



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
NEXO CAPITAL INC.,) AP-23-03
)
Respondent.)

CONSENT ORDER

1. State securities regulators, as members of the North American Securities Administrators Association (“NASAA”), formed a working group (“**Multistate Working Group**”) and conducted a multistate investigation into Respondent. Respondent cooperated with state securities regulators and the Multistate Working Group conducting the investigation by responding to inquiries, providing documentary evidence and other materials, and providing access to facts relating to the investigation.
2. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“**Enforcement Section**”), through Senior Enforcement Counsel Melissa D. Buchanan, alleges that between June 17, 2020 through December 06, 2022 (“**Relevant Period**”), Respondent engaged in activities that constitute violations of Sections 409.3-301 under the Missouri Securities Act of 2003, Chapter 409, *et seq.* (“**the Act**”).¹
3. Respondent and the Missouri Securities Division (“**Securities Division**”) desire to settle the allegations and the matter raised by the Securities Division relating to the alleged violations of Sections 409.3-301.

CONSENT TO JURISDICTION

4. Respondent and the Securities Division stipulate and agree that the Missouri Commissioner of Securities (“**Commissioner**”) has jurisdiction over Respondent and this matter pursuant to the Act.
5. Respondent and the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

¹ Unless otherwise indicated, statutory citations refer to the 2016 edition of the Revised Statutes of Missouri, updated by the 2021 Cumulative Supplement.

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

6. Respondent waives any right to a hearing with respect to this matter.
7. Respondent waives any rights that it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondent specifically forever releases and holds harmless the Missouri Office of the Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
8. Respondent stipulates and agrees with the Enforcement Section that, should the facts contained herein prove to be materially false or incomplete, the Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.
9. Respondent specifically and voluntarily waives any rights to claim that it is unable to pay, now or at any time hereafter, any debt for restitution, penalty or other amount imposed in this Order.

CONSENT TO COMMISSIONER’S ORDER

10. Respondent and the Enforcement Section stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
11. Respondent agrees not to make any public statement that contradicts the Findings of Fact and Conclusions of Law in this Order. Nothing in this paragraph affects Respondent’s (a) testimonial obligations; (b) rights to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) rights to make public statements that are factual.
12. Respondent agrees that it is not the prevailing party in this action since the parties have reached a good faith settlement.
13. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law made by the Enforcement Section or the Commissioner, but consents to entry of this Order by the Commissioner solely for the purpose of resolving the referenced multistate investigation and is not intended to be used for any other purpose.
14. Other than the obligations and provisions set forth herein, this Order does not limit or create liability for Nexo Capital nor limit or create defenses for Nexo Capital to any claims.
15. This Order and the order of any other State in any proceeding related to Nexo Capital’s agreement to resolve the above-referenced multistate investigation (collectively, the

“Orders”) shall not be used as sole grounds to deny registration or qualification of securities issued by Nexo Capital or its parent, Nexo Inc.

16. This Order is not intended to subject any Covered Person to any disqualifications under the laws of the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands, or under the rules or regulations of any securities or commodities regulator or self-regulatory organization, including, without limitation, any disqualification from relying upon the state or federal registration exemptions or safe harbor provisions. For the sole purpose of this paragraph 16, “Covered Persons” means Nexo Capital its parent, or any of its affiliates and their current or former officers, directors, employees, or other persons that could otherwise be disqualified as a result of the Orders.
17. This Order does not preclude Nexo Capital from lawfully dealing with existing clientele.

THE COMMISSIONER’S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

18. Nexo Capital is a Cayman Islands corporation formed in 2018 with its principal place of business in Grand Cayman, Cayman Islands. Nexo Capital is wholly owned by Nexo Inc. Nexo Capital is not registered to do business in Missouri and is not registered with the Missouri Securities Division in any capacity.
19. Nexo Inc. is a Cayman Islands corporation formed in 2018 which provides virtual currency-related financial services to retail and institutional borrowers in the United States, including trading, borrowing, and lending services. Nexo Inc. is not registered to do business in Missouri and is not registered with the Missouri Securities Division in any capacity.
20. Nexo Financial LLC (“**Nexo Financial**”) is a Delaware limited liability company formed in 2018 with its principal place of business in London, United Kingdom. Nexo Financial holds certain licenses, including money transmitter licenses and lending licenses in some states but is not registered with the Securities Division in any capacity.
21. Nexo Group comprises business entities organized primarily in European countries and territories, including but not limited to Nexo Inc., Nexo Capital, and Nexo Financial. Nexo Group is not registered to do business in Missouri and is not registered with the Securities Division in any capacity.
22. Antoni Trenchev is a co-founder and Managing Partner of the Nexo Group and a director and manager of certain companies within the Nexo Group, including Nexo Capital. Antoni Trenchev is responsible for supervising day-to-day business activities of the Nexo Group companies, including ensuring their compliance with applicable legislation, rules, and regulations. Antoni Trenchev is not registered with the Securities Division in any capacity.
23. The Nexo Group, Nexo Inc., Nexo Capital, Nexo Financial, and their affiliates, successors, and assignees (collectively, “**Nexo**”) are financial services companies, and affiliates thereof.

24. On September 26, 2022, Washington State filed a statement of charges alleging Nexo Capital and its parent and director, Nexo Inc. and Antoni Trenchev, were offering and selling unregistered securities in the form of the Nexo Capital interest-bearing digital asset accounts called Earned Interest Products (“EIPs”), were making untrue statements of material fact or omitting to state material facts necessary to make the statements made, in light of the circumstances in which they were made, not misleading, and Antoni Trenchev offered and sold securities while not being registered as a securities salesperson or broker-dealer.
25. On September 26, 2022, Oklahoma filed an order to cease and desist alleging Nexo Financial and its parent and affiliate, Nexo, Inc. and Nexo Financial, were offering and selling unregistered securities in the form of the EIP.
26. On September 26, 2022, California filed a desist and refrain order alleging Nexo Capital and its parent and collective business group, Nexo Inc. and Nexo Group, were offering and selling unqualified securities in the form of the EIP.
27. On September 26, 2022, Maryland filed a summary order to cease and desist and order to show cause alleging Nexo Capital and its parent and director, Nexo Inc. and Antoni Trenchev, were offering and selling unregistered securities in the form of the EIP, were transacting business as an unregistered broker-dealer or agent and, in this business, employed an unregistered agent, making an 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, and engaging in dishonest or unethical practices in the securities or investment advisory business.
28. On September 26, 2022, New York filed a civil complaint alleging Nexo Capital and its parent, Nexo Inc., were offering and selling unregistered securities and unregistered commodities in the form of the EIP and by facilitating the purchase and sale of virtual currencies on Nexo’s virtual marketplace known as the “Exchange,” and making materially false and misleading representations, statements, and omissions relating to the sale, purchase or exchange of securities or commodities.
29. On September 26, 2022, Vermont filed an ex parte order to cease and desist alleging Nexo Capital and its parent and affiliate, Nexo Inc. and Nexo Financial, were offering and selling unregistered securities in the form of the EIP.
30. On September 26, 2022, Kentucky filed an emergency cease and desist order alleging Nexo Capital and its parent and collective business group, Nexo Inc. and Nexo Group, were offering and selling unregistered securities in the form of the EIP, and were making untrue statements of material fact or omitting to state material facts necessary in order to make those statements not misleading in light of the circumstances in which they were made.
31. On September 26, 2022, South Carolina filed an order to cease and desist alleging Nexo Capital Inc. and its parent, Nexo Inc., were offering and selling unregistered securities in the form of the EIP, and were making untrue statements of a material fact or omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

32. On September 28, 2022, Indiana filed an order to cease and desist alleging Nexo Capital Inc. and its parent, Nexo Inc., were offering and selling unregistered securities in the form of the EIP.
33. On November 3, 2022, Wisconsin filed an order to cease and desist alleging Nexo Capital and its parent, Nexo Inc., were offering and selling unregistered securities in the form of the EIP.

THE OFFER AND SALE OF SECURITIES NATIONWIDE

34. During the Relevant Period, Nexo has offered and sold its EIP accounts to new and/or existing Missouri investors. The EIP enables investors to passively earn interest by loaning certain digital assets (“**Eligible Earn Assets**”) to Nexo. Nexo’s EIP investors have no part in selecting, monitoring, or reviewing the revenue-generating activities that Nexo utilizes to earn this interest.
35. As of July 31, 2022, there were one thousand sixteen (1016) Missouri residents with EIP accounts earning interest with a total Missouri EIP savings wallet value of \$3,708,733.72. Nationally, there were 93,318 EIP accounts earning interest with a total EIP savings wallet value of \$800,260,000.
36. Nexo has promoted their financial services, including the EIP, to investors primarily through their website at <http://www.nexo.io/> and their mobile Nexo app. On its website, Nexo has provided information about its EIP and a list of supported virtual currencies and their corresponding interest rates. Nexo additionally has promoted the EIP on social media through various platforms including Twitter, Instagram, and YouTube. Through Nexo’s website, blog, and social media accounts, Nexo has represented interest rates on these EIP accounts of up to 36%, significantly higher than the rates offered for short-term, investment grade, fixed-income securities or for bank savings accounts.
37. In offering its EIP, Nexo has failed to disclose material information about the investment, including, but not limited to, Nexo’s EIP interest generation deployment activities, Nexo’s legal and regulatory compliance, and the limitations of Nexo’s financial representations.
38. Nexo has allowed, with certain limitations, anyone 18 years or older, depending on the jurisdiction, to open an EIP account and access Nexo wallet services. When opening a Nexo account, an investor will go through several user identity-verification protocols, including, at a minimum, the provision of an investor’s legal name, date of birth, and address. An investor will then transfer fiat currency (EUR, GBP, and USD) from a bank account to their Nexo account. Investors can also add cryptocurrency to their Nexo wallet by transferring assets from another crypto exchange or wallet.

NEXO’S EARN INTEREST PRODUCT

39. Nexo ceased offering its EIP to new investors in Missouri after August 2, 2021, after the Multistate Working Group’s regulatory inquiry into Nexo’s business. From approximately August 2, 2021, until approximately February 19, 2022, existing Missouri investors could

deposit additional fiat currency and cryptocurrency into their existing EIP accounts and could continue to earn interest on their invested EIP Eligible Earn Assets. Thereafter on February 19, 2022, Nexo disallowed any US investors who had not yet opened a Nexo Account from opening an EIP savings wallet. Also, on February 19, 2022, Nexo disallowed any existing US investors from adding additional assets into their existing EIP savings wallets.

40. In Nexo’s EIP, an investor agrees to invest their Eligible Earn Assets with Nexo, in exchange for passively earning interest that is deposited into the investor’s EIP savings wallet. EIP investors begin accruing interest 24 hours after investing Eligible Earn Assets with Nexo.
41. Nexo has offered its EIP in the form of either a Flex EIP Savings Wallet Term (“Flex Term Investment”) or a Fixed EIP Savings Wallet Term (“Fixed Term Investment”). Interest from an investor’s Eligible Earn Assets is credited to an investor’s EIP savings wallets either at the expiration of the Fixed Term Investment, or daily for a Flex Term Investment.
42. For a Flex Term Investment, there is no required “holding” time for an investor to lend their Eligible Earn Assets, and these investors are able to withdraw their Eligible Earn Assets at any time subject to the terms and conditions of a Nexo wallet.
43. For a Fixed Term Investment, investors are unable to withdraw their Eligible Earn Assets for the duration of a defined term. When investing in a Fixed Term Investment, an investor can elect to utilize Nexo’s “automatic renewal” feature to rollover their investment at the end of the defined term.
44. The interest rate Nexo pays an investor on their invested Eligible Earn Assets is determined by several factors, including the length of the Eligible Earn Assets loan, the type of cryptocurrency loaned, and whether the investor has a Flex Term Investment or a Fixed Term Investment. Generally, the longer that an investor agrees to maintain their Eligible Earn Assets with Nexo, the higher the rate of return.
45. After February 19, 2022, while Nexo disallowed additional deposits into existing EIP savings wallets, Nexo continued to allow existing investors enrolled in a Fixed Term Investment to rollover their EIP Eligible Earn Assets into a new Fixed Term Investment.
46. In actions from September through November 2022, the Multistate Working Group concluded that Nexo’s offer to an investor the option to automatically renew their Fixed Term Investment for another identical term, along with the investor’s decision to enroll, constitutes an offer and sale of a security.
47. On December 6, 2022, Nexo ceased to offer the EIP to investors within the Multistate Working Group.

DEPLOYMENT AND INCOME-GENERATING ACTIVITIES

48. In accordance with the EIP terms and conditions, the EIP savings wallet interest rate is subject to revision from time to time, at Nexo’s sole and absolute discretion. Included in the EIP terms and conditions, investors are required to acknowledge that they:

...understand and agree that we [Nexo] might convert, pledge, re-pledge, hypothecate, rehypothecate, sell, lend, or otherwise transfer, dispose of or use any amount of any Digital Assets in regard to which you use the Nexo Earn Interest Product, separately or together with other property, and for any period of time, and without retaining in our [Nexo's] possession and/or control for delivery a like amount thereof or any other assets, at our [Nexo's] sole and absolute discretion.

49. As such, any profit earned by Nexo investors is earned solely through the efforts of Nexo with means determined solely by Nexo.
50. Nexo groups and deploys investor Eligible Earn Assets with other investors' Eligible Earn Assets and similar, Nexo-owned assets (e.g., Eligible Earn Bitcoin Assets with other Nexo-owned Bitcoin assets). To earn income to pay interest to EIP investors, Nexo engages in deployment activities including the staking, lending, arbitrage, and provision of liquidity on certain decentralized finance platforms, in addition to the lending of aggregated investor Eligible Earn Assets to retail and institutional borrowers.

NEXO'S REPRESENTATIONS REGARDING THE OFFER AND SALE OF EIPs

51. In offering the EIP to Missouri investors, Nexo failed to disclose material information related to Nexo's EIP interest generation, Nexo's regulatory compliance, and Nexo's financial representations.
52. Nexo failed to disclose its lending agreements or the terms contained therein to EIP investors, and as such, Nexo's EIP investors are not provided with information as to whom Nexo's institutional lending partners are, how long the term loan is, or whether these loans are over-collateralized, despite Nexo's assurances that all loans are provided in an over-collateralized fashion. Consequently, Nexo EIP investors cannot adequately evaluate the risk associated with their participation in the EIP prior to investing their Eligible Earn Assets with Nexo.
53. Nexo's website represents to EIP investors that "Nexo has gone the extra mile in ensuring compliance with the applicable regulatory frameworks. Together with our top-tier legal counsel and engaging proactively with the regulatory decision-makers we ensure the sustainability of our products for years to come."
54. Concurrently, Nexo makes the following statements on its website: "The Nexo Group has legal entities in various locations throughout the world...and is in compliance with all applicable global and local regulations...rest assured that Nexo is compliant everywhere it provides services and retains top-tier legal counsels in the jurisdictions of its operation." Further, within the footer of Nexo's website, Nexo displays the phrase "Licensed & Regulated Digital Assets Institution."
55. Through these representations, Nexo gives investors the impression that their investments are less risky. On or about June 30, 2021, Nexo Co-Founder Trenchev appeared on a Yahoo Finance Live broadcast titled, "Crypto-focused banking: Nexo Co-Founder discusses his company's growth and business model." On this broadcast, Trenchev stated that he "would

argue, from a financial perspective... that [Nexo is] safer, especially for the larger clients, than your average bank.” On July 1, 2021, Nexo re-posted this broadcast to its YouTube channel, and re-named it, “Nexo is Safer than your Average Bank...”

56. Nexo Capital is the entity that operates Nexo’s website and conducts the EIP offering. This is not disclosed on the website; instead, the website often uses the name “Nexo” without further clarification. Of the licenses and registrations identified on Nexo’s website, Nexo Capital only held two—a money service business registration license in Canada and a registration as a foreign company in Australia. Notably, none of the Nexo respondents hold securities licenses in Missouri.
57. As such, Nexo: 1) fails to specify Nexo Capital as the operator of the website and provider of the services offered therein; 2) lists the licenses of one or more entities that are not actually doing business in the relevant jurisdictions and that are not conducting the business offered and provided through the website on which the licenses and registrations are listed; and 3) makes the false statement that the Nexo Group is in compliance with “all applicable ... regulations.”
58. Nexo represents on its website and through the Nexo YouTube video, “How to Earn Crypto Interest,” that an investor’s Eligible Earn Assets are secured at all times by Nexo’s asset-backed portfolio of over-collateralized loans. Nexo also states that the platform lends to individuals and institutions only on an over-collateralized basis, which is, in part, how Nexo states that they keep EIP interest rates consistent over time and “basically eliminate counter party risk.”
59. Further, on or about June 10, 2021, Nexo advertised a forthcoming “real-time audit” of Nexo’s custodial assets by Armanino LLP,² which they represented would show that the company’s assets exceed liabilities. In a Daily Hodl article published on June 10, 2021, Antoni Trenchev stated, “We are happy to have opened our books to allow Armanino...to verify that our company’s assets exceed liabilities at all times and demonstrate how seriously we treat Nexo’s commitments to our customers.”
60. In a Nexo blog post published on September 23, 2021, Nexo presented the Armanino report, which purports to offer a “real-time audit of Nexo’s custodial assets, showing the company’s assets always exceed liabilities.” This Armanino report is updated daily and Nexo claims that it provides the following assurances: 1) “Fully Backed: Your holdings on Nexo’s platform are backed by assets by more than 100%”; 2) “Properly Managed: Third-party assurance that your funds on the Nexo platform are properly managed and accounted for”; and 3) “Always Available: 24/7 proof of Nexo’s ability to meet all liabilities owed to you at any time.” This Armanino report is publicly available online at <https://real-time-attest.trustexplorer.io/nexo>.
61. More recently, as a response to a competing cryptocurrency firm freezing customer withdrawals on June 12, 2022, Nexo’s Twitter account tweeted:

² Armanino LLP is a Public Company Accounting Oversight Board (“PCOAB”) – certified auditor, accounting and consulting firm in the US.

All Nexo products are operating normally – Borrow, Earn, Exchange...Nexo is the first and only blockchain finance company to have a real-time audit of its custodial assets, showing that the company’s assets exceed its liabilities at all times which attests to Nexo’s liquidity and ability to meet all of its obligations...Nexo is in a solid liquidity and equity position to readily acquire any remaining qualifying assets of Celsius, mainly their collateralized loan portfolio....

62. Nexo provided a link to their real-time attestation Armanino report within the body of this tweet.
63. Nexo’s provision of the Armanino report in conjunction with these claims of financial stability gives the appearance that the Armanino report can support Nexo’s claims of financial stability in a turbulent market.
64. Despite representations by Nexo, the data and figures set forth in the Armanino report contain several material shortcomings, as described in the report’s Agreed Upon Procedures, that limit the report’s ability to provide assurances of Nexo’s financial stability. These limitations include 1) a failure to identify non-Customer Liabilities; 2) a failure to identify whether Customer Liabilities include the collateral that Nexo holds for over-collateralized retail loans; 3) a failure to identify the liquidity of Nexo’s assets; 4) a failure to identify doubtful loan accounts (e.g. a distressed or non-paying borrower accounts); and 5) a failure to identify whether Nexo’s deposit liabilities are secured or otherwise collateralized by Nexo’s assets.
65. As such, this report is of limited value and cannot be used to support Nexo’s claims that “Nexo’s assets exceed their liabilities by more than 100%”.

FAILURE TO COMPLY WITH REGISTRATION REQUIREMENTS

66. During the Relevant Period, Nexo Capital’s offer and sale of EIPs was not done subject to an exception or exemption from Section 409.3-301, RSMo.
67. During the Relevant Period, Nexo Capital offered and sold securities in Missouri that were not registered or permitted for sale in Missouri as required by Section 409.3-301, RSMo.

II. CONCLUSIONS OF LAW

68. **THE COMMISSIONER CONCLUDES** that the EIPs are securities as defined in Section 409.1-102(28), RSMo.
69. **THE COMMISSIONER CONCLUDES** that during the Relevant Period, Nexo Capital’s offer and sale of the EIP securities in Missouri that were not registered or permitted for sale in Missouri violated Section 409.3-301, RSMo.
70. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604, RSMo.
71. The Commissioner, after consideration of the stipulations set forth above and on consent of

the Respondent and the Enforcement Section, finds and concludes that the Commissioner has jurisdiction over Respondent in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

72. Respondent shall cease and desist from offering or selling the EIPs or any security that is not registered, qualified, or exempt to new investors in Missouri and cease and desist accepting further investments or funds in the EIPs by current Missouri investors, unless and until the EIPs or other securities are registered or otherwise exempt in Missouri and cease and desist intentionally providing interest or other returns on any existing Missouri investors' EIP accounts until such securities are registered, qualified, or otherwise exempt. This means that Nexo Capital shall diligently endeavor to ensure that interest payments are not provided to residents of Missouri after April 01, 2023;
73. Respondent shall pay the amount of \$424,528.30 to the Missouri Secretary of State's Investor Education and Protection Fund. **If timely payment is not made, additional interest shall accrue at a rate of eight percent pursuant to the mandatory interest requirement in Section 409.6-604, RSMo.;**
74. Payment shall be made in the following installments:
 - a. \$141,509.44 immediately upon entry of this Order,
 - b. \$94,339.62 ninety (90) days upon entry of this Order,
 - c. \$94,339.62 one hundred-eighty (180) days upon entry of this Order, and
 - d. \$94,339.62 two hundred-seventy (270) days upon entry of this Order;
75. Payments shall be applied first to post-order interest, which accrues pursuant to statute. Prior to making the final payment set forth herein, Nexo Capital shall contact the Securities Division for the amount due.
76. If Respondent fails to make any payment by the date agreed and/or in the amount agreed according to the schedule set forth above, all outstanding payments under this Order, including post-order interest, minus any payments made, shall become due and payable immediately at the discretion of the staff of the Commissioner without further application to the Commissioner;
77. Payment must be made by delivery of a cashier's check to the Commissioner made payable to the **Missouri Secretary of State's Investor Education and Protection Fund** and hand delivered or mailed to:

Missouri Securities Division
600 W. Main Street
Jefferson City, Missouri 65101

Payments must be accompanied by a cover letter identifying Nexo Capital and the file number of these proceedings. A copy of the cover letter must be sent to Melissa D. Buchanan, Senior Enforcement Counsel, by mail at the Missouri Securities Division, 600 W. Main Street, Jefferson City, Missouri 65101 or by electronic mail to melissa.buchanan@sos.mo.gov;

78. Nexo Capital is further ordered to require verification of the identify of all new account holders to ensure that it does not provide services to Missouri, and to implement IP-based geo-blocking restricting access by prospective new account holders from Missouri to Nexo's app, websites, and services;
79. This Order shall be binding upon Respondent, its parent and affiliates, and their respective successors and assigns with respect to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions;
80. Respondent, its agents and employees, and all other persons participating in the above-described alleged violations with knowledge of this Order, are permanently enjoined and restrained from engaging in violations of Sections 409.3-301; and
81. Respondent shall pay its own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 27th DAY OF FEBRUARY, 2023.



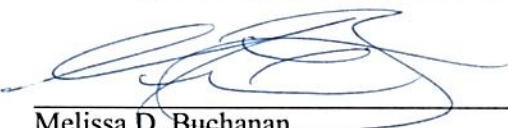
JOHN R. ASHCROFT SECRETARY OF STATE



DOUGLAS M. JACOBY
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION



Melissa D. Buchanan
Senior Enforcement Counsel

CONSENT TO ENTRY OF ADMINISTRATIVE ORDER BY NEXO CAPITAL INC.

Nexo Capital Inc., on behalf of itself and the Nexo Group, Nexo Inc., Nexo Financial LLC, and Antoni Trenchev, hereby acknowledges that it has been served with a copy of this Order, has read the foregoing Order, is aware of its right to a hearing and appeal in this matter, and has waived the same.

Nexo Capital Inc. attests that it has adequate funds and resources to (i) facilitate, honor, and fulfill withdrawals of all assets belonging to residents of the 53 jurisdictions, and (ii) pay the agreed-upon settlement payments to the 53 Jurisdictions. Nexo Capital Inc. agrees to further attest that it can perform the foregoing actions and still be solvent and without material impact to its ongoing operation. “Solvent” means that Nexo Capital Inc. (a) can pay its debts as they become due; (b) owns property that has a fair saleable value greater than the amounts required to pay its debt (including a reasonable estimate of the amount of all contingent liabilities); and (c) has adequate capital to carry on its business. In connection with Nexo’s products and services and related transactions, Nexo Capital Inc. is not incurring, has not incurred, and does not plan to incur, debts beyond its ability to pay as they become absolute and matured.

Nexo Capital Inc. admits the jurisdiction of the Missouri Securities Division, neither admits nor denies the Findings of Facts and Conclusions of Law contained in this Order, and consents to entry of this Order by the Missouri Securities Division as settlement of the issues contained in this Order. Notwithstanding the foregoing, Nexo Capital Inc. will admit the findings of fact and conclusions of law for the purposes of exceptions to discharge in bankruptcy proceedings under any jurisdiction, including the proceedings set forth in Sections 523 and 1192 of the Bankruptcy Code, 11 U.S.C. §§ 523; 1192.

Nexo Capital Inc. unconditionally guarantees payment of the administrative fine and investigative costs in the amount of (\$424,528.30) as agreed in this Order.

Nexo Capital Inc. agrees that it shall not claim, assert, or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for any administrative fine or investigative costs that Nexo Capital Inc. shall pay pursuant to this Order.

Nexo Capital Inc. agrees that for any EIP accounts, savings wallets, and non-collateral wallets held by residents of the 53 Jurisdictions after April 1, 2023 (collectively, “Legacy Accounts”), (i) Legacy Account holders are the title, beneficial, and legal owners of all fiat currency and digital assets held in their Legacy Accounts; (ii) Nexo will assist customers beyond April 1, 2023, with any withdrawals/transfers; and (iii) Nexo will implement the following:

- a. US Legacy Account assets shall be segregated from other assets under the management and control of Nexo.
- b. By April 1, 2023, all digital assets held in Legacy Accounts shall be free of counterparty obligations, and after that date Nexo will not convert, pledge, rehypothecate, sell, lend, stake or otherwise transfer, dispose of or use any amount of digital assets held in Legacy Accounts.
- c. No interest will accrue in or otherwise be applied to Legacy Accounts.
- d. Nexo Capital Inc. will continue to allow Legacy Account holders to have access to their Legacy Accounts for the sole purpose of making withdrawals by any such Legacy Account holder or their representative. Withdrawals may be in the form of transfers of digital assets to personal wallets or by selling the digital assets and transferring the fiat proceeds, at the discretion of the Legacy Account holder.

Nexo Capital Inc. states that no promise of any kind or nature whatsoever was made to it to induce it to consent to this Order and that it has consented to this Order voluntarily.

Antoni *a managing*
Trenchev represents that s/he is director of Nexo Capital Inc. and that, as such, has been authorized by Nexo Capital Inc. to enter into this Order for and on behalf of Nexo Capital Inc.

Dated this 2nd day of February, 2023.

Nexo Capital Inc.
By: 

Title: Managing Director

Approved as to form by:


Schulte Roth & Zabel