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EJIKE E OKPA II
MEMBER

IN THE MATTER OF
PLUTUS FINANCIAL, INC. DBA ABRA, PLUTUS
LENDING, LLC DBA ABRA, ABRA BOOST LLC
AND WILLIAM JOHN "BILL" BARHYDT

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Order No. ENF-23-CDO-1873

Plutus Financial, Inc. dba Abra is being served by certified mail, return receipt requested, addressed to (1) its principal address at 1000 N. West Street, Suite 1200, Wilmington, Delaware 19801, (2) Cogency Global, Inc., its Registered Agent in Delaware, at 850 New Burton Road, Suite 201, Dover, Delaware 1990, and (3) Cogency Global, Inc., its Registered Agent in California, at 1325 J Street, Suite 1550, Sacramento, California 95814.

Plutus Lending, LLC dba Abra is being served by certified mail, return receipt requested, addressed to (1) its principal address at 3715 Northside Parkway, Building 100, Suite 500, Atlanta, Georgia 30327, (2) Cogency Global, Inc., its Registered Agent in Delaware, at 850 New Burton Road, Suite 201, Dover, Delaware 19904, and (3) Cogency Global, Inc., its Registered Agent in California, at 1325 J Street, Suite 1550, Sacramento, California 95814.

Abra Boost, LLC is being served by certified mail, return receipt requested, addressed to (1) 1000 N. West Street, Suite 1200, Wilmington, Delaware 19801, and (2) Cogency Global, Inc., its Registered Agent in Delaware, at 850 New Burton Road, Suite 201, Dover, Delaware 19904.

William John "Bill" Barhydt is being served by certified mail, return receipt requested, addressed to (1) 321 Castro Street, Mountain View, California 94041, (2) the principal address for Respondent Plutus Financial at 1000 N. West Street, Suite 1200, Wilmington, Delaware 19801, (3) the principal address for Respondent Plutus Lending at 3715 Northside Parkway, Building 100, Suite 500, Atlanta, Georgia 30327, (4) Cogency Global, Inc., the Registered Agent for Respondent Plutus Financial in Delaware, at 850 New Burton Road, Suite 201, Dover, Delaware 19904, and (5) Cogency Global, Inc., the Registered Agent for Respondent Plutus Lending in California, at 1325 J Street, Suite 1550, Sacramento, California 95814.

EMERGENCY CEASE AND DESIST ORDER

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State (the “**Securities Commissioner**”) of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 4007.104 of The Securities Act, Tex. Gov’t Code Ann. §§ 4001.001-4008.105 (the “**Securities Act**”).

The Enforcement Division of the Texas State Securities Board has presented evidence sufficient for the Securities Commissioner to find:

FINDINGS OF FACT

1. Beginning as early as 2014, William John “Bill” Barhydt (“**Respondent Barhydt**”) organized various entities that collectively operated as Abra. In 2022, Respondent Barhydt restructured Abra and, as part of the restructuring, reorganized existing companies and organized new entities as subsidiaries or affiliates of Plutus Financial Holdings, Inc.
2. Abra Boost, LLC (“**Respondent Abra Boost**”) is a subsidiary of Plutus Financial Holdings, Inc. It was organized as Domestic Limited Liability Company with the Delaware Department of State, Division of Corporations. Respondent Abra Boost is being served by certified mail, return receipt requested, addressed to (1) 1000 N. West Street, Suite 1200, Wilmington, Delaware 19801, and (2) Cogency Global, Inc., its Registered Agent in Delaware, at 850 New Burton Road, Suite 201, Dover, Delaware 19904.
3. Plutus Financial, Inc. dba Abra (“**Respondent Plutus Financial**”) is a subsidiary of Plutus Financial Holdings, Inc. It was organized as a Domestic Corporation with the Delaware Department of State, Division of Corporations, and filed as an Out of State Corporation with the California Secretary of State. Respondent Plutus Financial is being served by certified mail, return receipt requested, addressed to (1) its principal address at 1000 N. West Street, Suite 1200, Wilmington, Delaware 19801, (2) Cogency Global, Inc., its Registered Agent in Delaware, at 850 New Burton Road, Suite 201, Dover, Delaware 1990, and (3) Cogency Global, Inc., its Registered Agent in California, at 1325 J Street, Suite 1550, Sacramento, California 95814.
4. Plutus Lending, LLC dba Abra (“**Respondent Plutus Lending**”) is a subsidiary of Respondent Plutus Financial. It was organized as a Domestic Limited Liability Company with the Delaware Department of State, Division of Corporations, and filed as an Out of State Limited Liability Company with the California Secretary of State. Respondent Plutus Lending is being served by certified mail, return receipt requested, addressed to (1) its principal address at 3715 Northside Parkway, Building 100, Suite 500, Atlanta, Georgia 30327, (2) Cogency Global, Inc., its Registered Agent in Delaware, at 850 New Burton Road, Suite 201, Dover,

Delaware 19904, and (3) Cogency Global, Inc., its Registered Agent in California, at 1325 J Street, Suite 1550, Sacramento, California 95814.

5. Respondent Barhydt is being served by certified mail, return receipt requested, addressed to (1) 321 Castro Street, Mountain View, California 94041, (2) the principal address for Respondent Plutus Financial at 1000 N. West Street, Suite 1200, Wilmington, Delaware 19801, (3) the principal address for Respondent Plutus Lending at 3715 Northside Parkway, Building 100, Suite 500, Atlanta, Georgia 30327, (4) Cogency Global, Inc., the Registered Agent for Respondent Plutus Financial in Delaware, at 850 New Burton Road, Suite 201, Dover, Delaware 19904, and (5) Cogency Global, Inc., the Registered Agent for Respondent Plutus Lending in California, at 1325 J Street, Suite 1550, Sacramento, California 95814.
6. Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt are represented by Christopher W. Gerold, a partner at Lowenstein Sandler LLP. The Enforcement Division is sending this Emergency Cease and Desist Order to Mr. Gerold by electronic mail addressed to cgerold@lowenstein.com.

FINDINGS OF FACT

7. On June 15, 2023, pursuant to Rule 155.53 of the SOAH Rules, the Enforcement Division filed a Notice of Hearing against Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt in Texas State Securities Board v. Plutus Financial, Inc. dba Abra, Plutus Lending, LLC dba Abra, Abra Boost, LLC, and William John "Bill" Barhydt with the State Office of Administrative Hearings (the "**SOAH Action**").
8. The SOAH Action is attached as Exhibit A to this Emergency Cease and Desist Order, as is incorporated into this Emergency Cease and Desist Order as if set forth fully herein. Paragraphs 1-86 of the SOAH Action are expressly incorporated herein as Findings of Fact as if set forth fully herein.
9. The SOAH Action alleges, in part, the following:
 - A. Beginning as early as 2014, Respondent Barhydt organized various entities that collectively operated as Abra. In 2022, Respondent Barhydt restructured Abra and, as part of the restructuring, reorganized existing companies and organized new entities as subsidiaries or affiliates of Plutus Financial Holdings, Inc. As of the date of this order, both Respondent Plutus Financial and Plutus Lending have been and/or are individually doing business as Abra, and they and other entities have been and/or are also collectively doing business as Abra.

- B. Respondents Plutus Financial, Plutus Lending and Barhydt sold investments in Abra Earn, a digital asset depository account, to unaccredited and accredited investors in the United States.
 - C. A working group of state securities regulators have been investigating Abra. During the investigation, Abra announced it would cease selling investments in Abra Earn in October 2022.
 - D. In October 2022, Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt began offering and selling investments in Abra Boost, a digital asset depository account, to accredited and institutional investors in the United States.
 - E. The SOAH Action alleges that Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt committed securities fraud in connection with offers and sales of investments in Abra Earn and Abra Boost. It also alleges they made offers containing statements that are materially misleading or otherwise likely to deceive the public.
 - F. Or about March 31, 2023, the working group of state securities regulators interviewed Respondent Barhydt.
 - G. At the time of the interview, parties collectively operating as Abra were collectively insolvent or nearly insolvent.
10. The SOAH Action also generally alleges as follows:
- A. Respondents Plutus Financial, Plutus Lending and Barhydt violated Sections 4003.001 and 4004.051 of the Securities Act through offers and/or sales of investments in Abra Earn in Texas,
 - B. Respondents Plutus Financial, Plutus Lending and Barhydt engaged in fraud, as that term is defined by Section 4001.058 of the Securities Act, in connection with the sale of investments in Abra Earn in Texas,
 - C. Respondents Plutus Financial, Plutus Lending and Barhydt made offers of investments in Abra Earn in Texas containing statements that were materially misleading or otherwise likely to deceive the public,
 - D. Respondents Plutus Financial, Abra Boost and Barhydt engaged and are engaging in fraud, as that term is defined by Section 4001.058 of the Securities Act, in connection with the sale of investments in Abra Boost in Texas, and

- E. Respondents Plutus Financial, Abra Boost and Barhydt made offers of investments in Abra Boost in Texas containing statements that were materially misleading or otherwise likely to deceive the public.
11. The Enforcement Division is requesting that SOAH set a date for a hearing on the Notice of a Hearing. The SOAH Action provides notice the Enforcement Division will present evidence at the hearing, and it will pray for the following relief:
- A. Proposals for decision for orders directing Respondents Plutus Financial, Plutus Lending and Barhydt to cease and desist from violating Sections 4003.001 and 4004.051 of the Securities Act,
 - B. Proposals for decision for orders directing Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt to cease and desist from engaging in fraud as that term is defined in Section 4001.058 of the Securities Act,
 - C. Proposals for decision for orders Orders directing Respondents Plutus Financial, Plutus Lending and Barhydt to cease and desist from making offers containing statements that are materially misleading or otherwise likely to deceive the public,
 - D. Proposals for decision for orders directing Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt to pay a refund of principal to Texans who invested in Earn Accounts and/or Boost Accounts as set forth in Section 4007.108 of the Securities Act, and
 - E. Proposals for decision for orders assessing administrative fines against Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt.
12. The SOAH Action clarifies that (a) the prayer for a refund of principal to Texans will account for investors located in other states and territories of the United States so that all investors are treated equally, regardless of states of residence, and (b) the prayer for an assessment of administrative fines will prioritize returns of principal to investors residing in Texas and in other states and territories of the United States over the payment of administrative fines.

NO IMPACT ON RETURN OF ASSETS TO EARN AND BOOST INVESTORS

13. The SOAH Action does not, in any way, prohibit or otherwise prevent Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt, or any parents,

subsidiaries or affiliates thereof, from returning assets to Earn Investors, Boost Investors or other clients of Abra.

CONCLUSIONS OF LAW

1. Investments in Abra Boost are securities as that term is defined by Section 4001.068 of the Securities Act.
2. Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt are engaging in fraud in connection with the offer and sale of investments in Abra Boost.
3. Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt are making offers of Abra Boost that are materially misleading or otherwise likely to deceive the public.
4. Respondents' conduct, acts and practices threaten immediate and irreparable harm.
5. The forgoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 4007.104 of the Securities Act.

ORDER

1. It is further ORDERED Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
2. It is further ORDERED Respondents Plutus Financial, Plutus Lending, Abra Boost and Barhydt immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 4007.104 of the Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the ground for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 4007.206 of the Securities Act any knowing violation of an order issued by the Securities Commissioner under the authority of Section 4007.104 of the Securities Act is a criminal offense punishable by a fine of not more than \$10,000.00, or imprisonment in the penitentiary for two to ten years, or both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 15th day of June, 2023.



TRAVIS J. ILES
Securities Commissioner