



DEPARTMENT OF THE TREASURY OFFICE OF FOREIGN ASSETS CONTROL

SETTLEMENT AGREEMENT

This settlement agreement (the “Agreement”) with respect to [REDACTED] is made by and between the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and Exodus Movement, Inc., including its subsidiaries, assignees, successors, and affiliates worldwide (collectively referred to hereafter as “Respondent” or “Exodus”).

I. PARTIES

OFAC administers and enforces economic sanctions against targeted foreign countries, regimes, terrorists, international narcotics traffickers, human rights abusers, and proliferators of weapons of mass destruction, among others. OFAC acts under Presidential national emergency authorities, as well as authority granted by specific legislation, to impose controls on transactions and freeze assets under U.S. jurisdiction.

Exodus is a Delaware-incorporated financial technology company founded in 2015 and headquartered in Omaha, Nebraska. In July 2016, Exodus began offering free digital asset wallet software called Exodus Wallet as its primary business, which allows users to conduct transactions on various blockchains. The Exodus Wallet is non-custodial, and Exodus does not store or possess digital assets on behalf of wallet users. Instead, customers download the Exodus Wallet and use it to generate and securely store private keys that can be used to send and receive digital assets in peer-to-peer exchanges or through third party digital asset exchanges. Exodus does not itself process any digital asset exchange transactions. Exodus contracts with third party exchanges to offer their services through Exodus Wallet. During the relevant time period, from about October 2017 to January 2019, Exodus generated revenue by collecting fees each time customers used Exodus Wallet to conduct transactions through such exchanges.

Exodus also maintained a customer support unit to resolve technical issues for users of Exodus Wallet. During the relevant time period, this team consisted mostly of independent contractors, many of which were located around the world and directly reported to Exodus management in the United States. Exodus generally received customer inquiries via email and provided technical assistance and advice to address issues experienced by its customers, including issues involving Exodus Wallet and/or access to its exchange partners. Part of Exodus’s standard approach to customer support inquiries was to recommend the use of Virtual Private Networks (VPNs) for privacy and security.

II. FACTUAL STATEMENT

Exodus’s Provision of Customer Support Services to Users in Iran

From October 17, 2017 through January 4, 2019, Exodus provided technical and support services by responding to customer inquiries from Exodus Wallet users who identified themselves as located in Iran on 254 occasions. In doing so, Exodus staff also regularly recommended the use of VPNs to users in Iran to address various challenges they faced, including access issues posed by OFAC prohibitions and Iranian government restrictions on Internet access, as well as privacy concerns and certain technical issues. This assistance

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generally enabled these users to continue using Exodus Wallet or the services provided by its exchange partners. Furthermore, on several occasions Exodus staff provided customer support services to customers in Iran after the users explicitly asked whether U.S. sanctions on Iran could impact their use of Exodus Wallet.

Exodus provided this customer service support to users in Iran despite the fact that such users' access to Exodus Wallet was prohibited during this time by Exodus's own Terms of Use, which users had to accept before using Exodus Wallet. Among other conditions, the Terms of Use stated that Exodus Wallet and other services and resources available through Exodus "may not be exported or re-exported (a) into any United States embargoed countries, or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals." As a country under comprehensive U.S. sanctions, Iran was considered an embargoed country per the Exodus Terms of Use. However, Exodus did not adequately notify or train its employees regarding these sanctions-related prohibitions in the Terms of Use. Moreover, for a significant portion of the relevant time period, the Terms of Use were not accompanied by any other practical mechanism to prevent the use of Exodus Wallet in sanctioned jurisdictions.

Exodus's Egregious Customer Service Conduct

As noted, Exodus provides access to the services of certain third-party digital asset exchanges through the Exodus Wallet platform, which allows Exodus users to seamlessly conduct transactions on its platform via these exchanges. One such exchange partner—"Exchange A"—announced in April 2018 that it would change its service offerings based on customers' jurisdictions to comply with U.S. regulations. Exchange A then began using Internet Protocol (IP) information to block users in Iran from using its exchange to conduct transactions. As a result of Exchange A's IP blocking of Iran, Exodus customer service staff began receiving an influx of customer service requests from users in Iran who were unable to access Exodus Wallet to conduct transactions via Exchange A.

By May 2018, Exodus became aware that Exchange A blocked users in Iran and understood this may be a measure to comply with U.S. sanctions regulations and other applicable U.S. laws. For example, on May 16, 2018, Exodus's CEO responded to an inquiry about customers in Iran who were unable to access Exchange A by noting that Exchange A was blocking such customers to comply with U.S. sanctions regulations. This understanding, that Exchange A likely blocked customers in Iran because of U.S. sanctions, was shared internally between Exodus management and its customer service staff.

However, Exodus continued to provide customer support services to users located in Iran following Exchange A's blocking of such users. Specifically, due to Exodus' lack of sanctions compliance training and procedures, Exodus staff did not fully recognize how U.S. sanctions applied to its services and made no meaningful attempt to clarify or confirm their compliance obligations until Exodus affirmatively sought guidance from external counsel in December 2018.

On 12 such occasions, which OFAC determined demonstrated willful and reckless conduct, Exodus customer service staff explained to users in Iran that Exchange A and other exchanges prohibited customers in Iran from using their service due to U.S. sanctions or U.S.

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laws, generally, but nevertheless recommended the use of VPNs as a troubleshooting tool. The VPN recommendations ultimately enabled such users to continue accessing Exodus Wallet by altering their IP addresses and obscuring their location. For example:

On May 20, 2018, an Exodus customer service representative advised a user identifying themselves as located in Iran: “It appears that Iran has been geo-restricted by our exchange partner, [Exchange A] From our knowledge previous to this, only Washington and New York state in the USA and North Korea had restrictions. What we learned was this new restriction [is] in place [] due to [Exchange A] following USA law/regulations. I’m terribly sorry to have to relay this news to you, as it came to as a shock to many of us here at Exodus A few of my Iranian customers said that they were able to still use the exchange feature through utilizing a VPN.”

On May 23, 2018, an Exodus customer service representative stated to a user identifying themselves as located in Iran: “The reason you’re unable to exchange using Exodus is because our exchange partner, [Exchange A], does not allow customers in Iran to exchange with their service, and this extends to Exodus customers as well. This is due to prohibitive regulations, specifically trade sanctions between the USA and Iran.” As part of the same customer service interaction, on May 24, 2018, after the same Exodus Wallet user asked a follow-up question about the use of VPNs, another Exodus customer service staff member responded: “When you create an exchange with Exodus, it just forwards your current IP address to [Exchange A]. I expect that [Exchange A] will not be able to detect you are from Iran if you use a VPN to change your IP address.”

On 12 occasions, Exodus customer service staff were at least generally aware of applicable U.S. sanctions or U.S. laws in place to restrict users in Iran from engaging with, and conducting transactions through, Exodus’s exchange partners, including Exchange A. Despite this awareness, Exodus customer service staff recommended steps to help users access their Exodus Wallet, resulting in the circumvention of the sanctions control measures employed by the exchanges. OFAC has determined that the provision of customer service support on these 12 occasions was egregious.

From about October 2017 to December 2018, Exodus failed to employ effective compliance procedures to screen such users for sanctioned jurisdictions, and Exodus lacked policies and controls to prevent Exodus staff from providing them with customer support. This failure occurred despite the fact Exodus’s own Terms of Use prohibited persons in embargoed countries from using Exodus Wallet, conditions that Exodus required users to accept (via self-certification) before using Exodus Wallet. Reflecting its broader lack of a compliance program, Exodus did not notify or train its employees regarding the sanctions-related prohibitions in the Terms of Use and did not provide any other comprehensive mechanism to prevent the use of Exodus Wallet by persons in sanctioned jurisdictions.

III. APPARENT VIOLATIONS

As described above, from October 17, 2017 through January 4, 2019, Exodus provided customer support services to users located in Iran on 254 occasions, resulting in apparent violations of the Iranian Transactions and Sanctions Regulations (“ITSR”). Specifically,

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§ 560.204 of the ITSR generally prohibits the exportation, reexportation, sale, or supply, directly or indirectly, from the United States, or by a United States person, wherever located, of any goods, technology, or services to Iran. Additionally, § 560.203(a) of the ITSR generally prohibits any transaction that evades or avoids, has the purpose of evading or avoiding, causes a violation of, or attempts to violate the ITSR.

Accordingly, Exodus's provision of customer support services to persons located in Iran on 254 occasions appears to have violated § 560.204 of the ITSR. Further, in 12 egregious instances, the provision of customer support services to customers in Iran also evaded or avoided, had the purpose of evading or avoiding, caused a violation of, or attempted to violate prohibitions set forth in the ITSR, pursuant to 31 C.F.R. § 560.203.

Pursuant to OFAC's Economic Sanctions Enforcement Guidelines, 31 C.F.R. part 501, Appendix A ("Enforcement Guidelines"), OFAC determined that Exodus's provision of customer support services to users in Iran on 12 occasions were egregious, and its provision of customer support services to users in Iran on 242 occasions were non-egregious. OFAC further determined that Exodus's conduct was not voluntarily self-disclosed.

IV. TERMS OF SETTLEMENT

OFAC and Respondent agree as follows:

1. In consideration of the undertakings of Respondent in paragraph 2 below, and subject to the breach provisions of this Agreement in Subparagraphs 2.E and 2.F below, OFAC agrees to enter into a monetary settlement in the amount of **\$3,103,360** and to release and forever discharge Respondent, without any finding of fault, from any and all civil liability in connection with the apparent violations described above in Section III (hereinafter, the "Apparent Violations") arising under the legal authorities that OFAC administers.
 - A. In view of the individual facts of this matter, as partial satisfaction of the settlement amount, Respondent has agreed to invest **\$630,000** in additional sanctions compliance controls, in accordance with the terms of Subparagraph 2.C below.
2. In consideration of the undertakings of OFAC in paragraph 1 above:
 - A. Respondent agrees, no later than fifteen (15) days after both OFAC and Respondent have signed this Agreement, to: pay the U.S. Department of the Treasury (the "Department") the amount of **\$2,473,360**. Respondent's payment must be made by electronic funds transfer in accordance with the enclosed "Electronic Funds Transfer (EFT) Instructions. Unless otherwise arranged with the Department's Bureau of the Fiscal Service, Respondent must indicate payment by electronic funds transfer by checking the box on the signature page of this Agreement.
 - B. Respondent agrees to waive (1) any claim by or on behalf of Respondent, whether asserted or unasserted, against OFAC, the Department, or its current or former officials and employees arising out of the facts associated with the enforcement

matter that resulted in this Agreement, including but not limited to OFAC's investigation of the Apparent Violations; and (2) any possible legal objection to this Agreement at any future date.

- C. Within six months of this Agreement being executed, a senior-level executive or manager of Respondent shall submit a work plan to OFAC including an itemized budget of the sanctions compliance expenditures to be spent within two years of this Agreement's execution date and claimed against the portion of the settlement amount suspended pursuant to Subparagraph 1.A above. The work plan shall be submitted by email at OFAC_Compliance_Certification@treasury.gov, addressed to Assistant Director, Enforcement Division, Office of Foreign Assets Control, Freedman's Bank Building, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220. Respondent shall thereafter promptly notify OFAC of any revisions to the work plan. By November 30, 2027, a senior-level executive or manager of Respondent shall submit an expense report to OFAC at the email address above, including an itemized accounting of the actual expenditures claimed against the portion of the settlement amount suspended pursuant to Subparagraph 1.A above. To the extent that OFAC determines that expenditures claimed, or any portion thereof, were used to satisfy Respondent's obligations under Subparagraph 1.A above, that amount shall be credited against the suspended settlement amount. Any remaining portion of the suspended settlement amount that has not been applied to satisfy Respondent's obligations under Subparagraph 1.A above, as reasonably determined by OFAC, shall no longer be suspended and Respondent shall pay the relevant portion of the suspended settlement amount to the U.S. Department of the Treasury within 30 days.
- D. **Compliance Commitments:** By entering into this Agreement, Respondent represents that Respondent, including its senior management, recognizes the seriousness of apparent violations of the laws and regulations administered by OFAC, and acknowledges its understanding of the Apparent Violations at issue. Respondent also (1) represents that it has terminated the apparently violative conduct described above; and (2) has established and will maintain for at least **five (5)** years following the execution date of this Agreement a sanctions compliance program, and associated measures, designed to minimize the risk of recurrence of similar conduct.

Specifically, as part of these sanctions compliance measures, Respondent agrees to the following Compliance Commitments:

(1) Management Commitment:

- a. Senior management has reviewed and approved Respondent's sanctions compliance program, including compliance enhancements implemented in response to the Apparent Violations and related sanctions compliance risks.

- b. Respondent's compliance unit(s) is (are) delegated sufficient authority and autonomy to deploy its policies and procedures in a manner that effectively controls Respondent's sanctions risk.
- c. Respondent's compliance unit(s) receive(s) adequate resources — including in the form of human capital, expertise, information technology, and other resources, as appropriate — that are relative to Respondent's breadth of operations, target and secondary markets, and other factors affecting its overall risk profile, as informed by the risk assessment described in paragraph (2) below.
- d. Respondent promotes a “culture of compliance” throughout the organization.
- e. Respondent will implement any additional necessary measures to reduce the risk of recurrence of apparent violations in the future.

(2) Risk Assessment:

- a. Respondent conducts a sanctions risk assessment in a manner, and with a frequency, that adequately accounts for potential sanctions compliance risks. Such risks could be posed by its clients and customers, products, services, supply chain, intermediaries, counterparties, transactions, or geographic locations, depending on the nature of the organization.
- b. Respondent has developed a methodology to identify, analyze, and address the particular risks. The risk assessments will be updated to account for the conduct and root causes of any apparent violations or systemic deficiencies identified by Respondent during the routine course of business, for example, through a testing or audit function.

(3) Internal Controls:

- a. Respondent has designed and implemented written policies and procedures outlining its sanctions compliance program. These policies and procedures are relevant to the organization, capture Respondent's day-to-day operations and procedures, are easy to follow, and designed to prevent employees from engaging in misconduct.
- b. Respondent has implemented internal controls that adequately address the results of its sanctions risk assessment and profile. These internal controls should enable Respondent to clearly and effectively identify, interdict, escalate, and report to appropriate personnel within the organization transactions and activity that may be prohibited by OFAC. Respondent has selected and calibrated information technology solutions in a manner that is appropriate to address Respondent's risk profile and compliance needs, and

Respondent routinely tests the solutions to ensure effectiveness.

- c. Respondent's sanctions-related recordkeeping policies and procedures will adequately account for its requirements pursuant to the regulations administered by OFAC.
- d. Upon learning of a weakness in its internal controls pertaining to sanctions compliance, Respondent will take immediate and effective action, to the extent possible, to identify and implement compensating controls until the root cause of the deficiency can be determined and remediated.
- e. Respondent has clearly communicated its sanctions compliance program's policies and procedures to all relevant staff, including relevant gatekeepers and business units (e.g., customer acquisition, payments, sales, etc.) as well as, where applicable, external parties acting on behalf of Respondent.
- f. Respondent has appointed personnel to integrate the sanctions compliance program's policies and procedures into Respondent's daily operations. This process includes consultations with relevant business units and confirms that Respondent's employees understand the policies and procedures.

(4) Testing and Audit:

- a. Respondent will ensure that the testing or audit function is accountable to senior management, is independent of the audited activities and functions, and has sufficient authority, skills, expertise, resources, and authority within the organization.
- b. Respondent will ensure that it employs testing or audit procedures appropriate to the level and sophistication of its sanctions compliance program and that this function, whether deployed internally or by an external party, reflects a comprehensive and objective assessment of Respondent's sanctions-related risks and internal controls.
- c. Respondent will ensure that, upon learning of any test result, audit finding, or other assessment of a failure or deficiency related to its sanctions compliance program, it will take immediate and effective action to identify and implement compensating controls until the root cause of the deficiency can be determined and remediated.
- d. Respondent agrees to expeditiously identify for OFAC any apparent sanctions violation identified through such audits.

(5) Training:

- a. Respondent will ensure that its sanctions-related training program provides adequate information and instruction to employees and, as appropriate, stakeholders (for example, clients, suppliers, business partners, and counterparties) in order to support Respondent's sanctions compliance efforts.
- b. Respondent will provide sanctions-related training with a scope that is appropriate for the products and services that Respondent offers; the customers, clients, and partner relationships it maintains; and the geographic regions in which it operates.
- c. Respondent will provide sanctions-related training with a frequency that is appropriate based on its sanctions risk assessment and risk profile and, at a minimum, at least once a year to all relevant employees.
- d. Upon learning of a confirmed negative testing result or audit finding, or other deficiency pertaining to its sanctions compliance program, Respondent will take immediate and effective action to provide training to relevant personnel.
- e. Respondent will ensure that its training program includes easily accessible resources and materials that are available to all applicable personnel.

(6) Cooperation with OFAC: Respondent agrees to cooperate fully with OFAC in any and all matters under investigation by OFAC, including any investigation of Respondent, or any of its present or former owners, officers, directors, employees, agents, consultant, and any other person within its authority or control. Respondent further agrees that it shall timely and truthfully disclose all relevant or responsive evidence and factual information related to any conduct or activities of Respondent, and those of its present and former owners, directors, officers, employees, agents, consultants, and any other person within its authority or control, as may be requested by OFAC, that may constitute a violation of U.S. sanctions administered by OFAC, provided such evidence or information is within Respondent's possession or control.

(7) Annual Certification: On an annual basis, for a period of **five (5)** years beginning one hundred and eighty (180) days after the date this Agreement is executed, a senior-level executive of Respondent will submit to OFAC a written explanation that provides substantive details regarding how Respondent is meeting all the Compliance Commitments detailed in Subparagraph 2.D of this Agreement.

- E. Should OFAC have reason to believe that a breach of, or misrepresentation in or pursuant to, this Agreement has occurred, including due to a failure to specifically perform or fulfill completely each of Respondent's Compliance Commitments, OFAC will provide written notice to Respondent of the breach or misrepresentations

- and provide Respondent with thirty (30) days from the date of Respondent's receipt of such notice, or longer as determined by OFAC, to provide a response demonstrating that no breach or misrepresentation has occurred, or that any breach or misrepresentation has been cured. Respondent will make available to OFAC any underlying evidence relevant to any such potential breach or misrepresentation, as appropriate, to the extent that such evidence is within Respondent's possession or control.
- F. If, after receiving such response, OFAC determines, in its sole discretion, that a breach of, or misrepresentation in or pursuant to, this Agreement has occurred, including due to a failure to specifically perform or fulfill completely each of the Respondent's Compliance Commitments, OFAC will provide notice to Respondent of its determination. In such event, OFAC may re-open its investigation with respect to the Apparent Violations. Any such investigation may be premised on information provided by Respondent or its present or former owners, directors, officers, employees, agents, consultants, or any other person. Respondent agrees that the statute of limitations applying to the apparent violations shall be deemed tolled until a date three hundred and sixty-five (365) days following Respondent's receipt of notice of OFAC's determination that a breach of, or misrepresentation in, this Agreement has occurred.
- G. Should the Respondent engage in any violations of the sanctions laws and regulations administered by OFAC — including those that are either apparent or alleged — OFAC may consider Respondent's sanctions history, or its failure to employ an adequate sanctions compliance program or appropriate remedial measures associated with this Agreement as a potential aggravating factor consistent with the Enforcement Guidelines.
3. This Agreement does not constitute a final agency determination that a violation has occurred and shall not in any way be construed as an admission by Respondent that Respondent engaged in the Apparent Violations.
4. OFAC may, in its sole discretion, post on OFAC's website this entire Agreement and/or issue a public notice describing the conduct underlying this Agreement, including the identity of any entities involved, the settlement amount, and a description of the Apparent Violations, as well as OFAC's application of the Enforcement Guidelines.
5. The certifications to OFAC required under this Agreement shall be submitted to OFAC by email at OFAC_Compliance_Certification@treasury.gov, addressed to Assistant Director, Enforcement Division, Office of Foreign Assets Control, Freedman's Bank Building, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220.
6. Respondent agrees that it shall not, nor shall its owners, directors, officers, employees, agents, representatives, consultants, or any other person authorized to speak on its behalf or within its authority or control, take any action or make any public statement, directly or indirectly, contradicting any terms of this Agreement, including any fact finding,

determination, or conclusion of law in this Agreement. OFAC shall have sole discretion to determine whether any action or statement made by Respondent, or by any person under the authority, control, or speaking on behalf of Respondent contradicts this Agreement, and whether Respondent has repudiated such statement.

7. Respondent agrees that if a court of competent jurisdiction considers any of the provisions of this Agreement unenforceable, such unenforceability does not render the entire Agreement unenforceable. Rather, the entire Agreement will be construed as if not containing the particular unenforceable provision(s), and the rights and obligations of OFAC and Respondent shall be construed and enforced accordingly.
8. This Agreement expresses the complete understanding of OFAC and Respondent regarding resolution of OFAC's enforcement matter involving the Apparent Violations. Unless otherwise described or referred to in this Agreement, no other agreements, oral or written, exist between OFAC and Respondent regarding resolution of this matter.
9. Respondent agrees that the provisions of this Agreement are binding on its owners, directors, officers, and as applicable to its employees, agents, consultants, and any other person within its authority or control. If Respondent (1) sells any of its operating divisions, subsidiaries, affiliates, business units, operations, or assets, or any portion thereof, that were involved in the activities that are the subject of this Agreement, (2) is a party to a corporate merger or restructuring, or (3) is acquired by another party (collectively, (1)-(3) being "purchased or merged entities"), then such purchased or merged entities shall be bound by and fully responsible for all terms and conditions of this Agreement to the same extent as Respondent. Respondent further agrees, if such event occurs within five (5) years of the date of this Agreement, to notify OFAC sixty (60) days prior to such event. Respondent further agrees to notify the purchaser or other responsible party in writing and to require the purchaser or other responsible party to acknowledge in writing, prior to the sale, merger, restructuring, or acquisition event that the purchased or merged entities shall be bound by the terms and conditions of this Agreement to the same extent as Respondent.
10. Respondent affirms that it agrees to and approves this Agreement and all terms herein freely and voluntarily and that no offers, promises, or inducements of any nature whatsoever have been made by OFAC or any employee, agent, or representative of OFAC to induce Respondent to agree to or approve this Agreement, except as specified in this Agreement.
11. Respondent's Duly Authorized Representative, by signing this Agreement, hereby represents and warrants that the Duly Authorized Representative has full power and authority to execute and agree to this Agreement for and on behalf of Respondent, and further represents and warrants that Respondent agrees to be bound by the terms and conditions of this Agreement.

Exodus Movement, Inc.

Respondent accepts the terms of this Agreement on this 18th day of November, 2025



Signature

James Gernetzke

Respondent's Printed Name (or in the case of an entity, the name of Respondent's Duly Authorized Representative)

Chief Financial Officer and Secretary

Printed Title of Respondent's Duly Authorized Representative and Name of Entity (if applicable)

☒ Please check this box if you have not enclosed payment with this Agreement and will instead be paying or have paid by electronic funds transfer (see paragraph 2(A) and the EFT Instructions enclosed with this Agreement).

Date: _____

Bradley T. Smith Digitally signed by Bradley T. Smith
Date: 2025.11.19 07:13:22 -05'00'

Bradley T. Smith
Director
Office of Foreign Assets Control