



6. As a condition of the June 2019 Consent Order, USEA agreed to provide NCCOB with financial statements on a monthly basis.

7. USEA has not provided NCCOB with the required financial statements since October 2019.

8. The June 2019 Consent Order provides that USEA's failure to comply with the provisions of the order can result in further enforcement actions being brought against it by NCCOB.

9. USEA neither admits nor denies the allegations herein but desires to resolve this matter without further cost or expense through this Consent Order.

10. The Parties have voluntarily, willingly, and of their own accord agreed to the terms of this Consent Order.

11. USEA waives its right to a contested hearing before the North Carolina Commissioner of Banks ("Commissioner") and to appeal this Consent Order to the North Carolina State Banking Commission or any court. USEA agrees to entry of this Consent Order.

12. USEA has had the opportunity to consult with legal counsel concerning the terms of this Consent Order.

13. The undersigned represent and warrant that they are authorized to enter into this Consent Order.

## **II. CONCLUSIONS OF LAW**

1. The Commissioner has jurisdiction over Respondents and the subject matter of this proceeding.

2. Stephanie Ryals, Chief Deputy Commissioner of Banks, has the authority to enter into this Consent Order for and on behalf of the NCCOB.

3. The entry of this Consent Order is in the public interest.

4. This Consent Order is a matter of public record and may be disseminated as such.

5. Nothing in this Consent Order shall be construed to prohibit the NCCOB from investigating compliance with this Consent Order or the MTA, or pursuing enforcement proceedings against USEA for noncompliance with this Consent Order or the MTA. Nothing in this Consent Order shall be construed as a waiver of any claim or defense that an individual consumer may have against USEA.

6. This Consent Order shall be binding upon and inure to the benefit of the Parties hereto and their respective legal representatives, successors, and assigns.

Based upon the foregoing findings of fact and conclusions of law, the Commissioner enters the following:

### **III. ORDER**

1. The Commissioner accepts the surrender of USEA's money transmission license (NCCOB License No.163774; NMLS Entity ID: 1124346) under N.C. Gen. Stat. § 53-208.57(e), with the effects set forth therein.
2. USEA shall immediately cease and desist from the solicitation or acceptance of new money transmission orders and from all money transmission activity within the State of North Carolina except as specifically permitted in Paragraph III (4) below.
3. Within thirty (30) days of the effective date of this Consent Order, USEA shall transfer or assign all outstanding money transmission activity originating in the State of North Carolina to an entity that shall be approved by NCCOB prior to the transfer or assignment. Within the same 30 day timeframe, USEA will email to [ljohnson@nccob.gov](mailto:ljohnson@nccob.gov), a list of any money transmission activity originating in the State of North Carolina that USEA has transferred or assigned to another entity since the date of the June 2019 Consent Order.
4. USEA shall, within three (3) days of the effective date of this Consent Order, email to [ljohnson@nccob.gov](mailto:ljohnson@nccob.gov) a list, organized by customer name, of all outstanding money transmission obligations originating from North Carolina consumers. USEA is permitted to continue acting as a money transmitter only with respect to those customer accounts included in the list and only until such time as USEA transfers or assigns its money transmission activity as required in Paragraph III (3) above.
5. USEA shall, within three (3) days of this Consent Order, provide NCCOB with all outstanding monthly progress reports and financial statements pursuant to the June 2019 Consent Order. NCCOB shall vacate the June 2019 Consent Order when NCCOB determines that USEA has met the requirements of Paragraphs III (2)-(4).
6. USEA shall not apply for or seek licensure, registration, or exemption under the MTA with the NCCOB in the future.
7. USEA's consent to this order shall not deprive the NCCOB of supervisory and regulatory authority or jurisdiction over the company's money transmission activities under the MTA or for noncompliance with this Consent Order or the MTA. NCCOB may initiate an enforcement action against USEA seeking the imposition of civil money penalties and such injunctive relief as may be authorized under the MTA and other applicable laws.
8. USEA shall cooperate fully and to the best of their ability with any NCCOB complaints, investigations, and examinations. Such cooperation shall include, but not be limited to, providing affidavits and/or sworn testimony.
9. At its expense, USEA shall store for a period of three years all records required

under N.C. Gen. Stat. § 53-208.52. USEA shall also provide NCCOB with the following information: (i) where the records will be stored and (ii) a contact person, including a telephone number and email address. Should this information change at any time during the three-year period, USEA shall notify the NCCOB in writing within ten (10) days of the change.

10. This Consent Order shall be deemed a regulatory action and shall be disclosed through the Nationwide Multistate Licensing System and Registry by USEA within thirty (30) days.

IT IS SO ORDERED on this the 11<sup>th</sup> day of MARCH, 2020.



Ray Grace  
Commissioner of Banks

**WE CONSENT:**

**For the Office of the Commissioner of Banks**

By:   
Stephanie Ryals  
Chief Deputy Commissioner of Banks

Date: 3-12-2020

By:   
Ashley P. Holmes, Counsel

Date: 3/11/2020

Consented to:

BY: U.S. Equity Advantage, Inc.

IN WITNESS WHEREOF, ROBERT M. STEENBERG II, the CEO/PRESIDENT of U.S. Equity Advantage, Inc., who after presenting to me government-issued identification in the form of [REDACTED], has caused this Consent Order to be executed as a true act and deed this the 9<sup>TH</sup> day of MARCH, 2020.

BY MY SIGNATURE I hereby affirm that I am acting in my capacity and within my authority as an authorized representative of U.S. Equity Advantage, Inc.

ROBERT M. STEENBERG, ESQ.

[Print Name]

CEO / PRESIDENT

[REDACTED SIGNATURE]

[Signature]

Date: 3/9/2020

STATE OF FLORIDA

COUNTY OF ORANGE

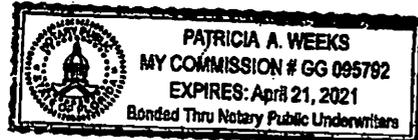
Before me, the undersigned notary public, personally appeared ROBERT M. STEENBERG, as the CEO / PRESIDENT of U.S. Equity Advantage, Inc., who upon being duly sworn, states that HE has read and understands the foregoing Consent Order and voluntarily signed same on behalf of U.S. Equity Advantage, Inc.

Sworn to and subscribed before me this 9<sup>TH</sup> day of MARCH, 2020.

[REDACTED NOTARY SIGNATURE]

Notary Public

My Commission Expires: 4/21/2021



(SEAL)

THE NORTH CAROLINA OFFICE OF THE COMMISSIONER OF BANKS

IN RE:

U.S. EQUITY ADVANTAGE, INC.

North Carolina License No.: 163774

NMLS Unique Identifier: 1124346

CONSENT ORDER

NCCOB Docket No.: 19:047:MT

The North Carolina Office of the Commissioner of Banks ("NCCOB") is the appropriate regulator of U.S. Equity Advantage, Inc. ("USEA") under the North Carolina Money Transmitters Act ("MTA").

USEA has consented to the issuance of this Consent Order ("Order") by NCCOB to bring USEA's money transmission practices into compliance with relevant state and federal laws and implementing regulations pertaining thereto. Therefore, NCCOB hereby orders that:

1. Information Security Program

- a. Within 30 days of this Order, USEA will perform a risk assessment to appropriately evaluate potential information security risks to customer information.
- b. Within 120 days of this Order, USEA will create and implement a comprehensive Information Security Program ("ISP") that meets all the requirements of the regulations set forth in 16 CFR §314.3(a) and 16 CFR § 314.4(a)-(e).
- c. Within 180 days of this Order, USEA will update its Disaster Recovery / Business Continuity Plan ("DR/BCP") to cover information security risks. USEA will test its updated DR/BCP for effectiveness during this same time frame.

2. Net Worth

- a. USEA will continuously maintain a minimum net worth of two hundred and fifty thousand dollars (\$250,000), calculated in accordance with generally accepted accounting principles (GAAP), for as long as it holds a North Carolina Money Transmission License.
- b. If USEA anticipates it will fall below the minimum net worth at any time, USEA will immediately notify NCCOB of this fact and provide NCCOB with a written plan to correct the shortfall and the timetable for achieving the required minimum net worth. USEA is not to accept new customers when it is not in compliance with minimum net worth requirements.

3. Permissible Investments

- a. USEA will maintain, at all times, unencumbered permissible investments that are not less than the aggregate face amount of USEA's outstanding transmission

obligations and meet the definition of permissible investments set forth in N.C.G.S. §53-208.42(17). USEA is not to accept new customers when it does not maintain the appropriate level of unencumbered permissible investments.

4. Notice of Material Change and Annual Report Filings

- a. Within 30 days of this Order, USEA will develop a written policy or process to ensure it complies with N.C.G.S. §53-208.53(a)(1) and N.C.G.S. §53-208.54(c).

5. Accounting Policy and Maintenance of Records

a. General Ledger

- i. Within 90 days of this Order, USEA will develop an accounting policy that requires the maintenance of subsidiary and general ledger accounts. The policy should include the process for reconciling, at least monthly, subsidiary accounts to general ledger accounts and for maintaining supporting documentation in compliance with N.C.G.S. § 53-208.52(a)(2).

b. Bank Reconcilements

- i. The accounting policy referenced in Paragraph 5(a) above will include a requirement for monthly bank reconciliations. The policy should include a detailed process for reconciling monthly bank statements to USEA's book balances and the maintenance of supporting documentation.

c. Outstanding Transmission Liabilities (OTLs)

- i. The accounting policy referenced in Paragraph 5(a) above will include a process for calculating the various types of outstanding transmission liabilities described in N.C.G.S. §53-208.42(15). The process should include procedures for properly reporting OTLs and the maintenance of supporting documentation.

- d. Within 120 days of this Order, USEA will provide NCCOB with revised general and subsidiary ledgers that reflect accounts that specifically track outstanding transmission liabilities and permissible investments.

- e. Within 60 days of this Order, USEA will begin providing NCCOB with monthly financial statements consisting of a balance sheet and income statement.

6. Unclaimed and Abandoned Property

- a. Within 30 days of this Order, USEA will develop policies and procedures for the escheatment of customer property.

7. Board Minutes

- a. Within 30 days of this Order, USEA will provide copies of each Board of Directors' ("Board") meeting minutes that document the appointment of executive officers, review and approval of policies, review of financial statements, audit or regulatory reports, and consents to action without a meeting.
- b. While this Order is in effect, USEA will provide NCCOB with copies of minutes of Board meetings, including any consents to action without a meeting.

8. Internal Audit

- a. Within 60 days of this Order, USEA will provide NCCOB with formal policies and procedures addressing the review of USEA's internal control environment.

9. Audit Tracking

- a. Within 30 days of this Order, USEA will develop an audit tracking log that will enable the company to track audit and regulatory deficiencies through to resolution. The log should, at a minimum, include the specific deficiency; individual or department assigned responsibility for resolving the deficiency; creation, expected, and actual completion dates; and a comment field for progress updates. The audit tracking log will be approved by the Board prior to use.

10. Policies and Procedures

- a. Within 180 days of this Order, USEA will develop written policies and procedures for all areas of operations, unless otherwise indicated in this Order. If written policies and procedures already exist for a specific area, USEA will review, and revise as needed, those policies to ensure they reflect current practices. All policies and procedures will be provided to NCCOB once approved by the Board.
- b. Within 120 days of this Order, USEA's Board will review all existing risk assessments to ensure the risks posed to the licensee have not changed and if they have, that the policies are updated to reflect these changes. USEA will document the Board's review of risk assessments within Board minutes and on the assessment.

11. Anti-Money Laundering / Bank Secrecy Act ("AML/BSA")

a. Independent Review

- i. Within 30 days of this Order, USEA will update its policy regarding the frequency of the AML/BSA independent review.

b. Office of Foreign Assets Control ("OFAC") Screening

- i. Within 120 days of this Order, USEA will implement fuzzy logic, or other appropriate protocols, to ensure its screening system identifies partial matches to names listed on the Specially Designated Nationals and Blocked Persons and the Palestine Legislative Council lists. The screening system should be periodically tested to ensure its working appropriately.

c. 314(b) Voluntary Information Sharing

- i. Within 30 days of this Order, USEA will update its 314(b) Voluntary Information Sharing process to include procedures to ensure proper annual renewal of participation.

12. Publication of and Reporting of Progress with the Consent Order

- a. Within 30 days of this Order, USEA will disclose this Order through the Nationwide Multistate Licensing System & Registry. USEA agrees and understands that this Order is a publicly disclosable document.

- b. Following the issuance of this Order, USEA will provide NCCOB with monthly updates detailing its progress satisfying the requirements of this Order. The updates will be due within 30 days following the last day of each month. The updates will include a description of the form, content, and manner of any actions taken to address each provision of this Order, and USEA will provide relevant documentation in support of the same.
- c. NCCOB reserves the right to review and rely upon future examinations of USEA performed by any other state with which NCCOB has information sharing agreements to monitor and evaluate USEA's compliance with this Order.

13. Termination of the Consent Order

- a. This Order will remain effective and enforceable until NCCOB determines that USEA has met all the provisions herein, and agrees to modify, terminate, suspend, or set aside in writing the Order.

USEA agrees and understands that its failure to comply with any provision of this Order, as determined by NCCOB, can result in further enforcement actions being brought against it by NCCOB. The provisions of this Order shall not bar, stop, or otherwise prevent NCCOB from, individually or jointly, taking any other action against USEA.

IT IS SO ORDERED on this the 4<sup>th</sup> day of July, 2019.

(The remainder of this page was left blank intentionally.)

CONSENTED TO:

BY: U.S. Equity Advantage, Inc.

IN WITNESS WHEREOF, ROBERT M. STEWART [name],  
CEO [title] of U.S. Equity Advantage, Inc., who after  
presenting to me government-issued identification in the form of DRIVER LICENSE, has  
caused this Consent Order to be executed as a true act and deed this the 4<sup>th</sup> day of  
JUNE, 2019.

BY MY SIGNATURE I hereby affirm that I am acting in my capacity and within my authority  
as an authorized representative of U.S. Equity Advantage, Inc.

ROBERT STEWART  
[Print Name]

CEO  
[Redacted Signature]

[Signature]  
Date: 6/4/19

STATE OF FLORIDA

COUNTY OF ORANGE

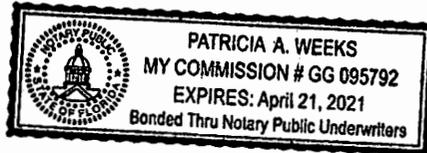
Before me, the undersigned notary public, personally appeared ROBERT M. STEWART  
[name], CEO [title] of U.S. Equity Advantage, Inc., who upon being duly  
sworn, states that he has read and understands the foregoing Consent Order and voluntarily signed  
same on behalf of U.S. Equity Advantage, Inc.

Sworn to and subscribed before me this 4<sup>th</sup> day of JUNE, 2019.

[Redacted Notary Name]

Notary Public

My Commission Expires: 4/21/2021



(SEAL)

CONSENTED TO:

BY: The North Carolina Office of the Commissioner of Banks

By:



Signature

Printed Name: Ray Grace

Title: Commissioner of Banks

Date: 6-17-19