

## **ALABAMA SECURITIES COMMISSION**

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Telephone: (334) 242-2984 or 1-800-222-1253 Fax: (334) 242-0240  
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### **ASC Joins with Other State Securities Regulators to Settle with Nexo**

**Montgomery, Alabama (January 19, 2023)** – The Alabama Securities Commission (ASC) announced that a digital asset financial services company, Nexo Group, Nexo Inc., Nexo Capital Inc., Nexo Financial LLC, collectively known as “Nexo”, agreed to settlement terms regarding past unregistered offers and sales of securities to Alabama residents. The securities were in the form of interest-bearing digital asset deposit accounts called Earned Interest Product (EIP) accounts. Nexo will not offer or sell securities in the United States unless such sales have been registered or qualified under relevant laws. Currently, it is expected by all parties to this agreement that Nexo will cease operations in the United States, unless and until, they have been properly vetted in accordance with the securities laws of the United States. Nexo shall pay a total of \$22,500,000 in fines to the 53 NASAA member jurisdictions, or \$424,528.30 per jurisdiction to resolve the violations.

Between June 17, 2020, and December 6, 2022, Nexo offered and sold its EIP accounts in the United States to over 93,000 investors, totaling over \$800,000,000. Alabama investors opened 821 Nexo EIP accounts in an amount totaling over \$42,000,000. Nexo’s agreement to enter into a settlement with the ASC comes after Nexo announced that they would phase out its products and services in the U.S. before April 1, 2023. Nexo will send written communication to customers, by February 1, 2023, that they should withdraw all their assets from the Nexo accounts before April 1, 2023. Nexo will continue to assist customers that have EIP accounts, savings wallets, and non-collateral wallets, also known as “Legacy Accounts,” beyond the April withdrawal deadline. Customers will have access to their Legacy Accounts for the sole purpose of withdrawing and the accounts will not accrue interest.

“I commend our sister states on their hard work and for negotiating strong investor protections.” said Amanda Senn, North American Securities Administrator (NASAA) Enforcement Section Committee Co-Chair and ASC Chief Deputy Director. “Digital asset financial services companies offer investments that have proven to be extremely risky and volatile. Until these companies have provided appropriate information to licensing authorities demonstrating their viability, they should not be allowed to possess the assets of United States citizens.”

The ASC will continue to consider enforcement actions against firms that fail to comply with state law. Firms that need to register and deal with past unregistered activity should contact their state and federal regulators. The ASC can be contacted at 1-800-222-1253.

The ASC would like to thank its fellow NASAA members especially the multi-state jurisdiction working group for its coordinated efforts and the SEC for their collaboration and assistance.

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For further information contact 1-800-222-1253 and ask for Public Affairs.

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