

FOR IMMEDIATE RELEASE

**CONTACT** Melissa Berglund, Public Information Officer

**Phone** 402-471-2171

**Email** [Melissa.Berglund@nebraska.gov](mailto:Melissa.Berglund@nebraska.gov)

---

## **NDBF Joins with State Securities Regulators and SEC in a \$45 Million Settlement with Nexo Capital Over Interest-Bearing Accounts**

February 14, 2023 (Lincoln, NE) – The Nebraska Department of Banking & Finance (NDBF) will receive a payment of \$424,528.30 from Nexo Capital, Inc. (Nexo) after entering a Consent Order with Nexo. The NDBF joined other state securities regulators and the U.S. Securities Exchange Commission (SEC) in this \$45 million settlement with Nexo.

In the past year, a North American Securities Administrators Association (“NASAA”) working group of state regulators conducted a comprehensive investigation into Nexo’s alleged offer and sale of unregistered securities in the form of its Earned Interest Product (EIP).

Nexo is a Cayman Islands corporation established in 2018 that provides virtual currency-related financial services to retail and institutional borrowers in the United States, including trading, borrowing, and lending services. During the investigation, it was discovered that EIP investors could passively earn interest on digital assets by loaning those assets to Nexo. This included 346 Nebraska EIP accounts with a value of \$2,480,000 as of July 31, 2022. Nexo maintained total discretion over the revenue-generating activities utilized to earn returns for investors. The company offered and promoted the EIP and other products to investors in the U.S. via its website and social media channels suggesting in some instances that investors could obtain returns as high as 36%.

Nexo is alleged to have failed to comply with state registration requirements and, as a result, investors were sold unregistered securities in violation of state law and additionally were deprived of critical information and disclosures necessary to understand the potential risks of the EIP.

“Securities laws are designed to protect investors through full and fair disclosure and the registration of securities is essential to that protection.” said NDBF Deputy Director Claire McHenry. “State securities regulators continue to lead the effort to ensure companies involved in offering digital asset investments comply with our laws and that investors are treated fairly.”

For the states participating in the settlement, Nexo will pay a fine of \$424,528.30 and cease offering and selling the EIP or accepting further investments in the EIP until such activities are compliant with applicable state and federal securities laws. For any EIP accounts, savings wallets, and non-collateral wallets held by Nebraska residents after April 1, 2023, Nexo will assist customers with any withdrawals or transfers.

NDBF would like to thank its fellow NASAA member agencies, especially the multistate working group, for its coordinated efforts and the SEC for their collaboration and assistance.

NDBF encourages Nebraskans to review financial opportunities carefully and to check the registration status of the investment and the person offering it by visiting [ndbf.nebraska.gov](https://ndbf.nebraska.gov).

###