

STATE OF NORTH CAROLINA

WAKE COUNTY

IN A MATTER
BEFORE THE COMMISSIONER OF BANKS
DOCKET NO. 24-MT-001

| | | |
|---------------------|---|-------------------------------|
| IN RE: |) | |
| |) | |
| FORTRESS TRUST LLC |) | SUMMARY SUSPENSION |
| |) | AND |
| |) | CEASE AND DESIST ORDER |
| NMLS ID No. 2318097 |) | |
| |) | |
| _____ |) | |

The Commissioner of Banks (Commissioner) issues this Summary Suspension and Cease and Desist Order (Order) because she has reason to believe that:

FINDINGS OF FACT

1. The NCCOB is responsible for the regulation, licensing, and supervision of money transmitters under Article 16B of Chapter 53 of the North Carolina General Statutes as periodically amended (MTA).
2. On June 30, 2022, Fortress Trust LLC (Fortress) was licensed by the North Carolina Office of the Commissioner of Banks (NCCOB) as a money transmitter under the MTA and has been so licensed since that date. The approval order, NCCOB Docket No. 22:MT:056, required Fortress to commence operations within six months.
3. Pursuant to N.C.G.S. § 53-208.53, licensed money transmitters shall file an annual report, no later than 90 days after the end of the calendar year, in a form prescribed by the Commissioner through NMLS, which shall include, among other items, a copy of its most recent audited consolidated financial statement.
4. Pursuant to N.C.G.S. § 53-208.46(a), licensed money transmitters shall maintain at all times a net worth of not less than \$250,000.00 calculated in accordance with generally accepted accounting principles.

5. As of September 30, 2023, Fortress has not maintained sufficient net worth.

6. As of October 21, 2023, Fortress changed its controlling management without providing notice to NCCOB as required by N.C.G.S. § 53-208.54(c).

CONCLUSIONS OF LAW

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

2. The entry of this Order is in the public interest.

3. Fortress's failure to maintain sufficient net worth is a violation of the minimum licensing requirements of the MTA.

4. Fortress's failure to notify the Commissioner, through NMLS, within the requisite 15 days as prescribed in N.C.G.S. § 53-208.54(c) is a violation of the licensing requirements of the MTA.

5. Pursuant to N.C.G.S. § 53-208.57(d), the Commissioner may issue a cease and desist or summary suspension order if she has reason to believe that such a violation or failure to comply with the MTA presents an imminent threat to the public.

6. Fortress's inability to maintain the required net worth as required by law places North Carolina consumers at risk.

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

Based upon the foregoing Findings of Fact and Conclusions of Law, the Commissioner enters the following:

ORDER

1. The effective date of this Order is January 22, 2024.

2. Pursuant to N.C.G.S. §§ 53-208.46(a) and 53-208.57(d), the money transmitter license of Fortress, previously issued, is hereby **SUMMARILY SUSPENDED**.

3. As of the effective date of this Order, no **new** money transmission activities or new transmission business shall be conducted under Fortress's MTA license within the State of North Carolina. Fortress is permitted to engage in

limited money transmission activities solely for the purpose of resolving its consumer obligations received prior to the effective date of this Order.

4. Within ten (10) days of the effective date of this Order and upon further request, Fortress shall furnish a list of all its North Carolina consumers with outstanding transmission obligations and the dollar amount of those obligations by upload to NCCOB Online.

5. Pursuant to N.C.G.S. § 53-208.57(b), Fortress may request a hearing regarding the issuance of this Order within twenty (20) days of its effective date. Such a request shall be made in writing to Angela Maynard at [REDACTED] and a hearing shall be calendared within fifteen (15) days thereafter or at such time as may be agreed upon by the parties.

6. If Fortress does not request a hearing, this Order shall remain in full force and effect until such time as it is modified, lifted, or vacated by the Commissioner.

Date: 01/16/2024

[REDACTED]

Katherine M.R. Bosken
Commissioner of Banks

CERTIFICATE OF SERVICE

THE UNDERSIGNED hereby certifies that he has this day served a copy of the foregoing Summary Suspension and Cease and Desist Order by email to the addresses identified below and by placing a copy of the same with a delivery service authorized by law and addressed to:

Fortress Trust LLC
10801 W. Charleston Blvd, Suite 440
Las Vegas, NV 89135
[REDACTED]

Date: 01/17/2024

Office of the Commissioner of Banks

[REDACTED]

James D. Crowder, Counsel
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