

**STATE OF VERMONT  
DEPARTMENT OF FINANCIAL REGULATION**

<b>IN RE:</b>	)	
<b>PLUTUS FINANCIAL INC. D/B/A/ ABRA;</b>	)	
<b>PLUTUS LENDING LLC; ABRA BOOST LLC;</b>	)	
<b>PLUTUS FINANCIAL HOLDINGS INC.; AND</b>	)	<b>DOCKET NO. 23-002-S</b>
<b>WILLIAM BARHYDT</b>	)	

**EX PARTE ORDER TO CEASE AND DESIST**

Based on the Motion for Ex Parte Order to Cease and Desist (the “Motion”) filed by the Securities Division of the Vermont Department of Financial Regulation (the “Department”) pursuant to 9 V.S.A. § 5602 and § 5604 and Department Regulation No. 2022-01, the Commissioner makes the following Findings of Fact and Conclusions of Law and enters the following Order:

**I. FINDINGS OF FACTS**

Respondents

1. Plutus Financial Inc. d/b/a Abra (“Plutus Financial”) is a Delaware entity formed on July 1, 2014, with its principal place of business in Mountain View, California. Plutus Financial is in the business of providing customers, including those in Vermont, with a digital platform to buy, sell, borrow, trade, and deposit virtual assets. Plutus Financial also operates mobile phone applications that enable customers, including those in Vermont, to conduct financial transactions.
2. Plutus Lending LLC (“Plutus Lending”) is a Delaware entity formed on May 29, 2020, with its principal place of business in Mountain View, California. Plutus Lending is a wholly owned subsidiary of Plutus Financial Inc. that deploys and invests cryptocurrency, primarily by making loans to institutional and retail borrowers, by

making intercompany loans to Plutus Financial and its foreign affiliates, and by directly or indirectly deploying customer assets and collateral into decentralized finance protocols, staking, yield farming, lending to institutional borrowers, arbitrage trading, cryptocurrency derivatives, and holding funds with custodians and cryptocurrency exchanges. Plutus Lending holds certain licenses, including lending licenses in approximately 11 states, but does not hold any licenses in Vermont.

3. Abra Boost LLC (“ABL”) is a Delaware entity formed on September 28, 2022, with its principal place of business in Wilmington, Delaware. ABL is a wholly owned subsidiary of Plutus Financial Holdings Inc. ABL offers and sells an interest-bearing crypto currency-denominated security made available only to accredited U.S. investors pursuant to Section 506(c) of Regulation D promulgated by the U.S. Securities and Exchange Commission (the “SEC”).
4. Plutus Financial Holdings Inc. (“Plutus Holdings”) is a Delaware entity formed on June 22, 2022. Plutus Holdings is the direct or indirect parent company and beneficial owner of 100% of the equity interests of Plutus Financial, Plutus Lending, and ABL and directly or indirectly controls the operations of Plutus Financial, Plutus Lending, and ABL.
5. William Barhydt (“Barhydt”) is the founder and chief executive officer of Plutus Financial and the manager of Plutus Lending. As of November 2022, Barhydt owned 14.7605% of Plutus Holdings.
6. Plutus Financial, Plutus Lending, ABL, and Plutus Holdings are referred to herein collectively as “Abra.” Abra and Barhydt are referred to herein collectively as the “Respondents.”

### Related Entity

7. Prime Trust, LLC (“Prime Trust”) is a Nevada entity formed on April 13, 2016, with its principal place of business in Las Vegas, Nevada. Prime Trust is in the business of providing trust and custody services to businesses. Prime Trust has served as the custodian of certain assets in Abra’s interest-bearing cryptocurrency accounts. Prime Trust holds certain licenses, including money transmitter licenses in approximately 15 states, but does not hold any licenses in Vermont.

### The Crypto Interest Products

8. Abra acts as a financial services company that generates revenue by providing, deploying, and investing digital assets and virtual currencies (collectively, “cryptocurrency” or “cryptocurrencies”) in a variety of strategies, including the staking, lending, arbitrage, and provision of liquidity on certain centralized and decentralized finance platforms, the lending of aggregated investor cryptocurrency to retail and institutional borrowers, and engaging in other types of transactions and investments selected and conducted at Abra’s discretion.
9. Abra conducts its business on the internet, through a website accessible to the general public at <https://www.abra.com> (the “Abra Website”) as well as through Abra’s proprietary smartphone applications, which are also accessible to the general public.

### *Earn Accounts*

10. Since July 2020, Abra has been, at least in part, financing its asset deployment and investing activities through the sale of unregistered securities in the form of interest-earning cryptocurrency accounts (the “Earn Accounts”) to residents of the United States.
11. Abra has promoted the Earn Accounts on the Abra Website as well as through various

social media platforms, including Twitter, YouTube, and TikTok.

12. Barhydt has also used his social media accounts to promote the Earn Accounts.
13. On the Abra Website, Abra has asserted that Earn Accounts could be thought of as “high-yield savings accounts for crypto.” Respondents have advertised that customers could earn up to 14% APY (as of August 30, 2022) on cryptocurrency deposited into an Earn Account.
14. On or about July 28, 2020, Abra began offering the Earn Accounts to residents of Vermont and other states who were at least eighteen years old.
15. On or about October 3, 2022, Abra purported to stop accepting new Earn Account investors.
16. Abra, however, has allowed non-accredited investors in the United States, including Vermont residents, who had a balance in an Earn Account prior to October 3, 2022, to maintain their Earn Accounts, continue earning interest on the balances therein, and reinvest such interest in their Earn Accounts.
17. At all relevant times, Abra accepted and paid interest on several types of virtual currencies, including cryptocurrencies such as Bitcoin, Ethereum, and Litecoin, and stablecoins such as USD Coin (USDC) and Tether (USDT). Abra allowed investors to withdraw their cryptocurrency from their Earn Accounts at any time, subject to a processing time of up to 7 days.
18. Abra, at its sole discretion, sets Earn Account interest rates and credits Earn Accounts with earned interest on a weekly basis. According to Abra, interest rates are based on market demand for the particular cryptocurrencies.
19. At all relevant times, Abra required its customers to complete a multi-step sign-up process

for an Earn Account. First, customers had to download the Abra app. Customers then had to sign up for an Abra Trade Account (“Trade Account”). As part of the sign-up process for a Trade Account, Abra required Earn Account customers to accept, among other things, the “Abra Interest Account Terms” (“Terms of Use”). Abra also verified the customer’s identity as part of the Trade Account application process to comply with applicable “Know Your Customer” (KYC) and anti-money laundering laws and regulations.

20. Abra customers also completed an application with Prime Trust in order to open an Earn Account. Prime Trust conducted its own KYC process independently of Abra for each Earn Account customer. After customers were approved by Prime Trust, Earn Accounts were opened for them at Prime Trust, which provided digital asset custodial services for Abra.
21. Customers approved for Earn Accounts were allowed to access Abra Wallet, which is a software that allows customers to store, use, and manage cryptocurrencies. Customers deposited supported cryptocurrencies into their Earn Accounts by moving cryptocurrency assets held in their Abra wallets to their Earn Accounts, which were held by Prime Trust.
22. Abra paid Prime Trust a fee in order to access the cryptocurrency in its customers’ Earn Accounts. After customers made deposits into their Earn Accounts, Prime Trust batched those deposits into a reserve account, where they were made available to Abra. Abra used the funds in its reserve account for various income-generating activities, as permitted under the Terms of Use (Abra . . . “will lend, sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of funds and cryptocurrency assets to counterparties”). Abra used the majority of the funds to make loans to institutional

borrowers. Abra also used the funds in its reserve account for other types of investments, including arbitrage, exchange funds, and yield farming. Abra used the proceeds generated from these income-generating activities to pay interest to Earn Account holders.

23. Abra required that Earn Account customers agree to give up certain rights to their cryptocurrency when they accepted Abra's Terms of Use. Specifically, Abra required that Earn Account customers agree to let Abra hold the cryptocurrency in Abra's name. Abra also required that Earn Account customers agree to let the company "pledge, repledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer or use any amount of such cryptocurrency." Abra determined how Earn Account customers' cryptocurrencies were deployed; Earn Account customers had no control over how their cryptocurrencies were invested.
24. In offering the Earn Accounts to Vermont residents, Respondents failed to disclose material aspects of its business that could have impacted Earn Accounts, including, but not limited to, the types of investments, trades, and hedging activities that they engaged in with Earn Account customers' cryptocurrencies; the identities and creditworthiness of the institutions that borrowed Earn Account cryptocurrencies; and information or statements related to Abra's financial state.
25. In exchange for consideration (*i.e.* deposits and the attendant rights to use them as described above) received in the present, Abra has at all relevant times promised to pay lucrative interest rates in the future. Abra has at all relevant times promoted the interest rates through the Abra Website and applications, which advertise annualized returns on

cryptocurrencies for retail investors which significantly exceed the rates offered on short-term investment grade fixed-income securities or on bank savings accounts.

26. Abra groups and deploys investor assets with other investors' assets and similar, Abra-owned assets. To earn income to pay interest to Earn Account investors, Abra engages in deployment activities including the staking, lending, arbitrage, and provision of liquidity on certain centralized and decentralized finance platforms, in addition to the lending of aggregated investor assets to retail and institutional borrowers. Earn Account investors have no part in selecting, monitoring, or reviewing the revenue-generating activities that Respondents utilize to earn this interest.
27. Accordingly, any profit earned by Earn Account investors is earned solely through the efforts of Respondents with means determined solely by Respondents.
28. As of August 28, 2022, approximately 21,964 U.S. residents had made deposits of over \$1.326 billion of assets into Earn Accounts, nationally.
29. As of May 17, 2023, approximately 9,087 U.S. residents had outstanding balances of over \$66.8 million invested in Earn Accounts, nationally.
30. As of August 28, 2022, 26 Vermont residents had made deposits of over \$342,108.15 of assets in Earn Accounts.
31. As of May 17, 2023, 12 Vermont residents had outstanding balances of \$174,977 of assets invested in Earn Accounts.<sup>1</sup> Respondents offered these Earn Accounts to Vermonters without complying with the securities registration requirements in Vermont law.

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<sup>1</sup> The number of Vermont investors and the U.S. dollar value of aggregate investment balances for such investors has varied over time due to a variety of factors such as fluctuating cryptocurrency values and investor withdrawals.

### *Boost Accounts*

32. On approximately September 12, 2022, the Abra Website announced the upcoming launch of Abra Boost, an interest-bearing crypto currency-denominated security similar to the Earn Accounts (the “Boost Accounts”). Unlike the Earn Accounts, which were available to unaccredited U.S. investors, the Boost Accounts would be made available only to accredited U.S. investors pursuant to Section 506(c) of Regulation D promulgated by the SEC (the “Regulation D Offering”).<sup>2</sup>
33. On approximately October 3, 2022, ABL began offering and selling the Boost Accounts. At the same time, the Abra Website announced that “[s]tarting October 3, 2022, all qualifying existing customers of Abra Earn, including individual and institutional investors, transitioned to Abra Boost.”
34. Respondents have promoted the Boost Accounts on the Abra Website and through various social media platforms, including Twitter and YouTube.
35. On the Abra Website, Respondents have asserted that Boost Accounts are “a new product offering that will enable all qualified investors to deposit and earn interest on their digital assets.”
36. On the Abra Website, Respondents have advertised that customers could earn up to 10% APY (as of June 9, 2023) on cryptocurrency deposited into a Boost Account.
37. Cryptocurrencies invested in Boost Accounts are loaned by ABL to Plutus Lending, which commingles, lends, invests, hypothecates, rehypothecates, uses, and deploys such cryptocurrencies in the same fashion as customer deposits in the Earn Accounts.

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<sup>2</sup> See <https://www.abra.com/boost/> (last accessed June 9, 2023).



38. As with the Earn Accounts, Prime Trust acts as the custodian of the assets in the Boost Accounts.
39. As of May 17, 2023, approximately 229 U.S. residents had invested over \$49.96 million in Boost Accounts, nationally.
40. Although Respondents continue to offer the Boost Accounts to Vermont residents, as of May 17, 2023, no Vermont residents have invested in Boost Accounts.

Abra's Past and Continuing Registration Violations for Earn Accounts

41. After receiving inquiries from the Department, Respondents purportedly ceased offering the Earn Accounts to new investors in the United States, including Vermont, after October 3, 2022.
42. At the same time, Abra disallowed any existing non-accredited U.S. investors from adding additional cryptocurrency into their existing Earn Accounts.
43. Abra has allowed non-accredited users in the United States, including Vermont residents, who had a balance in Earn Accounts prior to October 3, 2022, to maintain their Earn Accounts, continue earning interest on the balances therein, and reinvest such interest in their Earn Accounts.
44. The Earn Accounts are not registered or permitted for sale in Vermont, nor do they qualify for any exemption from registration pursuant to the Vermont Uniform Securities Act, 9 V.S.A. §§ 5101-5617 (the "Securities Act").
45. The Earn Accounts are not registered for offer or sale with the SEC.
46. Respondents did not file or cause to be filed a registration statement with the SEC in connection with the offer and sale of the Earn Accounts.

47. At all relevant times, Respondents have failed to disclose material information to Earn Account investors that issuers of registered securities must include in a registration statement and provide to prospective investors in the form of a prospectus pursuant to Subchapter 3 of the Securities Act and Section 6-1 of the Vermont Securities Regulations.
48. These omissions include, but are not limited to, failure to disclose financial statements prepared in accordance with generally accepted accounting principles in the United States. Without access to these financial statements, which issuers are required by securities laws to disclose, investors and financial professionals cannot rigorously evaluate and make informed investment decisions regarding Respondents' financial condition, solvency, and ability to repay their obligations to investors.
49. The Earn Accounts are not protected by Securities Investor Protection Corporation, otherwise known as the SIPC, a federally mandated, non-profit, member-funded United States corporation created under the Securities Investor Protection Act of 1970 that mandates membership of most U.S.-registered broker-dealers.
50. The Earn Accounts are also not insured by the Federal Deposit Insurance Corporation, otherwise known as the FDIC, an agency that provides deposit insurance to depositors in the United States, or the National Credit Union Administration, otherwise known as the NCUA, an agency that regulates and insures credit unions.

#### Abra's Impaired Assets and Nonperforming Loans

51. Plutus Technologies Philippines Corporation ("PTPC"), a corporation organized in the Philippines and a subsidiary of Plutus Financial, invests and deploys assets lent to it by Plutus Lending. Abra has disclosed to the Department and other state regulators that PTPC

- has approximately \$12 million in assets locked in accounts on FTX.com, the failed cryptocurrency and futures exchange, that Abra is unable to withdraw (the “FTX Claim”).
52. Plutus Lending has held or currently holds several large, unsecured loans to borrowers that are currently reorganizing under liquidation or bankruptcy proceedings, including:
- A. Loans of Bitcoin (BTC) to Babel Holdings Limited having an outstanding, unsecured balance of approximately 1,789.25 BTC (~\$46.6 million as of June 12, 2023, on an as converted to U.S. dollars basis) (the “Babel Loans”).
  - B. A loan of USD Coin (USDC) to Three Arrows Capital Ltd. having an outstanding, unsecured balance of approximately 10,000,000 USDC (~\$10.0 million as of June 12, 2023, on an as converted to U.S. dollars basis) (the “3AC Loan”).
  - C. A loan of Tether USD (USDT) to Genesis Global Capital, LLC having an outstanding, unsecured balance of approximately 30,000,000 USDT (~\$30.0 million as of June 12, 2023, on an as converted to U.S. dollars basis) (the “Genesis Loan”).
53. On June 27, 2022, Three Arrows Capital, Ltd. became subject to an insolvency proceeding before a British Virgin Islands court.
54. On September 30, 2022, Abra reported to state securities regulators that it had an outstanding loan with Babel Holdings Limited in the amount of approximately \$45 million, that Babel Holdings Limited was undergoing a potential business restructuring, and that Babel Holdings Limited was negotiating a settlement with creditors. On March 6, 2023, Babel Holdings Limited and certain affiliated companies filed applications in the General Division of the High Court of the Republic of Singapore for moratorium protection under section 64 of the Insolvency, Restructuring and Dissolution Act.

55. On November 11, 2022 and November 14, 2022, FTX Trading Ltd. and 101 affiliated debtors each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware.
56. On January 20, 2023, Genesis Global Capital, LLC and two affiliated debtors each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York.
57. In its unaudited financial statements dated June 30, 2022, Plutus Lending recognized an \$8,000,000 provision for doubtful debts with respect to the 3AC Loan, which reduced the net carrying value of the 3AC Loan on its balance sheet to \$2 million.

#### Abra's Insolvency

58. On March 31, 2023, the Department conducted an interview with Barhydt. During that interview, the Department provided evidence to Respondents that demonstrated that one or more subsidiaries of Plutus Holdings were insolvent and that Abra may soon be unable to continue operations.
59. During the interview, Barhydt did not contest the Department's conclusion that Abra was or soon would be insolvent. Instead, Barhydt indicated that Respondents were attempting to raise \$15 million in equity to partially fill the hole in the balance sheet.
60. On April 5, 2023, Plutus Holdings provided an unaudited consolidated balance sheet to the Department, dated February 28, 2023, which demonstrated that Plutus Holdings had a *negative* net worth of approximately \$21.5 million, before any markdowns, provisions for doubtful accounts, loss reserves or impairment charges for the FTX Claim, the Babel Loans, and/or the Genesis Loans.

61. On June 12, 2023, Plutus Holdings provided an unaudited consolidated balance sheet to the Department, dated March 31, 2023, which demonstrated that Plutus Holdings had a *negative* net worth of approximately \$25.2 million, before any markdowns, provisions for doubtful accounts, loss reserves or impairment charges for the FTX Claim, the Babel Loans, and/or the Genesis Loans.

Respondents' Material Misstatements and Omissions

62. In connection with the offer and sale of investments in Earn Accounts and Boost Accounts, Respondents have consistently delivered a message that, thanks to its risk management strategies, Abra is financially secure, prioritizes liquidity, and is the safest platform for investors' crypto assets.
63. As described below, these statements have either been untrue when Respondents made them or Respondents have subsequently omitted to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

*Solvency/Liquidity*

64. On June 13, 2022, the Abra Website posted a blog post titled "A Message from Abra's CEO, Bill Barhydt", which was intended to "address the current turmoil in the market and the news regarding Celsius and Blockfi." In the blog post, Barhydt wrote: "Having a partner like Abra that is **financially secure, has sound risk management practices, and has personalized service** for every private client is absolutely essential. That is why **Abra is considered by many to be the best company for helping you manage your crypto wealth.**" (Emphasis in original.)

65. The Abra Website also states: “We place our clients’ financial objectives and security first – it guides everything we do. We prioritize maintaining liquidity for our clients above all else. Your assets remain your assets – it’s as simple as that. . . .”<sup>3</sup>
66. On May 9, 2023, “Contributor” sent a message from the “Abra Global” Telegram account stating: “There is no truth that Abra is bankrupt or about to be. It continuous [sic] to operate normal like it always has throughout multiple bear markets since its [sic] launched back in 2014. Regarding Bittrex closure in the U.S. it has nothing to do with Abra thank you.”<sup>4</sup>
67. Respondents continue to make these statements on the Abra Website and the Abra Global Telegram account despite the fact that the Department provided evidence to Respondents on March 31, 2023 that demonstrated that Abra was insolvent or nearly insolvent and that Abra may soon be unable to continue operations. Nor have Respondents ever posted any statement on the Abra Website or the Abra Global Telegram Account that retracted, corrected, or amended any of these statements.

*Exposure to FTX*

68. On November 6, 2022, Twitter user @DayLong52005192 posted on Twitter “Hey @billbarhydt is @AbraGlobal going to be effected if @FTX\_Official blows up?” The same day, Barhydt replied: “Nope. No exposure.”
69. On November 10, 2022, Barhydt posted on Twitter that “Abra’s retail, lending and private crypto wealth management businesses are fully operational and don’t have any exposure to Alameda and have no material exposure to FTX.”

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<sup>3</sup> See <https://www.abra.com/boost/> (last accessed June 1, 2023).

<sup>4</sup> This same Telegram channel was promoted via @AbraGlobal’s Twitter account on January 15, 2023, when @AbraGlobal tweeted: “If you want to receive detailed updates on @AbraGlobal happenings join our telegram channel.” The Tweet included a link to [https://t.me/Abra\\_Global](https://t.me/Abra_Global).

70. On November 10, 2022, the Abra Website posted a blog titled “A Message from Our CEO, Billy Barhydt, Regarding FTX.” In the post, Barhydt stated: “I can report that Abra’s retail, lending and private crypto wealth management businesses don’t have any exposure to Alameda and have no material exposure to FTX or the FTT token.”
71. On November 18, 2022, however, Abra disclosed to state regulators that Abra had approximately \$12 million in assets on FTX Entities’ platforms that it was unable to withdraw.
72. During the March 31, 2023 interview with the Department, Barhydt acknowledged that Abra faced \$12 million of exposure to FTX.
73. According to the unaudited balance sheet of Plutus Financial produced to state regulators, the net worth of Plutus Financial was approximately \$3.9 million as of August 31, 2022, before any markdowns, loss reserves or impairment charges for the Babel Loans.
74. According to the preliminary unaudited balance sheet of Plutus Financial produced to state regulators, the net worth of Plutus Lending was approximately \$3.9 million as of October 31, 2022, before any markdowns, provisions for doubtful accounts, loss reserves or impairment charges for the Babel Loans.
75. Respondents continue to make these statements on Twitter and the Abra Website and have never posted any statement on Twitter or the Abra Website that retracted, corrected, or amended any of the tweets from November 6, 2022 and November 11, 2022 or the November 11, 2022 blog post.

The Ongoing Threat to The Financial Health and Welfare of Vermonters

76. The Abra Website touts Abra's management of risk, financial stability, commitment to seeking to achieve the highest standards of regulatory compliance, and prioritization of maintaining liquidity.
77. Respondents continue to make these statements on the Abra Website and in social media despite the fact that the Department provided evidence to Respondents on March 31, 2023 that demonstrated that Abra was insolvent or nearly insolvent and that Abra may soon be unable to continue operations.
78. Through these representations and others on the Abra Website and social media, Abra gives Vermont investors the impression that their investments in the Earn Accounts and Boost Accounts are compliant with securities laws, secure, and low risk. Given the likelihood that such representations will impact the decision-making of investors in the Earn Accounts and Boost Accounts, the Securities Division seeks an *ex parte* order to protect the financial health and welfare of Vermont residents who may be affected by Respondents' conduct or otherwise harmed by Respondents' violations of the Vermont Uniform Securities Act.

**II. CONCLUSIONS OF LAW**

79. Pursuant to 9 V.S.A. § 5301, "[i]t is unlawful for a person to offer or sell a security in this State unless: (1) the security is a federal covered security; (2) the security, transaction, or offer is exempted from registration under sections 5201 through 5203 of this chapter; or (3) the security is registered under this chapter."
80. Pursuant to 9 V.S.A § 5102(28), the term "security" includes notes, investment contracts, evidence of indebtedness, and related types of participation in profit-sharing agreements. Section 5102(28)(D) specifies that the Securities Act's definition of security includes "an investment in a common enterprise with the expectation of profits to be derived primarily



from the efforts of a person other than the investor and a ‘common enterprise’ means an enterprise in which the fortunes of the investor are interwoven with those of either the person offering the investment, a third party, or other investors.” *Id.*

81. The Earn Accounts and the Boost Accounts offered by Respondents are securities within the meaning of 9 V.S.A. § 5102(28).
82. The Earn Accounts were neither federal covered securities nor registered with the Department nor exempted from registration when Respondents offered or sold them to Vermont investors. Accordingly, Respondents are — and have for some time been — in violation of 9 V.S.A. § 5301.
83. Although the Boost Accounts were offered to Vermont investors pursuant to a Regulation D offering, the anti-fraud provisions of the Securities Act “appl[y] to any securities offer, sale or purchase, including offers, sales, or purchases involving registered, exempt, or federal covered securities.” 9 V.S.A. § 5501 cmt. no. 3.
84. Pursuant to 9 V.S.A. § 5501(2), “[i]t is unlawful for a person, in connection with the offer to sell, the offer to purchase, the sale, or the purchase of a security, directly or indirectly . . . to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.”
85. Respondents made untrue statements of material fact and omitted to state material facts necessary in order to make statements made, in light of the circumstances under which they were made, not misleading, concerning Abra’s solvency and liquidity and Abra’s exposure to FTX, in violation of 9 V.S.A. § 5501.

### **III. COMMISSIONER'S AUTHORITY**

86. Pursuant to 9 V.S.A. § 5604(a)(1), the Commissioner may issue orders or directives to any person to cease and desist from specific conduct if the Commissioner finds that the person has engaged, is engaging, or is about to engage in an act, practice, or course of business which constitutes a violation of 9 V.S.A. Chapter 150, the Vermont Uniform Securities Act, which spans 9 V.S.A. § 5101 to § 5617.
87. Pursuant to 9 V.S.A. § 5604(b) and Section 1.04(O) of the Department of Financial Regulation No. 2022-01, the Commissioner may issue orders without prior notice or opportunity to be heard.
88. In light of the immediate need to protect the financial health and welfare of Vermont residents who may be affected by Respondents' conduct or otherwise harmed by Respondents' violations of the Vermont Uniform Securities Act identified herein, an *ex parte* order is appropriate in this case.

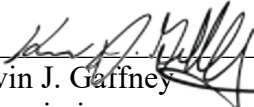
### **IV. ORDER**

89. Based on the findings of fact and conclusions of law identified above, IT IS HEREBY ORDERED:
  - A. Respondents shall cease and desist from the offer and sale of the Earn Accounts to Vermont residents, except to the extent any such offer or sale is properly registered or exempt from the registration requirements of the Securities Act;
  - B. Respondents shall cease and desist from the offer and sale of the Boost Accounts to Vermont residents;
  - C. Respondents shall cease and desist from violating 9 V.S.A. § 5501(2) by making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances

under which they were made, not misleading in connection with the offer or sale of any Boost Accounts or Earn Accounts to Vermont residents; and

- D. Respondents shall not withhold, destroy, mutilate, or by any means modify or falsify any documentary material, electronic records, or other information in their possession that is relevant to the activities and transactions described herein or that involves or relates in any way to the Earn Accounts or Boost Accounts.

Dated at Montpelier, Vermont this 14th day of June 2023.

  
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Kevin J. Gaffney  
Commissioner  
Vermont Department of Financial Regulation