfilled upon completion of the process elected pursuant to Paragraphs K and L of this Consent Order.

N. Return of Customer Assets – No New Entities. It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall not engage any entity not previously identified in the process of returning virtual assets to U.S. Trade Customers.

O. Return of Customer Assets – Sufficient Funds Attestation. It is AGREED and ORDERED the signed attestation of Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial

Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt stating Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC hold virtual assets on behalf of U.S. Trade Customers sufficient to facilitate and fulfill withdrawals of all such virtual assets belonging to all such U.S. Trade Customers residing in Arkansas, Attachment C, is incorporated as part of this Consent Order. It is FURTHER AGREED and ORDERED that it is a violation of this Consent Order, if it is determined that any part of the attestation, at the time the attestation was executed, was false.

P. Return of Virtual Assets – Personal Guarantee. It is AGREED and ORDERED that Mr. Barhydt shall personally and unconditionally guarantee that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC have the ability to facilitate and fulfill withdrawals of all U.S. Trade Customer virtual assets. It is FURTHER AGREED and ORDERED that if Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC do not fulfill withdrawals of all U.S. Trade Customer virtual assets, Mr. Barhydt shall be personally liable for the return of all U.S. Trade Customer virtual assets withdrawals not fulfilled. It is FURTHER AGREED and ORDERED that this term shall be deemed fulfilled upon completion of the process elected pursuant to Paragraphs K and L of this Consent Order.

Q. Public Statements – Factual Basis. It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any allegation referenced in this Consent Order or create the impression that the Consent Order is without factual basis. It is FURTHER AGREED and ORDERED that except as specifically

provided herein, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall not take any position in any proceeding brought by or on behalf of the Department or to which the Department is a party, that is inconsistent with any part of this Consent Order. It is FURTHER AGREED that nothing in this provision affects Plutus Financial, Inc.'s, Abra Trading, LLC's, Plutus Financial Holdings, Inc.'s, Plutus Lending, LLC's, and Mr. Barhydt's (i) testimonial obligations, or (ii) right to take legal or factual positions that may contradict an allegation in the Consent Order in litigation or other legal proceedings in which the Department is not a party.

R. Customer Identification Procedures and Policy. It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall implement and maintain adequate identification verification procedures and policies to ensure that it does not provide money transmission products or services to customers of Arkansas unless and until such time Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending LLC, or Mr. Barhydt are appropriately licensed to offer such money transmission products or services to customers of Arkansas.

It is FURTHER AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC shall clearly and conspicuously state on their mobile application and website, or any third-party services that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC do not provide money transmission products and services to customers of Participating Jurisdiction.

S. Fine. It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall jointly and severally pay a fine to the Department in the amount of \$250,000. It is FURTHER AGREED that \$250,000

of the fine is stayed ("Stayed Fine") for five years subject to full compliance by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt with this Consent Order.

It is FURTHER AGREED that the stay may be lifted and the Stayed Fine imposed in accordance with the terms stated in Paragraph T. Absent any action by the Department to lift the Stayed Fine pursuant to Paragraph T, Plutus Financial, Inc.'s, Abra Trading, LLC's, Plutus Financial Holdings, Inc.'s, Plutus Lending, LLC's, and Mr. Barhydt's obligation to pay the Stayed Fine shall be vacated five years from the date of entry of this Consent Order without further action or notice by the Department.

T. Lifting of Stay and Imposing Stayed Fine. It is AGREED that:

1. If the Department determines that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, Mr. Barhydt have not complied with the terms of this Consent Order, and the Department accordingly seeks to lift the stay and impose the Stayed Fine set forth in Paragraph S above, the Department will first notify Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr. Barhydt in writing of its determination.
2. The Department's notification will include:
 - a) A description of the alleged noncompliance;
 - b) A statement that because of the noncompliance, the Department seeks to lift the stay and impose the Stayed Fine;
 - c) The opportunity for Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr. Barhydt to contest the Department's determination of noncompliance in an administrative hearing in accordance with the Act; and
 - d) A copy of this Consent Order. The notification and hearing process provided in this Consent Order applies only to this Consent Order. It is solely provided in the event Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr.

Barhydt choose to contest the Department's determination of noncompliance.

3. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr. Barhydt shall be afforded 20 business days from the date of receipt of the Department's notification to submit a written request to the Department for an administrative hearing;
4. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr. Barhydt, in addition to a request for hearing, may provide a written response to include any information pertaining to the alleged noncompliance.
5. The scope and issues of the hearing are limited solely to whether or not Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr. Barhydt are in violation of the terms of this Consent Order.
6. At the conclusion of the hearing, an administrative decision will be issued. Either party may file a Petition for Review with the Arkansas Securities Commissioner.
7. If Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr. Barhydt do not request the hearing within the stated time, the Department will impose the Stayed Fine and pursue whatever action it deems necessary to enforce the Stayed Fine.

U. Limited Use – Liability, Defenses and Private Rights of Action. It is AGREED that this Consent Order is not intended to be used for any other purpose or to resolve any claims under any other state or federal law. Other than the obligations and provisions set forth herein, this agreement does not limit or create liability for Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt, nor limit or create defenses for Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt to any claims. It is FURTHER AGREED that this Consent Order does not give rise to or limit any private rights of action.

- V. **Applicability.** It is AGREED that this Consent Order is entered into solely for the purpose of resolving the above referenced multistate investigation with respect to unlicensed money transmission activity committed by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt between March 2021 to June of 2023 only. It is FURTHER AGREED that this Consent Order does not extend to any potential unlicensed money transmission activity of Abra Boost, Plutus Technologies Philippines Corporation, and Digital Capital Solutions Limited. It is FURTHER AGREED that this Consent Order does not extend to any ongoing or future money transmission activities, except for money transmission activity undertaken in accordance with Paragraphs K and L of this Consent Order.
- W. **Other Investigations.** It is AGREED that this Consent Order shall constitute a full and final resolution of the MTRA Working Group investigation. It is FURTHER AGREED that the Department, will not file any enforcement action for violations or potential violations of money transmission statutes enforced by the Department with respect to the facts and circumstances that were the subject of the MTRA Working Group investigation described herein as it relates to Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt. It is FURTHER AGREED that this provision in no way limits Arkansas authority to file any other enforcement action in the event Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr. Barhydt do not comply with all terms of this Consent Order.
- X. **Change of Contact Information.** It is AGREED and ORDERED that for the duration of the period this Consent Order is in effect, unless otherwise agreed to in writing by the Department, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc.,

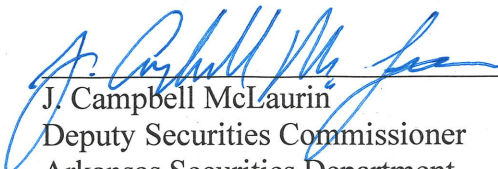
Plutus Lending, LLC, and Mr. Barhydt shall provide the Department with a mailing address, telephone number, and e-mail address at which they can be contacted. It is FURTHER AGREED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall notify the Department in writing of any changes to their mailing address or telephone number within 15 days of any such change.

- Y. Non-Compliance with Order.** It is AGREED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt understand that failure to abide by the terms and conditions of this Consent Order may result in further legal action by the Department. In the event of such legal action, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and
- Z.** Mr. Barhydt may be responsible to reimburse the Department for the cost incurred in pursuing such action, including but not limited to, attorney fees.
- AA. Voluntarily Entered.** It is AGREED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt have voluntarily entered into this Consent Order, which is effective when signed by the Department.
- BB. Binding Agreement.** It is AGREED that this Consent Order shall be binding upon Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt
- CC. Reporting.** It is AGREED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt acknowledge that this Consent Order is a public record and is a reportable event for the purposes of NMLS, as applicable.

- DD. Completely Read, Understood, and Agreed.** It is AGREED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and William John Mr. Barhydt acknowledge that they have had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and executes this Consent Order freely.
- EE. Authority to Execute Order.** It is AGREED that the undersigned have represented and warranted that they have the full power and right to execute this Consent Order on behalf of the parties represented.
- FF. Counterparts.** This Consent Order may be executed in any number of counterparts, including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Consent Order.

WITNESS MY HAND THIS 1st DAY OF APRIL, 2025.

SUSANNAH T. MARSHALL
ARKANSAS SECURITIES COMMISSIONER



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

RESPONDENTS:

By:



Authorized Representative of:
Plutus Financial, Inc.
William John Barhydt

02/06/2025

Date



Authorized Representative of:
Abra Trading, LLC
William John Barhydt

02/06/2025

Date



Authorized Representative of:
Plutus Financial Holdings, Inc.
William John Barhydt

02/06/2025

Date



Authorized Representative of:
Plutus Lending, LLC
William John Barhydt

02/06/2025

Date

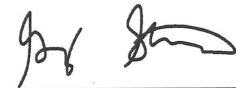


William John Barhydt

02/06/2025

Date

As to form:



Gregory Strong, Esq.
Cahill Gordon & Reindel LLP
Attorney for Respondents

02/06/2025

Date

ATTACHMENT A

Redacted

ATTACHMENT B

FOR STATE REGULATORS ONLY

ATTESTATION OF ABILITY TO REPAY OBLIGATIONS

Abra and the Related Entities attest, under penalty of perjury, that as of the date of execution of the Term Sheet and Template Consent Order (“Execution Date”), they hold virtual assets on behalf of U.S. Trade Customers sufficient to facilitate and fulfill withdrawals of such virtual assets belonging to such U.S. Trade Customers who are residents of the Participating Jurisdictions.

Mr. Barhydt attests, under penalty of perjury, that as of the Execution Date Abra and the Related Entities hold virtual assets on behalf of U.S. Trade Customers sufficient to facilitate and fulfill withdrawals of all such virtual assets belonging to such U.S. Trade Customers who are residents of the Participating Jurisdictions. Mr. Barhydt will assume personal liability for the return of all such U.S. Trade Customer virtual assets if Abra and the Related Entities fail to process withdrawals of virtual assets belonging to U.S. Trade Customers who are residents of the Participating Jurisdictions.

PLUTUS FINANCIAL, INC.

Signature: _____

Title: CEO

Printed Name: William Barhydt

Date: 06/25/2024

ABRA TRADING, LLC

Signature: _____

Title: CEO

Printed Name: _____

Date: 06/25/2024

PLUTUS LENDING, LLC

Signature: _____

Title: CEO

Printed Name: William Barhydt

Date: 06/25/2024

PLUTUS FINANCIAL HOLDINGS, INC.

Signature: _____

Title: CEO

Printed Name: William Barhydt

Date: 06/25/2024

FOR STATE REGULATORS ONLY

WILLIAM JOHN BARHYDT

Signature: _____

Title: NA

Printed Name: William Barhydt

Date: 06/25/2024