

\*\*\*\*\*  
\*  
**IN THE MATTER OF:** \*  
\*  
**PLUTUS FINANCIAL, INC.** \*  
**d/b/a ABRA** \*  
**d/b/a ABRA TRADE** \*  
\*  
**(“Respondent”)** \*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*\*\*\*\*

**TEMPORARY ORDER TO CEASE AND  
DESIST**  
**ORDER TO PROVIDE DISGORGEMENT**  
**NOTICE OF INTENT TO ISSUE ORDER  
TO CEASE AND DESIST**  
**NOTICE OF INTENT TO IMPOSE  
CIVIL PENALTY**  
**AND**  
**NOTICE OF RIGHT TO HEARING**

**I. LEGAL AUTHORITY AND JURISDICTION**

1. The Banking Commissioner (“Commissioner”) is charged with the administration of Part V of Chapter 668, Sections 36a-595 to 36a-612, inclusive, of the Connecticut General Statutes, known as the “Money Transmission Act”.
2. Pursuant to the authority granted by Sections 36a-17 and 36a-608(a) of the Connecticut General Statutes, the Commissioner, through the Consumer Credit Division (“Division”) of the Department of Banking, has investigated the activities of Respondent to determine if it has violated, is violating or is about to violate the provisions of the Connecticut General Statutes within the jurisdiction of the Commissioner (“Investigation”).
3. As a result of the Investigation, the Commissioner has reason to believe that Respondent has violated Section 36a-597(a) of the Connecticut General Statutes.
4. As a result of the Investigation, the Commissioner finds that the public welfare requires immediate action to issue an order to cease and desist against Respondent from violating

Section 36a-597(a) of the Connecticut General Statutes, pursuant to Section 36a-52(b) of the Connecticut General Statutes.

5. As a result of the Investigation, the violations alleged by the Commissioner form the basis to order disgorgement of any sums obtained in violation of Section 36a-597(a) against Respondent pursuant to Sections 36a-608(c) and 36a-50(c) of the Connecticut General Statutes.

6. As a result of the Investigation, the violations alleged by the Commissioner form the basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-608(c) and 36a-52(a) of the Connecticut General Statutes.

7. As a result of the Investigation, the violations alleged by the Commissioner form the basis to impose a civil penalty against Respondent pursuant to Sections 36a-608(c) and 36a-50(a) of the Connecticut General Statutes.

## **II. MATTERS ASSERTED**

8. Respondent is a subsidiary of Plutus Financial Holdings, Inc. Respondent is a Delaware corporation with an address of 1000 N. West Street, Suite 1200, Wilmington, Delaware. Respondent is registered as a money services business with the Financial Crimes Enforcement Network.

9. At all times relevant hereto, since at least January 2023, via its website at [www.abra.com](http://www.abra.com), Respondent solicited Connecticut customers to engage in money transmission through its product called Abra Trade. Respondent's website represents that such customers can "[t]rade 75+ cryptocurrencies, all in one simple, secure and trusted place" and encourages customers to download Respondent's software application called Abra App.

10. Once a customer downloads the Abra App, the customer may deposit either virtual or fiat currency to Abra Trade, Abra's platform to buy, sell, or exchange virtual currency, via the Abra App. Counsel for Respondent has represented to the Division that any virtual currency deposited to Abra Trade is custodied in an omnibus wallet at Fireblocks, held in the name of Respondent's subsidiary, Plutus Technologies Philippines Corporation ("PTPC"). If the customer is depositing fiat currency,

Prime Trust, LLC, NMLS# 2240901, is used to receive the fiat currency via wire transfer or ACH, where the fiat currency is converted into stable coin and deposited into the Fireblocks wallet.

11. Once the customer deposits virtual currency to Abra Trade using the Abra App, the customer may: (i) hold the virtual currency in Abra Trade; (ii) buy, sell, or exchange virtual currency; (iii) invest in Abra Boost, Abra's product that offers interest on virtual currency deposited with Abra; (iv) apply for a loan via Abra Borrow, Abra's product that allows individuals to take out loans using Bitcoin or Ethereum holdings deposited with Abra as collateral; or (v) withdraw the virtual currency to an external (non-Abra related) wallet.

12. Respondent has represented to the Division that if a customer does not buy, sell, or exchange their virtual currency or only seeks to exchange one stable coin for another stable coin, their virtual currency remains custodied at Fireblocks, but if a customer decides to buy, sell, or exchange non-stable coin virtual currency, their virtual currency is moved from Fireblocks to Digital Capital Solutions Limited, a British Virgin Islands company, wholly owned by British Virgin Islands Purpose Trust, that maintains an omnibus wallet at Binance for execution and trading.

13. As of May 23, 2023, Respondent and related entities custodied over \$732,000 in Abra Trade on behalf of 320 Connecticut customers.

14. Respondent has never been licensed with the Commissioner on the Nationwide Multistate Licensing System and Registry to engage in the business of money transmission in Connecticut.

### **III. STATUTORY BASIS FOR ORDER TO PROVIDE DISGORGEMENT, ORDER TO CEASE AND DESIST AND IMPOSITION OF CIVIL PENALTY**

15. Respondent's engaging in the business of money transmission, and advertising or soliciting such services in this state without obtaining the required license, as more fully described in paragraphs 8 through 14, inclusive, constitutes at least one violation for each Connecticut customer that custodied funds with Respondent, or a total of at least 320 violations of Section 36a-597(a) of the Connecticut General Statutes. Such violations form the basis to issue an order to provide disgorgement pursuant to Sections 36a-608(c) and 36a-50(c) of the Connecticut General Statutes, issue an order to cease and

desist pursuant to Sections 36a-608(c) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty pursuant to Sections 36a-608(c) and 36a-50(a) of the Connecticut General Statutes.

Section 36a-50(a) of the Connecticut General Statutes authorizes the Commissioner to impose a civil penalty upon Respondent in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation.

**IV. FINDINGS AND STATUTORY BASIS FOR TEMPORARY ORDER  
TO CEASE AND DESIST**

The Commissioner finds that the public welfare requires immediate action to issue a temporary order requiring Respondent to cease and desist from engaging in unlicensed money transmission in violation of Section 36a-597(a) of the Connecticut General Statutes and to prevent harm to Connecticut customers as a result of Respondent's failure to obtain money transmission licensure in Connecticut and comply with its corresponding safeguards, including but not limited to, maintaining a surety bond for the benefit of Connecticut customers, vetting of control persons and financial responsibility requirements.

**V. TEMPORARY ORDER TO CEASE AND DESIST, ORDER TO PROVIDE  
DISGORGEMENT, NOTICE OF INTENT TO ISSUE ORDER TO CEASE AND  
DESIST, NOTICE OF INTENT TO IMPOSE CIVIL PENALTY AND NOTICE OF  
RIGHT TO HEARING**

**WHEREAS**, the Commissioner has reason to believe that Respondent has engaged in conduct which constitutes sufficient grounds for the Commissioner to order Respondent to provide disgorgement pursuant to Sections 36a-608(b) and 36a-50(c) of the Connecticut General Statutes, and forms a basis to issue an order to cease and desist against Respondent pursuant to Sections 36a-608(c) and 36a-52(a) of the Connecticut General Statutes, and to impose a civil penalty upon Respondent pursuant to Sections 36a-608(c) and 36a-50(a) of the Connecticut General Statutes in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation;

**AND WHEREAS**, the Commissioner has made the finding required under Section 36a-52(b) of the Connecticut General Statutes.

**NOW THEREFORE, THE COMMISSIONER ORDERS**, pursuant to the authority granted in Section 36a-52(b) of the Connecticut General Statutes, that Plutus Financial, Inc. d/b/a Abra d/b/a Abra Trade immediately **CEASE AND DESIST** from engaging in the business of money transmission, and advertising or soliciting such services in this state without obtaining the required license in violation of Section 36a-597(a) of the Connecticut General Statutes. This Temporary Order to Cease and Desist shall become effective upon receipt by Plutus Financial, Inc. d/b/a Abra d/b/a Abra Trade, and, unless set aside or modified by a court, shall remain in effect until the effective date of a permanent order or dismissal of the matters asserted in this Temporary Order to Cease and Desist.

**THE COMMISSIONER FURTHER ORDERS**, pursuant to the authority granted in Sections 36a-17(a) and 36a-52(b) of the Connecticut General Statutes, that:

1. Upon receipt of this Temporary Order to Cease and Desist, Order to Provide Disgorgement, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing (collectively, "Order and Notice"), Respondent, and any and all officers, directors, trustees, principal employees, shareholders, and affiliates acting on behalf of Respondent, including but not limited to, Plutus Technologies Philippines Corporation and Digital Capital Solutions Limited (collectively "Abra Group"), shall immediately cease and desist from engaging, directly or indirectly, in the business of money transmission in Connecticut on behalf of Respondent, provided that Respondent shall be permitted to perform the winding-down of its Connecticut money transmission activities as expressly provided herein or authorized by the Commissioner, including allowing Connecticut customers to withdraw monetary value held by the Abra Group;
2. Upon receipt of this Order and Notice, Respondent shall not accept any additional monetary value, either fiat or virtual currency, from or for the benefit of Connecticut customers and shall disable all mechanisms by which Connecticut customers fund accounts with Respondent, including but not limited to, websites, user applications and prescheduled contributions;
3. No later than seven (7) days after receipt of this Order and Notice, Respondent shall ensure that all monetary value held by the Abra Group on behalf of Connecticut customers is safeguarded in one or more segregated deposit or trust accounts established solely for the benefit of such Connecticut customers and notify Carmine Costa, Director, Consumer Credit Division, Department of Banking ("Director"), 260 Constitution Plaza, Hartford, Connecticut 06103-1800, or carmine.costa@ct.gov, of the account number(s) and location of such account(s);
4. Respondent shall provide to the Director, as soon as possible, but not later than seven (7) days after the receipt of this Order and Notice, a detailed report of the type and amount of all virtual

and fiat currency directly or indirectly held by Respondent on behalf of Connecticut customers. The report shall include all available identifying information of Connecticut customers from whom monetary value was collected for transmission, exchange or custody by the Abra Group, all fees received, and values which remained outstanding as of the date of this Order and Notice, and the name, address and account numbers of all persons acting as current custodians of such fiat or virtual currency, including banks, virtual currency platforms and affiliates;

5. Respondent shall immediately notify all third parties who hold fiat or virtual currency on behalf of Abra Group for the benefit of Connecticut customers, including banks and virtual currency platforms, of this Order and Notice and instruct such persons to immediately cease engaging in the business of money transmission in Connecticut on behalf of Abra Group, unless and until directed otherwise by the Commissioner;
6. Respondent shall immediately secure all records, files and documents relating to its money transmission business in Connecticut (collectively, "Records"), and shall ensure that all persons acting on behalf of Respondent in Connecticut are directed to preserve all Records pursuant to the provisions of this paragraph. The Records shall be available to the Commissioner in their entirety upon request;
7. Upon the receipt of this Order and Notice, Respondent shall implement or revise its practices and procedures, as necessary, to ensure that Respondent's financial books and records are accurately maintained, in a manner illustrating compliance with the provisions of this section, and available for review by the Commissioner upon request;
8. Not later than seven (7) days after the receipt of this Order and Notice, Respondent shall provide to the Director financial statements indicating Respondent's financial position as of its most recent month end, including a detailed description of all assets and liabilities, financial holdings, and obligations, and exposure affecting its money transmission operations in Connecticut. Respondent shall also provide a reconciliation of customer outstandings to assets held, including assets recorded "off-balance sheet"; and
9. Not later than sixty (60) days after the receipt of this Order and Notice, Respondent shall completely winddown its money transmission operations in Connecticut and ensure that any fiat or virtual currency currently held on behalf of Connecticut customers is either transferred to another person licensed or exempt from money transmitter licensure or returned to such Connecticut customers.

**THE COMMISSIONER FURTHER ORDERS**, pursuant to Section 36a-50(c) of the Connecticut General Statutes, that Plutus Financial, Inc. d/b/a Abra d/b/a Abra Trade **PROVIDE DISGORGEMENT** of any fees collected as a result of Plutus Financial, Inc. d/b/a Abra d/b/a Abra Trade violating Section 36a-597(a) of the Connecticut General Statutes. Specifically, the Commissioner **ORDERS** that: Not later than thirty (30) days from the date this Order to Provide Disgorgement becomes permanent, Plutus Financial, Inc. d/b/a Abra d/b/a Abra Trade shall:

Disgorge to the Department all fees received as a result of engaging in the business of money transmission in violation of Section 36a-597(a) of the Connecticut General Statutes.

**NOW THEREFORE**, notice is hereby given to Respondent that the Commissioner intends to issue an order requiring Respondent to **CEASE AND DESIST** from violating Section 36a-597(a) of the Connecticut General Statutes, and to impose a **CIVIL PENALTY** upon Respondent as set forth herein, subject to Respondent's right to a hearing on the allegations set forth above.

A hearing will be granted to Respondent if a written request for a hearing is received by the Department of Banking, Consumer Credit Division, 260 Constitution Plaza, Hartford, Connecticut 06103-1800 or submitted by e-mail to [DOB.hearingsupport@ct.gov](mailto:DOB.hearingsupport@ct.gov) within fourteen (14) days following Respondent's receipt of this Temporary Order to Cease and Desist, Order to Provide Disgorgement, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing as set forth in Sections 36a-50(c), 36a-52(a) and 36a-50(a) of the Connecticut General Statutes. This Temporary Order to Cease and Desist, Order to Provide Disgorgement, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing shall be deemed received on the earlier of the date of actual receipt, or seven (7) days after mailing or sending. To request a hearing, complete and return the enclosed Appearance and Request for Hearing Form to one of the above-referenced addresses. If Respondent will not be represented by an attorney at the hearing, please complete the Appearance and Request for Hearing Form as "pro se". Once a written request for a hearing is received, the Commissioner may issue a notification of hearing and designation of hearing officer that acknowledges receipt of a request for a hearing, designates a hearing officer and sets the date of the hearing in accordance with Section 4-177 of the Connecticut General Statutes and Section 36a-1-21 of the Regulations of Connecticut State Agencies. If a hearing is requested, the hearing will be held in person and/or remotely via videoconference using Microsoft Teams on September 20, 2023, at 10 a.m.

If a hearing is requested, it will be held in accordance with the provisions of Chapter 54 of the Connecticut General Statutes, unless Respondent fails to appear at the hearing. At such hearing, Respondent will have the right to appear and present evidence, rebuttal evidence and argument on all issues of fact and law to be considered by the Commissioner. Any remote hearing will be held in accordance with Section 149 of June Special Session Public Act 21-2, as amended by Section 1 of Public Act 22-3, and the Remote Hearing Guidelines available on the Department's website at <https://portal.ct.gov/dob>.

If Respondent does not request a hearing within the time period prescribed or fails to appear at any such hearing, the allegation herein will be deemed admitted. Accordingly, the Order to Provide Disgorgement shall remain in effect and become permanent, and the Commissioner will issue an order that Respondent cease and desist from violating Section 36a-597(a) of the Connecticut General Statutes, and may order a civil penalty in an amount not to exceed One Hundred Thousand Dollars (\$100,000) per violation be imposed upon Respondent.

So ordered at Hartford, Connecticut,  
this 18th day of July 2023.

/s/  
\_\_\_\_\_  
Jorge L. Perez  
Banking Commissioner



## CERTIFICATION

I hereby certify that on this 18th day of July 2023, the foregoing Temporary Order to Cease and Desist, Order to Provide Disgorgement, Notice of Intent to Issue Order to Cease and Desist, Notice of Intent to Impose Civil Penalty and Notice of Right to Hearing was sent by certified mail, return receipt requested, to Plutus Financial, Inc. d/b/a Abra d/b/a Abra Trade, 1000 N. West Street, Suite 1200, Wilmington, Delaware 19801, Certified Mail No. 9589071052700567269992; Plutus Financial, Inc. d/b/a Abra d/b/a Abra Trade C/o Cogency Global Inc., Registered Agent, 850 New Burton Road, Suite 201, Dover, Delaware, 19904, Certified Mail No. 9589071052700567270004.

/s/ \_\_\_\_\_  
Swarupa Madhavan  
Paralegal