

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:)	
PLUTUS FINANCIAL, INC., DBA ABRA)	ADMINISTRATIVE ORDER
PLUTUS LENDING INC.)	NO. CO-2023-0010A
WILLIAM “BILL” BARHYDT)	
<u>RESPONDENTS</u>)	

CONSENT ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of the Alabama Monetary Transmission Act, Code of Alabama (1975), §8-7A-1 et seq. (the "Act"), upon due consideration of the subject matter hereof, and having confirmed information of the unlicensed transmission of money in the State of Alabama, has determined as follows:

INTRODUCTION

WHEREAS Plutus Financial Holdings Inc., Plutus Financial Inc., Plutus Lending LLC, and Abra Boost LLC are part of a group of companies ("Abra") that has been and is controlled by William "Bill" Barhydt, and

WHEREAS state securities regulators, as part of a multistate Money Transmitter Regulators Association Working Group conducted a multistate investigation into whether Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt engaged in unlicensed money transmission as set forth herein to customers residing in the United States.

WHEREAS on or about June 25, 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, the Director of the Alabama Securities Commission and Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt, 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 Alabama Monetary Transmission Act, Code of Alabama (1975), §8-7A-1 et seq. based upon the following:

FINDINGS OF FACT

1. Plutus Financial Inc. is a Domestic Corporation organized under the laws of the state of Delaware. Plutus Financial Inc. has never been licensed as a money transmitter by the Alabama Securities Commission.
2. Abra Trading, LLC is a Delaware limited liability company formed in 2022. Abra Trading, LLC has never been licensed as a money transmitter by the Alabama Securities Commission.
3. Plutus Financial Holdings, Inc. is a Delaware corporation formed in 2022. Plutus Financial Holdings, Inc. has never been licensed as a money transmitter by the Alabama Securities Commission.
4. Plutus Lending LLC is a Domestic Limited Liability Company organized under the laws of the state of Delaware. Plutus Lending LLC is registered as a foreign Limited Liability Company with the Alabama Secretary of State. Plutus Lending, LLC has never been licensed as a money transmitter by the Alabama Securities Commission.

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.

7. 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.

8. 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 by the Alabama Securities Commission.

9. 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.

10. 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 by the Alabama Securities Commission.

11. 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.

12. Abra Boost, LLC is a Delaware limited liability company formed in 2022. Abra Boost, LLC has never been licensed as a money transmitter by the Alabama Securities Commission. 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.

13. 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.

14. 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.

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

16. 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.

17. 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.

18. 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 State of Alabama customers.

19. 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 the State of Alabama.

20. 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.

21. 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 the State of Alabama.

22. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC have sent written communications 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.

23. On or about June 25, 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.

24. On or about June 25, 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.

25. On or about June 25, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC attested, under penalty of perjury, that as of that date 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 the State of Alabama.

26. On or about June 25, 2024, Mr. Barhydt attested, under penalty of perjury, that as of that date, 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 the State of Alabama. 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 the State of Alabama.

CONCLUSIONS OF LAW

27. Plutus Financial, Inc. violated Code of Alabama (1975), §8-7A-5 by engaging in the business of money transmission in the State of Alabama without a license;

28. The Abra Earn Accounts and Abra Trade Wallets constituted monetary value or stored value as defined in Code of Alabama (1975), §8-7A-2.

29. By offering and providing Abra Trade Accounts, Abra Earn Accounts, and Abra Wallets, and related products and services to residents of the State of Alabama, Plutus Financial, Inc., Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt engaged in the business of money transmission in the State of Alabama without a license issued by the Alabama Securities Commission.

30. By holding itself out as providing money transmission services when it was not licensed to do so, Abra Trading, LLC violated Code of Alabama (1975), §8-7A-5.

AGREEMENT AND ORDER

31. The Alabama Securities Commission 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. Pursuant to Code of Alabama (1975), §8-7A-18 and the Administrative Procedure Act, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt hereby agree to the Alabama Securities Commission'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, Mr. Barhydt neither admit nor deny the Findings of Fact and Conclusions of Law identified in this Consent Order.

Based upon the foregoing:

32. **Jurisdiction.** It is AGREED that the Alabama Securities Commission has jurisdiction over the subject matter of the activities discussed herein.

33. **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.

34. **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.

35. **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 the State of Alabama 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.

36. 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 the State of Alabama or with respect to U.S. Trade Customer virtual assets.

37. **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 the State of Alabama, without first obtaining a money transmitter license in accordance with the Alabama Monetary Transmission 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 this Consent Order.

38. **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 services business licensed by the State of Alabama or subject to licensure or regulation by the State of Alabama for a period of five years from June 25, 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 the State of Alabama 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 services business in the State of Alabama.

39. 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.

40. 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 the State of Alabama 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 services business must be duly licensed in each jurisdiction in which it operates.

41. It is FURTHER AGREED and ORDERED that if Mr. Barhydt does not comply with the agreed upon terms set forth in Paragraphs 38 through 40, it shall constitute a violation of this Consent Order.

42. **No Control – Effect of Paragraph 38.** It is AGREED that Paragraph 38 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 the State of Alabama 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 the State of Alabama or any other jurisdiction or self-regulatory organization.

43. **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 the Commission until all virtual assets are returned pursuant to the terms of this Consent Order.

44. **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 the State of Alabama to reflect the following:

- a. Title to a U.S. Trade Customer's virtual assets belong to the U.S. Trade Customer.
- b. 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.
- c. 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.

d. 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 the terms of this Consent Order.

45. 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.

46. 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 procedures described in the Consent Order entered into between these parties and the Commission on May 30, 2024 (Alabama Securities Commission Administrative Order No. CO-2023-0010) to return U.S. Trade Customer virtual assets that are maintained 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 owned by U.S. Trade Customers residing in the State of Alabama.

47. Return of Customer Assets – Reporting. It is AGREED and ORDERED that Plutus Financial, Inc. and Abra Trading, LLC shall continue to provide the Alabama Securities Commission 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 as requested 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 in the State of Alabama under the terms of the Consent Order entered on May 30, 2024 (Alabama Securities Commission Administrative Order No. CO-2023-0010). It is FURTHER AGREED and ORDERED that this term shall be deemed fulfilled upon completion of the process elected pursuant to the terms of that Consent Order.

48. 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.

49. 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 the State of Alabama, is incorporated by reference 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.

50. 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 described in Paragraph 46 of this Consent Order.

51. 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 Alabama Securities Commission, or to which Alabama Securities Commission 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 Alabama Securities Commission is not a party.

52. Customer Identification Procedures and Policy. It is AGREED and ORDERED that 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 the State of Alabama 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 the State of Alabama.

53. 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 who are residents of the State of Alabama or only provide such customers with products or services that are exempt from money transmission licensing requirements.

54. **Administrative Assessment.** 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 an administrative assessment to the Alabama Securities Commission in the amount of \$250,000. It is FURTHER AGREED that the \$250,000 assessment is SUSPENDED pending full compliance by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt with this Consent Order and the completion of the steps described in the Consent Order entered into by these parties on May 30, 2024 (Alabama Securities Commission Administrative Order CO-2023-0010). If respondents timely complete these steps, this administrative assessment will be discharged.

55. **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.

56. **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 Paragraph 46 of this Consent Order.

Other Investigations

57. 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 Alabama Securities Commission will not file any enforcement action for violations or potential violations of money transmission statutes enforced by the Alabama Securities Commission 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 the State of Alabama 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.

58. **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 Alabama Securities Commission, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall provide the Alabama Securities Commission 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 Alabama Securities Commission in writing of any changes to their mailing address or telephone number within 15 days of any such change.

59. **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 Commission. In the event of such legal action, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt may be responsible to reimburse the Alabama Securities Commission for the cost incurred in pursuing such action, including but not limited to attorney fees.

60. **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 Director of the Alabama Securities Commission.

61. **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 and their successors and assigns.

62. **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.

63. **Completely Read, Understood, and Agreed.** It is AGREED that Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and 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 execute this Consent Order freely.

64. **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.

65. **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.

APPROVED AND AGREED this 1st day of October 2024.

Dated this 1st day of October 2024.

Plutus Financial Inc.

By: W Barhydt

Title: CEO

Plutus Lending LLC

By: W Barhydt

Title: CEO

William Barhydt

W Barhydt

Approved as to form by:



Gregory Strong
Counsel for Respondents



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BY:

Amanda

AMANDA L. SENN
DIRECTOR