

STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:

Case No. MT-24-0052

PAYWARD VENTURES, INC. d/b/a
KRAKEN, a Delaware Corporation,

Respondent.

ORDER TO CEASE AND DESIST,
ORDER ASSESSING CIVIL
PENALTY, AND CONSENT TO
ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon (“Director”), acting in accordance with Oregon Revised Statutes (“ORS”) Chapter 717 and Oregon Administrative Rules (“OAR”) Chapter 441, Division 745 (collectively, “the Oregon Money Transmitters Law”), conducted an investigation into the activities of Payward Ventures, Inc. d/b/a Kraken (“Respondent”) and determined that Respondent engaged in activities constituting violations of the Oregon Money Transmitters Law.

Respondent, without admitting or denying the Director’s Findings of Fact or Conclusions of Law, wishes to resolve and settle this matter with the Director in order to avoid the costs and uncertainty of litigation.

Now, therefore, as evidenced by the authorized signature subscribed on this Order, Respondent hereby CONSENTS to entry of this Order upon the Director’s Findings of Fact and Conclusions of Law as stated hereinafter.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent is a Delaware corporation whose principal address is 100 Pine St., Suite 1250, San Francisco, CA 94111.
2. At all relevant times, Respondent has operated an electronic platform under the

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350 Winter Street NE, Suite 410
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Telephone: (503) 378-4387





1 “Kraken” name (the “Kraken platform”), which enables consumers to buy, sell, and/or
2 otherwise exchange currencies, including fiat and digital currencies, for a fee.

3 3. In or around March 2023, Respondent submitted an application for an Oregon
4 money transmission business license.¹

5 4. In the course of reviewing Respondent’s application materials, the Director
6 discovered that Respondent had already made its platform available to Oregon consumers
7 to transmit currencies.

8 5. From on or around January 1, 2023 through on or around May 31, 2024,
9 Respondent facilitated currency transactions for 7,896 Oregon consumers in exchange for
10 fees.²

11 6. At no time has Respondent held an Oregon money transmission license.³

12 CONCLUSIONS OF LAW

13 The Director CONCLUDES that:

14 7. Respondent engaged in the business of “money transmission,” under ORS
15 717.200(11) by utilizing its electronic platform to facilitate the buying, selling, and/or
16 transfer of currencies for a fee, as set forth in Paragraph (2).

17 8. By engaging in a money transmission business without an Oregon money
18 transmitter’s license, Respondent has violated ORS 717.205(1).

19 9. Because the Director has reason to believe that Respondent has been engaged,
20 is engaging, or is about to engage in violation of the Oregon Money Transmitters Law, the
21 Director may issue an order to Respondent to cease and desist, pursuant to ORS
22 717.290(1)(a).

23 10. Under ORS 717.900(1), the Director may impose a civil penalty of up to \$1,000
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25 ¹ Respondent has since withdrawn this application.

26 ² Respondent has identified the number of transactions and amount of fees under separate cover.

³ On June 1, 2024, Respondent transferred the operation of its services in Oregon to Payward Interactive, Inc. (“Payward Interactive”), which holds an Oregon money transmitter license in good standing.

1 per violation or, in the case of a continuing violation, \$1,000 for each day that the violation
2 continues, upon a person who violates a provision of the Oregon Money Transmitters Law.

3 ORDERS

4 Now therefore, the Director issues the following Orders:

5 11. As authorized by ORS 717.290(1)(a), the Director hereby ORDERS
6 Respondent to immediately CEASE AND DESIST from violating ORS 717.205(1).

7 12. Based upon the foregoing and as authorized by ORS 717.900(1), the Director
8 hereby ORDERS that Respondent be subject to a CIVIL PENALTY of \$100,000 for
9 violating ORS 717.205(1).

10 13. The Director hereby suspends payment of \$90,000 of the \$100,000 CIVIL
11 PENALTY provided Respondent complies with the following terms:

12 A. Respondent shall not violate the Oregon Money Transmitters Law
13 within the three-year time period;

14 B. Within thirty (30) days from the effective date of this order, Payward
15 Interactive shall provide fee credits to the Oregon consumers who paid transaction
16 fees to Respondent from January 1, 2023 through May 31, 2024 and who, as of the
17 effective date of this Order, have an active account with Payward Interactive.
18 Respondent shall thereafter confirm to the Division that these consumers have been
19 provided fee credits equivalent to the fees they paid during the foregoing period.
20 The credits contemplated by this Paragraph will not be considered a violation of
21 the Oregon Money Transmitters Law;

22 C. Payward Interactive shall notify the clients who receive fee credits
23 pursuant to Subparagraph (B) above via e-mail at least three times over a period of
24 three months that they have fee credits awaiting them in their account;

25 D. Payward Interactive shall send a check via the postal service, FedEx or
26 other similar delivery service to each of the 238 Oregon consumers who paid

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1 transaction fees to Respondent from January 1, 2023 through May 31, 2024 but
2 whose accounts have been closed prior to the effective date of this Order in order
3 to reimburse them for all transaction fees paid during this period;

4 E. If Respondent does not have current contact information for any such
5 consumers, Respondent shall use all reasonable efforts and means to locate and
6 notify the consumer of the impending refund and to arrange to transmit the refund
7 to the consumer(s) through electronic transfer (such as by ACH) or by issuance of
8 a refund check. If needed, Respondent shall be granted an additional sixty (60)
9 days from the effective date of this Order to exhaust all efforts to locate the
10 consumer(s) and issue refunds; and

11 F. If at the conclusion of the additional sixty (60) day period, and despite
12 the use of all reasonable efforts, Respondent still cannot make successful payment
13 to any consumer(s), Respondent shall deliver any remaining refunds for such
14 consumer(s) to the Oregon State Treasury (“OST”) to be managed and distributed
15 by OST pursuant to Oregon’s Unclaimed Property Program. Respondent shall
16 provide OST with all unclaimed funds, along with each applicable consumer’s
17 contact information and a copy of this Order, within one hundred (100) days from
18 the effective date of this Order.

19 14. The total suspended civil penalties (\$90,000) will be waived three years from
20 the effective date of this Order, provided Respondent has complied with the foregoing
21 Order terms. If Respondent fails to comply with the Oregon Money Transmitters Law or
22 otherwise fails to comply with all the terms and conditions of this Order within the
23 foregoing period of three (3) years, then the suspended civil penalty shall become
24 immediately due and payable.

25 15. This Order’s non-suspended civil penalty (\$10,000) is due and payable at the
26 time Respondent returns this signed Order to the Division.

- 1 16. This Order is binding upon Respondent’s successors and assigns.
- 2 17. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
- 3 provision, the entry of this Order does not limit other remedies that are available to the
- 4 Director under Oregon law for conduct or actions of Respondent that are not referenced
- 5 within this Order.

6 SO ORDERED this 22nd day of October, 2024.

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8 ANDREW R. STOLFI, Director

9 Department of Consumer and Business Services

10 /s/ Dorothy Bean

11 Dorothy Bean Chief of Enforcement

12 Division of Financial Regulation

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ENTITY CONSENT TO ENTRY OF ORDER

I, John Trohan, state that I am a director of Payward Ventures, Inc. d/b/a Kraken (“Respondent”) and am authorized to act on its behalf. I have read the foregoing Order and know and fully understand the contents hereof. I have been advised of Respondent’s right to a hearing and right to be represented by counsel in this matter. Respondent voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Respondent understands that the Director reserves the right to take further actions against it to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Money Transmitters Law with the terms and conditions stated herein.

Respondent further assures the Director that neither Respondent nor its officers, directors, employees, or agents will effect money transmission services in Oregon unless such activities are in full compliance with the Oregon Money Transmitters Law. Respondent understands that this Consent Order is a public document.

Signature: /s/ John Trohan

Position Held: Director

State of Nevada

County of Clark

Signed and sworn before me on this 16th day of October, 2024

by John Christopher Trohan.

/s/ Kian Tabrizi
Notary Public

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