

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. Box 47029
Newark, New Jersey 07101
(973) 504-3600

IN THE MATTER OF:

Plutus Financial Inc. d/b/a Abra;
Plutus Lending LLC;
Abra Boost LLC; and
William John Barhydt,

Respondents.

SUMMARY
PENALTY AND
CEASE AND DESIST
ORDER

Pursuant to the authority granted to Amy G. Kopleton, Acting Chief of the New Jersey Bureau of Securities (“Bureau Chief”), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 to -89 (“Securities Law”) and certain regulations thereunder, and based upon documents and information obtained during the investigation by the New Jersey Bureau of Securities (“Bureau”), the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Penalty and Cease and Desist Order (“Order”) against Plutus Financial Inc. d/b/a Abra (“Plutus Financial”), Plutus Lending LLC (“Plutus Lending”), Abra Boost, LLC (“Boost”), and William John “Bill” Barhydt (“Barhydt”). Plutus Financial, Plutus Lending, Boost, and Barhydt have been collectively and indiscriminately referring to Plutus Financial, Plutus Lending, Boost, and other parents, subsidiaries and affiliates as “Abra” (“Abra”).

The Bureau Chief makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Abra is a financial services company that generates revenue through its platform, accessible through its website (<https://www.abra.com>) and mobile application, which among other

things enables customers to buy, sell, borrow, trade, and deposit crypto assets.¹ Since July 28, 2020, Abra has been, at least in part, funding its income-generating activities, including lending operations, arbitrage, exchange funds, and yield farming, through the sale of unregistered securities in the form of crypto asset interest earning accounts. Abra refers to these unregistered securities as “Abra Earn” (each, an “Earn Account,” together, the “Earn Accounts”). Abra also offers more traditional crypto asset trading accounts in which an account holder can buy and sell crypto assets. Beginning on or about July 28, 2020, through at least October 3, 2022, users of Abra crypto asset trading accounts could complete an application with Abra’s custodian, Prime Trust, LLC (“Prime Trust”), to open an Abra Earn Account.

2. Since October 3, 2022, Abra has restricted new deposits in Abra Earn and began offering and selling Boost Account Securities (each, a “Boost Account,” and together, the “Boost Accounts”) to institutional and accredited individual investors in reliance on the exemption from registration requirements contained in section 506(c) of Regulation D of the Securities Act of 1933.

3. Abra represents that Boost Accounts are “[s]imilar to Abra Earn in functionality.” According to Abra, Boost Accounts allow “all qualified investors to deposit and earn interest on their digital assets.”

4. Abra solicited investors to invest in the Earn Accounts or Boost Accounts, which potential investors could fund by depositing certain crypto assets the investors held in their Abra wallets to their Earn Accounts or Boost Accounts.

5. The Earn Account deposits are held by Prime Trust. Prime Trust pools Earn Account deposits into a reserve account. Abra accesses the funds in the reserve account, and uses these assets to fund its various income-generating activities, including those set forth in paragraph

¹ As used in this Order, “crypto asset” refers to an asset that is issued and/or transferred using distributed ledger or blockchain technology—including, but not limited to, so-called “digital assets,” “virtual currencies,” “cryptocurrencies,” “coins,” and “tokens.”

1. In exchange for investing in the Earn and Boost Accounts, investors are promised an above-market interest rate, of as much as 14% and 10%, respectively, that is paid weekly.

6. The Earn Accounts are not registered with the Bureau or any other securities regulatory authority; nor are they otherwise exempt from registration. Crypto assets contained in Earn Accounts are not insured or otherwise protected by the Securities Investor Protection Corporation (“SIPC”), the Federal Deposit Insurance Corporation (“FDIC”), or the National Credit Union Administration (“NCUA”). Although Abra does disclose the lack of insurance of crypto assets to Earn Account investors, the lack of a protective scheme or regulatory oversight subjects Earn Account investors to additional risks not borne by investors who maintain assets with most SIPC member broker-dealers, FDIC member banks and savings associations, or NCUA member credit unions.

7. As of May 17, 2023, Abra had offered and sold unregistered securities in violation of the Securities Law to approximately 9,087 Earn Account investors representing approximately \$66.83 million in assets, of which approximately 276 were New Jersey-based Earn Account investors representing approximately \$1.80 million in assets.

8. As of May 17, 2023, Abra had offered and sold securities to approximately 229 Boost Account investors representing approximately \$49.96 million in assets, of which approximately 13 were New Jersey-based Boost Account investors representing approximately \$1.17 million in assets.

9. In the offer and sale of Earn Accounts and Boost Accounts to New Jersey residents, Abra omitted to disclose the following material facts: (a) the types of investments, trades, and hedging activities that Abra engaged in with the Earn Account customers’ crypto assets; (b) the identities and creditworthiness of the institutions that borrowed Earn Account crypto assets; (c) information or statements related to Abra’s financial condition; (d) the existence of July 13, 2020

Consent Orders with the SEC and CFTC charging Abra with registration violations and other unlawful conduct; and (e) that the Earn Accounts are not currently registered or exempt from registration with the Bureau, federal or state securities regulatory authorities, or exempt from registration, even though the Earn Accounts are “securities” and are required to be so registered or exempt from registration.

10. Abra and Barhydt also made at least one untrue statement of material fact to the effect that Abra had “no material exposure to FTX,” while FTX owed a Abra subsidiary over \$12,000,000.

A. The Respondents

11. Barhydt is a California resident, who, beginning as early as 2014, organized various entities that collectively operated as Abra. In 2022, 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. (“Plutus Holdings”). Barhydt is responsible for supervising Abra’s day-to-day business activities, as well as defining its overall business strategy.

12. Plutus Financial is a Delaware corporation formed on July 1, 2014, with its principal place of business in Mountain View, California. In 2022, Plutus Financial became a subsidiary of Plutus Holdings. Plutus Financial’s business is providing customers with a digital platform to buy, sell, borrow, trade, and deposit crypto assets, and it operates a mobile phone application (the “Abra App”) that enables customers to conduct financial transactions.

13. Plutus Lending is a Delaware limited liability company formed on May 29, 2020, with its principal place of business in Mountain View, California. Plutus Lending is a subsidiary of Plutus Financial and lends out crypto assets to institutional borrowers on behalf of its parent company.

14. Boost is a Delaware limited liability company formed on September 28, 2022, with its principal place of business in Atlanta, Georgia. Boost is a subsidiary of Plutus Holdings and is the issuer of Boost Accounts.

15. Neither Barhydt, Plutus Financial, nor Plutus Lending is presently registered, nor have they ever been registered, in any capacity with the Bureau; nor have the Earn Accounts ever been registered with the Bureau or with any other federal or state securities regulatory authority.

B. Related Entities

16. Prime Trust, LLC (“Prime Trust”) is a Nevada limited liability company 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, including Abra. Prime Trust has served and currently serves as the custodian of the assets in Abra’s interest-bearing crypto asset accounts.

17. Plutus Technologies Philippines Corp. (“Abra International”) is a Philippines-based corporation and a subsidiary of Plutus Financial. Abra International conducts the foreign operations of Plutus Financial.

C. The Abra Earn Account Securities

18. On or about July 28, 2020, Abra and Barhydt began offering Earn Accounts, an interest-bearing crypto asset account, to New Jersey residents. Abra and Barhydt offered Earn Accounts to New Jersey residents until at least October 3, 2022, when Abra stopped accepting new Earn Account investors. It nevertheless maintained and continues to maintain already existing Abra Earn Accounts for New Jersey investors. The Earn Account was a “consumer-facing product” available to anyone in the U.S. over the age of 18 who did not reside in New York. Abra paid interest to customers who deposited crypto assets into their Earn Accounts. Abra generated the

revenue used to pay interest on Earn Accounts largely by lending investors' crypto assets to institutional borrowers.

19. Abra and Barhydt offered and sold Earn Accounts to the general public through Abra's mobile application and website. On its website, Abra asserted that Earn Accounts were "high-yield savings accounts for crypto." Abra advertised that Earn Account investors could earn up to 14% APY (as of November 24, 2021) on crypto assets deposited into an Earn Account. Abra accepted and paid interest on several types of crypto assets deposited into Earn Accounts, including crypto assets such as Bitcoin, Ethereum, Litecoin, USD Coin (USDC), and Tether (USDT). According to a prior version of the U.S. Abra User Agreement, Abra allowed investors to withdraw their crypto assets from their Earn Accounts at any time, subject to a processing time of up to 7 days.

20. Barhydt promoted Earn Accounts on social media, including on YouTube and Twitter. In a YouTube video, he referred to Earn Accounts as an "investment account." He claimed that while Abra Earn users are taking "principal risk," Abra has "never lost a penny of consumers' money in the interest accounts." In a Twitter post, he referred to Earn as "one of the best deals in all of crypto and probably even banking."

21. Earn Accounts are held by Prime Trust, which provides custodial services for Abra. Abra pays Prime Trust a monthly fee to access the crypto assets in Earn Accounts. Prime Trust does not participate in deploying Earn Account assets to generate the revenue used to pay Earn Account investors.

22. Abra required potential investors to complete an application process prior to opening an Earn Account. During this application process, Abra collected Know Your Customer ("KYC") information on potential Earn Account investors and verified their identities. Potential Earn Account investors also completed an application with Prime Trust, which conducted its own

KYC process independently of Abra. After both Abra and Prime Trust approved a potential investor, Abra would open the Earn Account.

23. Earn Account investors deposited supported crypto assets into their Earn Accounts. Abra set Earn Account interest rates and credited the Earn Accounts with earned interest on a weekly basis. According to Abra, interest rates are based on market demand for the particular crypto assets.

24. After investors made deposits into their Earn Accounts, Prime Trust pooled those deposits into a reserve account, where they were and are still made available to Abra. Abra used and uses the funds in the reserve account for various income-generating activities, which include making loans to institutional borrowers. Abra also uses the funds in the reserve account for other types of investments, including arbitrage, exchange funds, and yield farming. Abra then uses the proceeds generated from these income-generating activities to, among other things, pay interest to Earn Account investors, while retaining the rest for Abra.

25. Earn Accounts are passive investments. Abra alone determines how Earn Account investors' crypto assets are deployed; Earn Account investors have no control over how Abra chooses to invest their crypto assets. Abra requires Earn Account investors to give up certain rights to their crypto assets when they accept Abra's Terms. Specifically, Abra requires that Earn Account investors let Abra hold the crypto assets in Abra's name. Abra also requires that Earn Account investors let the company "pledge, repledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer or use any amount" of such crypto assets.

26. On or about October 3, 2022, Abra purportedly ceased accepting deposits from Earn Account investors.

27. Although Abra ceased accepting deposits from unaccredited Earn Account investors, it did not return existing Earn Account assets to Earn Account investors.

28. Instead of returning assets to Earn Account investors, Abra restricted new deposits in Earn Accounts for all investors and transitioned institutional and accredited investors' crypto assets into Boost Accounts. It also continued to offer and sell Boost Accounts to accredited and institutional investors as set forth below.

D. The Abra Earn Accounts are Unregistered Securities

29. The Abra Earn Accounts are securities as defined by N.J.S.A. 49:3-49(m).

30. The Abra Earn Accounts are not currently and have never been registered with the Bureau, any federal or state securities regulator, or exempt from registration as required by law.

E. The Abra Boost Accounts

31. On or about October 3, 2022, Abra began publicly offering Boost Accounts through its website (<https://www.abra.com>).

32. Abra has advertised that Boost Account investors can earn up to 10% APY (as of June 13, 2023) on crypto assets deposited into their Boost Accounts. For Boost Accounts, Abra accepts and pays interest on several types of crypto assets, including Bitcoin, Ethereum, Litecoin, USD Coin (USDC,) and Tether (USDT).

33. Abra represents that Boost Accounts are only available to institutional and accredited investors. For individual investors to qualify for a Boost Account, they must verify that they have met certain income or net worth criteria sufficient to qualify them as "accredited investors" as defined in the federal securities laws by submitting supporting documentation to Abra.

34. Barhydt promoted Boost Accounts on social media. In Twitter posts from September 2022, he announced that Abra would be launching the Boost Accounts. He also promoted the Boost Account in a YouTube video, calling it "our new service for qualified investors to earn yield on their stablecoin and crypto holdings."

35. Abra admits that Boost Accounts are a security. In a Private Placement Memorandum (“PPM”) for Boost Accounts, dated November 4, 2022, Abra states that it “is offering investors the opportunity to purchase Boost Securities.” Abra describes Boost Accounts as “debt securities.” Abra asserts in its Boost Accounts PPM that these debt securities provide investors with “the right to periodic payments of interest in-kind credited to their account weekly.” According to Abra, Boost Account investors will “have the ability to redeem all or a portion of the Securities credited to their account at any time.”

36. On December 29, 2022, Boost filed a Form D with the U.S. Securities and Exchange Commission (“SEC”) in which it provided notice that the Boost Account securities were exempt from registration under Rule 506(c) of Regulation D.

F. Material Omissions

37. Although Earn Account investors were advised of certain risks when they opened an Earn Account, Abra and Barhydt omitted to disclose several material facts related to Abra’s business including:

- a. the types of investments, trades, and hedging activities that Abra engaged in with Earn Account customers’ crypto assets;
- b. the identities and creditworthiness of the institutions that borrowed Earn Account crypto assets;
- c. information or statements related to Abra’s financial condition;
- d. the existence of the SEC and CFTC Orders; and
- e. that the Earn Accounts are not currently registered or exempt from registration with the Bureau, federal or state securities regulatory authorities, or exempt from registration, even though the Earn Accounts are “securities” and are required to be so registered or exempt from registration.

G. Abra's Misrepresentations of its Risk Management and Financial Condition

38. As of March 31, 2023, Plutus Lending had a net worth of approximately \$100,000.07. The company's assets were approximately \$337,218,005.56 and its liabilities were approximately \$337,118,005.49.

39. As of February 2023, FTX owed a subsidiary of Abra more than \$12,000,000.² Moreover, Abra and/or subsidiaries have held or currently hold various other impaired and illiquid assets, including at least approximately 1,798.26 BTC (approximately \$46,635,805.10 as of June 14, 2023) owed by Babel Finance,³ approximately 30,064,273.97 USDT (\$30,064,273.97) owed by Genesis⁴, and approximately 10,000,000 USDC (\$10,000,000.00) owed by Three Arrows Capital.⁵ All of these entities are currently reorganizing under liquidation or bankruptcy proceedings.

40. Despite Abra's history of making loans that it may never recover in full, Abra touted its experience in managing risk and prioritizing liquidity on its website and Twitter account. In addition, Barhydt has promoted Abra's risk management on Twitter.

41. Preceding the bankruptcy of FTX, Abra and Barhydt both misrepresented Abra's exposure to FTX to both Earn and Boost Account investors. On Twitter, Barhydt stated that Abra had "no material exposure to FTX." This claim was repeated in a blog post on Abra's website despite as of February 2023, FTX owing an Abra subsidiary more than \$12,000,000.

H. The SEC and CFTC Orders

42. On July 13, 2020, the SEC entered an order in Administrative Proceeding File No. 3-19873 (the "SEC Order"). The SEC Order charged Plutus Financial and Abra International with offering and selling security-based swaps to retail investors without registration and for failing to

² FTX filed for bankruptcy protection in November 2022.

³ Babel Finance, citing "unusual liquidity pressures," suspended withdrawals in June 2022.

⁴ Genesis filed for bankruptcy protection in January 2023.

⁵ Three Arrows Capital was placed into liquidation in the British Virgin Islands in June 2022.

transact those swaps on a registered national exchange.

43. Without admitting or denying the findings in the order, Plutus Financial and Abra International consented to the SEC Order and agreed to a combined penalty of \$150,000.

44. On July 13, 2020, the United States Commodity Futures Trading Commission (“CFTC”) entered an order in CFTC Docket No. 20-23 (the “CFTC Order”). The CFTC Order charged Plutus Financial and Abra International with registration violations and entering into illegal off-exchange swaps in digital assets and foreign currency with U.S. and overseas customers.

45. Without admitting or denying the findings in the CFTC Order, Plutus Financial and Abra International consented pay the CFTC a \$150,000 civil monetary penalty and to cease and desist from further violations of the Commodity Exchange Act.

CONCLUSIONS OF LAW

ABRA AND BARHYDT OFFERED AND SOLD UNREGISTERED SECURITIES

N.J.S.A. 49:3-60

46. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

47. Each Abra Earn Account is a security as defined in N.J.S.A. 49:3-49(m).

48. The Abra Earn Accounts were and are required to be registered with the Bureau pursuant to N.J.S.A. 49:3-60.

49. The Abra Earn Accounts have not been registered with the Bureau, are not exempt from registration, and are not federally covered.

50. Plutus Financial, Plutus Lending, and Barhydt have offered and sold unregistered securities in violation of N.J.S.A. 49:3-60.

51. Each violation of N.J.S.A. 49:3-60 is a separate violation and is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

52. Based on the foregoing, the denial of certain exemptions is in the public interest.

BARHYDT ACTED AS AN AGENT WITHOUT REGISTRATION
N.J.S.A. 49:3-56(a)

53. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

54. Barhydt acted as an agent of Plutus Financial, Inc., as defined under N.J.S.A. 49:3-49(b), in effecting or attempting to effect transactions in securities in and from New Jersey.

55. Barhydt was not registered with the Bureau as an agent of Plutus Financial, Inc.

56. Barhydt violated N.J.S.A. 49:3-56(a), which requires, among other things, that only persons registered with the Bureau may lawfully act as agents.

ABRA EMPLOYED AN UNREGISTERED AGENT
N.J.S.A. 49:3-56(h)

57. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

58. Plutus Financial, Inc. employed Barhydt to act as an agent, as defined under N.J.S.A. 49:3-49(b), to attempt to effect transactions in securities in or from New Jersey.

59. Plutus Financial Inc.'s conduct constituted employing an agent who was not registered with the Bureau in violation of N.J.S.A. 49:3-56(h).

60. Each violation of N.J.S.A. 49:3-56(h) is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

ABRA AND BARHYDT

**MADE UNTRUE STATEMENTS OF MATERIAL FACT OR
OMITTED TO STATE MATERIAL FACTS 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 AND SALE OF SECURITIES**

N.J.S.A. 49:3-52(b)

61. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

62. Pursuant to N.J.S.A. 49:3-52(b):

It shall be unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly . . .

....

(b) [t]o make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.

63. In connection with the offer and sale of the Earn Accounts and Boost Accounts, Plutus Financial, Plutus Lending, Boost, and Barhydt made material misrepresentations through oral and written communications, including a misleading statement regarding Abra's financial exposure to FTX.

64. Plutus Financial, Plutus Lending, Boost, and Barhydt omitted material facts related to Abra's business that would have been important to a reasonable investor in Abra's Earn Accounts and Boost's Boost Accounts, including, but not limited to: (a) the types of investments, trades, and hedging activities that Abra engaged in with Earn Account investors' crypto assets; (b) the identities and creditworthiness of the institutions that borrowed Earn Account crypto assets; (c) information or statements related to Abra's financial condition; (d) the existence of the SEC and CFTC Orders; and (e) that the Abra Earn Accounts were neither registered, nor exempt from registration, with federal or state securities regulators.

65. Each violation of N.J.S.A. 49:3-52(b) by Abra is a separate violation of the

Securities Law and is cause for the imposition of civil monetary penalties pursuant to N.J.S.A. 49:3-70.1.

66. Based on the foregoing the denial of certain exemptions is in the public interest.

67. N.J.S.A. 49:3-69(a)(1) empowers the Bureau Chief to issue a cease and desist order against persons engaged in prohibited activities, directing them to cease and desist from further illegal activity or doing acts in furtherance thereof.

CONCLUSION

THEREFORE, it is on this 15th day of June 2023, **ORDERED** that:

68. Plutus Financial Inc. d/b/a Abra, Plutus Lending LLC, Abra Boost LLC, and Barhydt and any person, agent, employee, broker, partner, officer, director, affiliate, successor, or stockholder thereof, under any of their direction or control shall CEASE AND DESIST from:

- a) offering for sale any security, including any Earn Account, to or from New Jersey unless the security is registered with the Bureau, is a covered security, or is exempt from registration under the Securities Law; and
- b) violating any other provisions of the Securities Law and any rules promulgated thereunder for the sale of any security in New Jersey.

69. Plutus Financial Inc. d/b/a Abra and Plutus Lending LLC, be, and hereby are jointly and severally assessed and liable to pay civil monetary penalties in the amount of Two Hundred Twenty-Seven Thousand One Hundred Seventy-Five dollars (\$227,175), pursuant to N.J.S.A. 49:3-70.1, for violations of the Securities Law described in this Order, which are immediately due and payable.

70. Abra Boost LLC, be, and hereby is assessed and liable to pay civil monetary

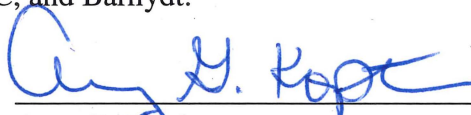
penalties in the amount of Five Thousand Twenty-Five dollars (\$5,725), pursuant to N.J.S.A. 49:3-70.1, for violations of the Securities Law described in this Order, which are immediately due and payable.

71. William John Barhydt be, and hereby is assessed and liable to pay civil monetary penalties in the amount of Fifty Thousand dollars (\$50,000), pursuant to N.J.S.A. 49:3-70.1, for violations of the Securities Law described in this Order, which are immediately due and payable.

72. Payment of civil monetary penalties shall be made by certified check, bank check, or an attorney trust account check, payable to "State of New Jersey, Bureau of Securities," and delivered to the Bureau of Securities, Attn: Bureau Chief, 153 Halsey Street, 6th Floor, Newark, New Jersey 07102. The civil monetary penalties shall be deposited in the Securities Enforcement Fund, pursuant to N.J.S.A. 49:3-66.1.

73. All exemptions contained in N.J.S.A. 49:3-50 subsection (a) paragraph 9, 10, and 11 and subsection (b) are hereby DENIED as to Plutus Financial Inc. d/b/a Abra, Plutus Lending LLC, Abra Boost LLC and Barhydt.

74. All exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are hereby DENIED as to Plutus Financial Inc. d/b/a Abra, Plutus Lending LLC, Abra Boost LLC, and Barhydt.



Amy G. Kopleton
Acting Chief, New Jersey Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-69(a)(1)(i), the Bureau Chief shall entertain on no less than three days' notice a written application to lift the Order to Cease and Desist on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reasons for the Order to Cease and Desist.

Pursuant to N.J.S.A. 49:3-69(a)(1)(ii), upon service of notice of the Order to Cease and Desist issued by the Bureau Chief, the person subject thereto shall have up to 20 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities. Orders issued pursuant to N.J.S.A. 49:3-69 shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the Order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the Order shall toll the time for filing an answer and written request for a hearing.

Pursuant to N.J.S.A. 49:3-69(a)(1)(iii), if any person subject to the Order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 20-day prescribed period, that person shall have waived the opportunity to be heard. The Order will be a Final Order and shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.