

1 **STATE OF NORTH DAKOTA**

2 **DEPARTMENT OF FINANCIAL INSTITUTIONS**

3 In the Matter of:

4 PLUTUS FINANCIAL, INC.,
5 ABRA TRADING, LLC,
6 PLUTUS FINANCIAL HOLDINGS, INC.,
7 PLUTUS LENDING, LLC, and
8 WILLIAM JOHN BARHYDT.

MULTISTATE SETTLEMENT
CONSENT ORDER

9 Respondents.

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

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

20 NOW THEREFORE, Commissioner Lise Kruse of the North Dakota Department of Financial
21 Institutions (Commissioner) and Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
22 Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt, and finding that the issues raised in the
23

1 multistate investigation and the above-captioned matter, may be economically and efficiently settled,
2 agree to the entry of this Consent Order. This Consent Order is entered pursuant to North Dakota
3 Century Code §13-09.1-39, based upon the following:

4 **FINDINGS OF FACT**

5 **1.1 Plutus Financial, Inc.** is a Delaware corporation formed in 2014. Plutus Financial Inc. has
6 never been licensed as a money transmitter by the North Dakota Department of Financial
7 Institutions (the Department).

8 **1.2 Abra Trading, LLC** is a Delaware limited liability company formed in 2022. Abra Trading,
9 LLC has never been licensed as a money transmitter by the Department.

10 **1.3 Plutus Financial Holdings, Inc.** is a Delaware corporation formed in 2022. Plutus Financial
11 Holdings, Inc. has never been licensed as a money transmitter by the Department.

12 **1.4 Plutus Lending, LLC** is a Delaware limited liability company formed in 2020. Plutus
13 Lending, LLC has never been licensed as a money transmitter by the Department.

14 **1.5** Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus
15 Lending, LLC, were in the business of providing customers with a digital platform that enabled their
16 customers to buy, sell, borrow, trade, and hold virtual assets. Plutus Financial, Inc., Abra Trading,
17 LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC, operated a mobile phone
18 application that enabled U.S. customers to create an Abra Trade Account (U.S. Trade Customers) in
19 order to conduct these financial transactions.

20 **1.6 Mr. Barhydt** is the largest owner of the equity ownership interests of Plutus Financial
21 Holdings, Inc., its direct subsidiaries Plutus Financial, Inc., Abra Trading, LLC, Abra Boost, LLC,
22 and its indirect subsidiary Plutus Lending, LLC. Further, Mr. Barhydt is the Chief Executive Officer

1 of Plutus Financial, Inc., and directly or indirectly controls Plutus Financial, Inc., Abra Trading, LLC,
2 Plutus Financial Holdings, Inc., and Plutus Lending, LLC.

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

9 **1.7 Digital Capital Solutions Limited** is a British Virgin Islands entity that assisted Plutus
10 Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC in its
11 provision of money transmission products and services to U.S. Trade Customers from at least January
12 2023 to June 2023. Digital Capital Solutions Limited has never been licensed as a money transmitter
13 by the Department.

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

20 **1.8 Plutus Technologies Philippines Corporation** is a Philippines Corporation, and partially
21 owned subsidiary of Plutus Financial, Inc., that assisted Plutus Financial, Inc., Plutus Financial
22 Holdings, Inc., and Plutus Lending, LLC in its provision of money transmission products and
23 services to U.S. Trade Customers. Plutus Technologies Philippines Corporation has never been
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1 licensed as a money transmitter by the Department.

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

7 **1.9 Abra Boost, LLC** is a Delaware limited liability company formed in 2022. Abra Boost,
8 LLC has never been licensed as a money transmitter by the Department. Abra Boost, LLC offered a
9 securities product in reliance on an exemption from registration under the Securities Act of 1933
10 (Boost Securities), which Abra Boost, LLC represented made the product exempt from state
11 securities registration requirements. Boost Securities launched in November 2022 and wound down
12 in June 2023. With respect to Boost Securities, all purchase funds and accrued interest, which were
13 denominated in virtual assets, were redeemed. The redeemed virtual assets were credited to Abra
14 Trade Accounts and made available for withdrawal by U.S. Trade Customers as of August 1, 2023.

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

20 **1.10** From at least March of 2021 until June of 2023, Plutus Financial, Inc., and Plutus Lending,
21 LLC engaged in the business of receiving money or its equivalent value to transmit, deliver, or
22 instruct to be delivered money or its equivalent value to another location, or at least advertised,
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1 solicited, or held themselves out as providing those services via their products Abra Trade, Abra
2 Earn, and Abra Wallets.

3 **1.11** From at least June of 2022 to June of 2023, Abra Trading, LLC held itself out as providing
4 money transmission services.

5 **1.12** In approximately July 2021, Plutus Technologies Philippines Corporation signed an
6 agreement with Fireblocks. Pursuant to this agreement, beginning in January 2023, some U.S. Trade
7 Customer virtual assets in Abra Trade Accounts were held in Fireblocks Vaults, where they remain
8 available for withdrawal as of the date of this Consent Order.

9 **1.13** From at least January 2023 to June 2023, Plutus Financial, Inc., Abra Trading, LLC, Plutus
10 Financial Holdings, Inc., and Plutus Lending, LLC also held U.S. Trade Customer virtual assets with
11 Digital Capital Solutions Limited, which resulted in U.S. Trade Customer virtual assets in Abra Trade
12 Accounts actually being held on Binance.com, an unlicensed foreign exchange.

13 **1.14** On or about May 24, 2023, Plutus Financial, Inc. and Abra Trading, LLC provided a
14 breakdown of U.S. Trade Customer virtual assets held by Plutus Financial, Inc., Abra Trading, LLC,
15 Plutus Financial Holdings, Inc., and Plutus Lending, LLC including customer level data, for North
16 Dakota Customers.

17 **1.15** On or about June 7, 2023, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
18 Holdings, Inc., and Plutus Lending, LLC identified for the MTRA Working Group all entities
19 involved in their money transmission flow of funds, including all entities necessary for processing
20 withdrawals or executing other transactions or transfers in order to facilitate the return of virtual
21 assets to U.S. Trade Customers from North Dakota.

22 **1.16** On or about June 14, 2023, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
23 Holdings, Inc., and Plutus Lending, LLC, issued an announcement that Plutus Financial, Inc., Abra
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1 Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC would phase out any
2 products and services offered to U.S. Trade Customers in a gradual and orderly fashion.

3 **1.17** On or about June 15, 2023, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
4 Holdings, Inc., and Plutus Lending, LLC ceased accepting U.S. Trade Customer virtual asset
5 allocations into their money transmission products and services, and ceased making the buying,
6 selling, or trading of cryptocurrencies available to U.S. Trade Customers in North Dakota.

7 **1.18** On or about July 3, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
8 Holdings, Inc., and Plutus Lending, LLC sent a written communication to all U.S. Trade Customers
9 stating that they should withdraw all virtual assets held by Plutus Financial, Inc., Abra Trading, LLC,
10 Plutus Financial Holdings, Inc., and Plutus Lending, LLC prior to July 31, 2024.

11 **1.19** On or about June 26, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
12 Holdings, Inc., and Plutus Lending, LLC posted separate clear and conspicuous notifications that
13 U.S. Trade Customers should withdraw all virtual assets held by Plutus Financial, Inc., Abra Trading,
14 LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC prior to July 31, 2024, on their
15 mobile application, website, and all social media platforms on which they are active.

16 **1.20** On or about June 26, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
17 Holdings, Inc., and Plutus Lending, LLC confirmed and ratified the announcement of June 14, 2023,
18 to phase out any money transmission products and services offered to U.S. Trade Customers in a
19 gradual and orderly fashion, with all necessary amendments for consistency with the executed Term
20 Sheet.

21 **1.21** On or about June 26, 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
22 Holdings, Inc., and Plutus Lending, LLC attested, under penalty of perjury, that as of June 26, 2024,
23 they held virtual assets on behalf of U.S. Trade Customers sufficient to facilitate and fulfill

1 withdrawals of all such virtual assets belonging to all such U.S. Trade Customers residing in North
2 Dakota.

3 **1.22** On or about June 26, 2024, Mr. Barhydt attested, under penalty of perjury, that as of June 26,
4 2024, Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending,
5 LLC held virtual assets on behalf of Abra Trade’s U.S. Trade Customers sufficient to facilitate and
6 fulfill withdrawals of all such virtual assets belonging to such U.S. Trade Customers who are
7 residents of North Dakota. Mr. Barhydt further attested that he will assume personal liability for the
8 return of all such Abra Trade U.S. Trade Customer virtual assets if Plutus Financial, Inc., Abra
9 Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC do not process and fulfill
10 withdrawals of all such virtual assets belonging to all such U.S. Trade Customers residing in North
11 Dakota.

12 **CONCLUSIONS OF LAW**

13 Based upon the above Findings of Fact,

- 14 A. Plutus Financial, Inc. violated North Dakota Century Code §13-09.1 by engaging in the
15 business of money transmission in North Dakota without a license;
- 16 B. Mr. Barhydt, Plutus Financial Holdings, Inc., and Plutus Lending, LLC controlled, aided, or
17 otherwise facilitated Plutus Financial, Inc.’s engagement in the business of money transmission
18 without a license in violation of North Dakota Century Code §13-09.1-09;
- 19 C. Mr. Barhydt, Plutus Financial Holdings, Inc., and Plutus Lending, LLC controlled, aided, or
20 otherwise facilitated Abra Trading, LLC’s holding itself out as providing money transmission
21 services when it was not licensed to do so in violation of North Dakota Century Code §13-09.1-
22 09.
- 23 D. By offering and providing Abra Trade Accounts, Abra Earn Accounts, and Abra Wallets, and
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1 related products and services to residents of North Dakota, Plutus Financial, Inc., Plutus
2 Financial Holdings, Inc., and Plutus Lending, LLC engaged in the business of money
3 transmission in North Dakota without a license issued by the Department.

4 E. By holding itself out as providing money transmission services when it was not licensed to do
5 so, Abra Trading, LLC violated North Dakota Century Code §13-09.1.

6 **AGREEMENT AND ORDER**

7 The Department and Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings,
8 Inc., Plutus Lending, LLC, and Mr. Barhydt have agreed upon a basis for resolution of the Finding of
9 Facts and Conclusions of Law in this Consent Order. Pursuant to North Dakota §13.09.1, Plutus
10 Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr.
11 Barhydt hereby agree to the Department's entry of this Consent Order and further agree this Consent
12 Order constitutes a full and final resolution of the MTRA Working Group investigation as it relates to
13 unlicensed money transmission by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
14 Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt. Plutus Financial, Inc., Abra Trading, LLC,
15 Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt neither admit nor deny the
16 Findings of Fact and Conclusions of Law identified in this Consent Order.

17 Based upon the foregoing:

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

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

1 **C. Ceasing Operations.** It is AGREED and ORDERED that Plutus Financial, Inc., Abra
2 Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC shall not accept new U.S.
3 Trade Customer virtual asset allocations. This does not prevent Plutus Financial, Inc., Abra Trading,
4 LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC from allowing U.S. Trade Customers
5 to withdraw their virtual assets from Abra Trade Accounts maintained by Plutus Financial, Inc., Abra
6 Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, Plutus Technologies
7 Philippines Corporation, or Digital Capital Solutions Limited.

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

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

20 **E. Money Transmitter License Required.** It is AGREED and ORDERED that Plutus
21 Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC shall
22 not perform money transmission or hold themselves out as a money transmitter or money service
23 business in North Dakota, without first obtaining a money transmitter license in accordance with the

1 North Dakota Century Code §13-09.1 or qualifying for an exclusion from licensing as delineated in
2 the North Dakota Century Code §13-09.1. It is FURTHER AGREED this provision does not prohibit
3 Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and
4 Mr. Barhydt from returning U.S. Trade Customer virtual assets consistent with Paragraphs K and L
5 of this Consent Order.

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

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

20 It is FURTHER AGREED that if after the five-year period, Mr. Barhydt or any entity for
21 which he acts as an officer or control person applies for licensure, approval of Mr. Barhydt’s
22 application or participation in such entity’s activities will be subject to any and all licensing
23 requirements of North Dakota in effect at that time. It is FURTHER AGREED and ORDERED that

1 Mr. Barhydt shall ensure that any entity he controls or as to which he is a principal that engages, in
2 any capacity, in the conduct of the affairs of any money transmitter or money service business must
3 be duly licensed in each jurisdiction in which it operates.

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

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

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

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

- 1 1. Title to a U.S. Trade Customer's virtual assets belong to the U.S. Trade Customer.
- 2 2. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus
3 Lending, LLC, and Plutus Technologies Philippines Corporation hold virtual assets for
4 U.S. Trade Customers in custody only.
- 5 3. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus
6 Lending, LLC, and Plutus Technologies Philippines Corporation have and will keep U.S.
7 Trade Customers' virtual assets segregated and will not commingle, use, pledge,
8 rehypothecate, or lend U.S. Trade Customer virtual assets.
- 9 4. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus
10 Lending, LLC, and Plutus Technologies Philippines Corporation will return U.S. Trade
11 Customers' virtual assets in accordance with Paragraphs K and L of this Consent Order.

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

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

20 **K. Return of Customer Assets – Procedure.** It is AGREED and ORDERED that Plutus
21 Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC shall
22 utilize the procedure described below to return U.S. Trade Customer virtual assets that are (a)
23 maintained in Fireblocks Vaults on behalf of U.S. Trade Customers or otherwise under the control of

1 Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC,
2 Plutus Technologies Philippines Corporation, or Digital Capital Solutions Limited and (b) owned by
3 U.S. Trade Customers residing in North Dakota.

4 It is AGREED and ORDERED that Plutus Financial, Inc. and Abra Trading, LLC shall convert
5 the outstanding virtual assets owned by U.S. Trade Customers identified in Attachment B to fiat, and
6 Plutus Financial, Inc. and Abra Trading, LLC shall send a cashier's check or other secure bank
7 instrument to the last known mailing address of the U.S. Trade Customer. Prior to mailing, Plutus
8 Financial, Inc. and Abra Trading, LLC will employ reasonable measures to verify the accuracy of the
9 U.S. Trade Customer's last known mailing address. Checks will be sent within 60 days of the effective
10 date, and shall be valid for no less than 60 days.

11 It is FURTHER AGREED that Plutus Financial, Inc. and Abra Trading, LLC shall not be
12 responsible for any claims resulting from loss of value due to the conversion to fiat so long as Plutus
13 Financial, Inc. and Abra Trading, LLC employ reasonable industry accepted procedures for purposes
14 of the conversion. Except as set forth below, Plutus Financial, Inc. and Abra Trading, LLC shall not
15 be responsible for nondelivered checks.

16 It is FURTHER AGREED and ORDERED that in the event nondelivered checks are returned
17 to Plutus Financial, Inc. and Abra Trading, LLC or remain uncashed after 90 days, Plutus Financial,
18 Inc. and Abra Trading, LLC shall take the appropriate steps to identify U.S. Trade Customers, amounts
19 owed/owned, and other necessary data, and remit the converted assets to North Dakota's unclaimed
20 property fund in accordance with the unclaimed property laws of North Dakota. The Department,
21 Plutus Financial, Inc. and Abra Trading, LLC acknowledge and agree that North Dakota's unclaimed
22 property agency's rules and requirements may require the converted assets to be held for a longer
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1 statutory period in order for the outstanding U.S. Trade Customer converted assets to be considered
2 dormant.

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

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

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

1 **M. Return of Customer Assets – Reporting.** It is AGREED and ORDERED that Plutus
2 Financial, Inc. and Abra Trading, LLC shall continue to provide the Department a breakdown of U.S.
3 Trade Customer virtual assets and converted assets held by Plutus Financial, Inc., Abra Trading,
4 LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC, to include customer level data on
5 August 31, 2024, and September 2024 and quarterly thereafter until Plutus Financial, Inc., Abra
6 Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending LLC are no longer holding virtual
7 assets or converted assets on behalf of U.S. Trade Customers in North Dakota. It is FURTHER
8 AGREED and ORDERED that this term shall be deemed fulfilled upon completion of the process
9 elected pursuant to Paragraphs K and L of this Consent Order.

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

14 **O. Return of Customer Assets – Sufficient Funds Attestation.** It is AGREED and
15 ORDERED the signed attestation of Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
16 Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt stating Plutus Financial, Inc., Abra Trading,
17 LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC hold virtual assets on behalf of U.S.
18 Trade Customers sufficient to facilitate and fulfill withdrawals of all such virtual assets belonging to
19 all such U.S. Trade Customers residing in North Dakota, Attachment C, is incorporated as part of this
20 Consent Order. It is FURTHER AGREED and ORDERED that it is a violation of this Consent
21 Order, if it is determined that any part of the attestation, at the time the attestation was executed, was
22 false.

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

10 **Q. Public Statements – Factual Basis.** It is AGREED and ORDERED that Plutus
11 Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr.
12 Barhydt shall not take any action or make or permit to be made any public statement, including in
13 regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, any
14 allegation referenced in this Consent Order or create the impression that the Consent Order is without
15 factual basis. It is FURTHER AGREED and ORDERED that except as specifically provided herein,
16 Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and
17 Mr. Barhydt shall not take any position in any proceeding brought by or on behalf of the Department,
18 or to which the Department is a party, that is inconsistent with any part of this Consent Order. It is
19 FURTHER AGREED that nothing in this provision affects Plutus Financial, Inc.’s, Abra Trading,
20 LLC’s, Plutus Financial Holdings, Inc.’s, Plutus Lending, LLC’s, and Mr. Barhydt’s (i) testimonial
21 obligations, or (ii) right to take legal or factual positions that may contradict an allegation in the
22 Consent Order in litigation or other legal proceedings in which the Department is not a party.

1 **R. Customer Identification Procedures and Policy.** It is AGREED and ORDERED that
2 Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and
3 Mr. Barhydt shall implement and maintain adequate identification verification procedures and
4 policies to ensure that it does not provide money transmission products or services to customers in
5 North Dakota unless and until such time Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
6 Holdings, Inc., Plutus Lending LLC, or Mr. Barhydt are appropriately licensed to offer such money
7 transmission products or services to customers in North Dakota.

8 It is FURTHER AGREED and ORDERED that Plutus Financial, Inc., Abra Trading,
9 LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC shall clearly and conspicuously state
10 on their mobile application and website, or any third-party services that Plutus Financial, Inc., Abra
11 Trading, LLC, Plutus Financial Holdings, Inc., and Plutus Lending, LLC do not provide money
12 transmission products and services to customers in North Dakota.

13 **S. Fine.** It is AGREED and ORDERED that Plutus Financial, Inc., Abra Trading, LLC,
14 Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall jointly and severally pay
15 a civil money penalty (fine) to the Department in the amount of \$250,000. It is FURTHER AGREED
16 that \$250,000 of the fine is stayed (Stayed Fine) for five years subject to full compliance by Plutus
17 Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr.
18 Barhydt with this Consent Order.

19 It is FURTHER AGREED that the stay may be lifted and the Stayed Fine imposed in
20 accordance with the terms stated in Paragraph T. Absent any action by the Department to lift the
21 Stayed Fine pursuant to Paragraph T, Plutus Financial, Inc.'s, Abra Trading, LLC's, Plutus Financial
22 Holdings, Inc.'s, Plutus Lending, LLC's, and Mr. Barhydt's obligation to pay the Stayed Fine shall
23

1 be vacated five years from the date of entry of this Consent Order without further action or notice by
2 the Department.

3
4 **T. Lifting of Stay and Imposing Stayed Fine.** It is AGREED that:

- 5 1. If the Department determines that Plutus Financial, Inc., Abra Trading,
6 LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr.
7 Barhydt have not complied with the terms of this Consent Order, and the
8 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.
- 9 2. The Department's notification will include:
- 10 a) A description of the alleged noncompliance;
- 11 b) A statement that because of the noncompliance, the Department
12 seeks to lift the stay and impose the Stayed Fine;
- 13 c) The opportunity for Plutus Financial, Inc., Abra Trading, LLC,
14 Plutus Financial Holdings, Inc., Plutus Lending, LLC, or Mr.
15 Barhydt to contest the Department's determination of
noncompliance in accordance with North Dakota Century Code
§28-32; and
- 16 d) A copy of this Consent Order. The notification and hearing
17 process provided in this Consent Order applies only to this
18 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.
- 19 3. Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings,
20 Inc., Plutus Lending, LLC, or Mr. Barhydt shall be afforded 30 days from
the date of receipt of the Department's notification to submit a written
21 request to the Department for a hearing in accordance with North Dakota
Century Code §28-32.
- 22 4. If Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings,
23 Inc., Plutus Lending, LLC, or Mr. Barhydt do not request the hearing

1 within the stated time, the Department will impose the Stayed Fine and
2 pursue whatever action it deems necessary to enforce the Stayed Fine.

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

11 **V. Applicability.** It is AGREED that this Consent Order is entered into solely for the
12 purpose of resolving the above referenced multistate investigation with respect to unlicensed money
13 transmission activity committed by Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial
14 Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt between March 2021 to June of 2023 only. It
15 is FURTHER AGREED that this Consent Order does not extend to any potential unlicensed money
16 transmission activity of Abra Boost, Plutus Technologies Philippines Corporation, and Digital
17 Capital Solutions Limited. It is FURTHER AGREED that this Consent Order does not extend to any
18 ongoing or future money transmission activities, except for money transmission activity undertaken
19 in accordance with Paragraphs K and L of this Consent Order.

20 **W. Other Investigations.**

21 It is AGREED that this Consent Order shall constitute a full and final resolution of the MTRA
22 Working Group investigation. It is FURTHER AGREED that the Department, will not file any
23 enforcement action for violations or potential violations of money transmission statutes enforced by
24

1 the Department with respect to the facts and circumstances that were the subject of the MTRA
2 Working Group investigation described herein as it relates to Plutus Financial, Inc., Abra Trading,
3 LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt. It is FURTHER
4 AGREED that this provision in no way limits North Dakota's authority to file any other enforcement
5 action in the event Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus
6 Lending, LLC, or Mr. Barhydt do not comply with all terms of this Consent Order.

7 **X. Change of Contact Information.** It is AGREED and ORDERED that for the duration of
8 the period this Consent Order is in effect, unless otherwise agreed to in writing by the Department,
9 Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and
10 Mr. Barhydt shall provide the Department with a mailing address, telephone number, and e-mail
11 address at which they can be contacted. It is FURTHER AGREED that Plutus Financial, Inc., Abra
12 Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt shall notify
13 the Department in writing of any changes to their mailing address or telephone number within 15
14 days of any such change.

15 **Y. Non-Compliance with Order.** It is AGREED that Plutus Financial, Inc., Abra Trading,
16 LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt understand that failure
17 to abide by the terms and conditions of this Consent Order may result in further legal action by the
18 Commissioner. In the event of such legal action, Plutus Financial, Inc., Abra Trading, LLC, Plutus
19 Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt may be responsible to reimburse the
20 Department for the cost incurred in pursuing such action, including but not limited to, attorney fees.

21 **Z. Voluntarily Entered.** It is AGREED that Plutus Financial, Inc., Abra Trading, LLC,
22 Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt have voluntarily entered into
23

1 this Consent Order, which is effective when signed by the Commissioner, also referred to as the
2 effective date.

3 **AA. Binding Agreement.** It is AGREED that this Consent Order shall be binding upon
4 Plutus Financial, Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and
5 Mr. Barhydt and their successors and assigns.

6 **BB. Reporting.** It is AGREED that Plutus Financial, Inc., Abra Trading, LLC, Plutus
7 Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt acknowledge that this Consent
8 Order is a public record and is a reportable event for the purposes of NMLS, as applicable.


9 **CC. Completely Read, Understood, and Agreed.** It is AGREED that Plutus Financial,
10 Inc., Abra Trading, LLC, Plutus Financial Holdings, Inc., Plutus Lending, LLC, and Mr. Barhydt
11 have read this Consent Order in its entirety and fully understand and agree to all of the same.

12 **DD. Authority to Execute Order.** It is AGREED that the undersigned have represented
13 and warranted that they have the full power and right to execute this Consent Order on behalf of the
14 parties represented.

15 **EE. Counterparts.** This Consent Order may be executed in any number of counterparts,
16 including by facsimile or e-mail of a .pdf or similar file, each of which shall be deemed to be an
17 original, but all of which, taken together, shall constitute one and the same Consent Order.

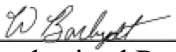
1 **RESPONDENTS:**

2 By:

3 
4 Authorized Representative of Plutus Financial, Inc.
5 William John Barhydt


September 27, 2024

Date

6 
7 Authorized Representative of Abra Trading, LLC
8 William John Barhydt


September 27, 2024

Date

9 
10 Authorized Representative of Plutus Financial Holdings, Inc.
11 William John Barhydt

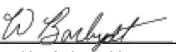
September 27, 2024

Date

12 
13 Authorized Representative of Plutus Lending, LLC
14 William John Barhydt

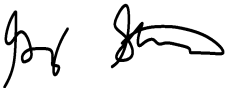
September 27, 2024

Date

15 
16 Individually
17 William John Barhydt

September 27, 2024

Date

18 
19 Gregory Strong
20 Cahill Gordon & Reindel LLP
21 Attorney for Respondents

September 27, 2024

Date

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DO NOT WRITE BELOW THIS LINE

THIS ORDER ENTERED THIS 18 DAY OF October, 2024.



Lise Kruse, Commissioner
North Dakota Department of Financial
Institutions