

**North Carolina Department  
of the Secretary of State**

**NEWS**

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For Immediate Release

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**Elaine F. Marshall**

**Secretary of State**

**NC Secretary of State Joins \$22.5 Million Multistate Securities Settlement Against  
Crypto Platform Nexo Capital**

**RALEIGH** – NC Secretary of State Elaine F. Marshall announced Wednesday that the Agency has joined other state securities administrators and the Securities and Exchange Commission (SEC) in a \$45 million settlement with Nexo Capital, Inc. (Nexo) related to the offering of unregistered securities.

The Secretary of State’s Office issued a Consent Order against the Cayman Islands-based corporation after a North American Securities Administrators Association (NASAA) Working Group of state regulators conducted an investigation and found that Nexo failed to register the offering and selling of its interest-bearing crypto asset accounts – the Earn Interest Product (EIP).

Nationally, there were 93,318 EIP accounts with a total value of \$800,260,000. As of July 31 of 2022, 2,569 North Carolinians had invested a total of \$18,578,365 in EIP Accounts.

“It is vital that cryptocurrency-related investments follow the same rules and regulations as any other security – including registering with our Securities Division,” said Secretary Marshall. “It is also crucial that North Carolinians do the same due diligence with crypto-related investments that they would with any other investment. Always be sure that you understand how the business model works to generate a profit, and call our Investor Hotline to check the official registration status before you invest.”

Nexo agreed to notify account holders on or before February 1, 2023 that they should withdraw or transfer all assets from their Nexo accounts before April 1, 2023, the date when Nexo will cease paying interest on all existing EIP accounts.

Under the terms of the Consent Order, Nexo has agreed to cease and desist offering, selling, or accepting further investments in the EIP until properly registered, and to pay a total of \$22,500,000 to all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Jurisdictions participating in the settlement will receive \$424,528 as part of the settlement against Nexo for its unregistered activity.

The Secretary of State's Office encourages investors to reach out with any concerns or questions about cryptocurrency-related offerings. Call the NC Investor Hotline at 800-688-4507, menu option 4, before making any investment to check the registration of the individual offering the investment opportunity, as well as the registration of the investment opportunity itself.

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