

4. Jay Hua was made Chief Information Officer at some time in 2022. Pionex reported this change to Kentucky in January 2024.
5. It was determined that the failure to report Jay Hua as CIO within fifteen (15) days was a violation of KRS 286.11-023.
6. Pionex failed to provide the documents requested by examiners during the onsite portion of the exam.
7. It was determined that this lack of documentation during the onsite exam was a violation of KRS 286.11-029.

STATUTORY AUTHORITY

8. KRS 286.11-023 states in relevant part:

A licensee shall file a written report with the commissioner within fifteen (15) business days of its knowledge of the occurrence of any one (1) of the events listed below. In the written report, the licensee shall describe the event and its expected impact on the licensee's activities in the state:

- (1) Any material change in information provided in a licensee's application or renewal report.

9. KRS 286.11-029 states:

(1) Each licensee shall make, keep, and preserve the following books, accounts, and other records for a period of five (5) years, and these records shall be open to inspection by the commissioner:

- (a) A record or records of each payment instrument sold;
- (b) A general ledger containing all assets, liability, capital, income, and expense accounts, which general ledger shall be posted at least monthly;
- (c) Bank statements and bank reconciliation records;
- (d) Records of outstanding payment instruments;
- (e) Records of each payment instrument paid within the five (5) year period;
- (f) A list of the names, addresses, and telephone numbers of all of the licensee's agents;
- (g) Copies of all currency transaction reports and suspicious activity reports filed in compliance with KRS 286.11-031; and

(h) Any other record the commissioner may reasonably require by order or regulation.

(2) Records required to be maintained in this subtitle may be kept in an electronic retrievable format or other similar form of medium.

(3) Records may be maintained by a licensee or agent at a location other than within this state so long as they are made accessible to the commissioner upon seven (7) business days' written notice.

10. KRS 286.11-047 states:

The commissioner may levy a civil penalty against a person that violates any provision of or administrative regulation promulgated under this subtitle or order issued by the commissioner under this subtitle. The civil penalty shall be not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) per day for each day the violation is outstanding, plus the state's costs and expenses for the examination, investigation, and prosecution of this matter, including reasonable attorney's fees and court costs.

VIOLATIONS

11. In contravention of KRS 286.11-023 Pionex had a material change from its license application in the form of a new CIO without timely disclosure of such information.

12. In contravention of KRS 286.11-29 Pionex failed to make certain required records available to DFI in a timely manner.

AGREEMENT AND ORDER

13. To resolve these matters without litigation or other adversarial proceedings, the Department and Pionex, Inc. agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

14. In the interest of economically and efficiently resolving the violations described herein, it is hereby **AGREED** and **ORDERED**:

- i. Pionex Inc. agrees to pay a civil fine in the amount of ten thousand dollars (\$10,000.00) for the violations described herein, which shall be due and payable within thirty (30) days of the entry of this Order;
- ii. All payments under this Order shall be in the form of a payment made via the NMLS system;
- iii. Pionex, Inc. waives the right to demand a hearing at which it would be entitled to legal representation, to confront and cross-examine witnesses, and to present evidence on its behalf, or to otherwise appeal or set aside this Agreed Order;
- iv. Pionex, Inc. consents to and acknowledges the jurisdiction of the Department over this matter and that this Agreed Order is a matter of public record and may be disseminated as such;
- v. In consideration of execution of this Agreed Order, Pionex, Inc. for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the Department, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Pionex, Inc. ever had, now has, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this investigation, this disciplinary action, this settlement or its administration;
- vi. By signing below, the parties acknowledge they have read the foregoing Agreed Order, fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties; and
- vii. This Agreed Order shall constitute the Final Order in this matter.


SO ORDERED on this the 20th day of April, 2026.


MARNI ROCK GIBSON
COMMISSIONER

Consented to:

On behalf of the Department of Financial Institutions,

This 8 day of April, 2026.



Director, Division of Non-Depository Institutions
Department of Financial Institutions

and

On behalf of Pionex, Inc.

This 19th day of March, 2026.

[Handwritten Signature]

Pionex, Inc.

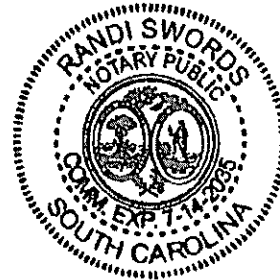
ACKNOWLEDGEMENT

STATE OF SC)
COUNTY OF Aiken)

On this the 19 day of March, 2026, Robert Morris, in my presence, acknowledged (him) herself to be the authorized representative of Pionex, Inc., and, being authorized to do so, did enter into and execute the foregoing instrument, on behalf of Pionex, Inc., for the purposes therein contained, acknowledging the same.

My Commission Expires: 07/14/2035

[Handwritten Signature]
Notary Public



CERTIFICATE OF SERVICE

22 I certify that a true and correct copy of the foregoing Agreed Order was sent on this the day of April 2026, by the method indicated below to the following:

Via certified mail, return receipt requested:

Registered Agents Inc.
Attn: Registered Agent for Pionex Inc.
212 N. 2nd St.
Suite 100
Richmond, KY 40475
Registered Agent on behalf of Respondent

Pionex Inc.
Attn: Robert Morris
500 College Road East
Suite 120
Princeton, NJ 08540
Chief of Compliance for Respondent

Via electronic delivery:

Pionex Inc.
Attn: Robert Morris
500 College Road East
Suite 120
Princeton, NJ 08540
bobmorris@pionex.com
Chief of Compliance for Respondent

Eric Richardson, Staff Attorney III
DEPARTMENT OF FINANCIAL INSTITUTIONS
500 Mero Street
Frankfort, KY 40601
eric.richardson@ky.gov
Counsel for Department of Financial Institutions

Kentucky Department of Financial Institutions

Name: *Angela Reed*

Title: *Executive Staff Advisor*