

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF BANKING AND SECURITIES

COMMONWEALTH OF PENNSYLVANIA: :
DEPARTMENT OF BANKING AND :
SECURITIES, COMPLIANCE OFFICE :
v. : DOCKET NO. 24 0014 (BNK-CAO)
FORTRESS TRUST, LLC. :
:

CONSENT AGREEMENT AND ORDER

The Commonwealth of Pennsylvania, acting through the Department of Banking and Securities (“Department”), Compliance Office has evaluated the business practices of Fortress Trust, LLC. (“Fortress”). Based on the results of its evaluation, together with certain disclosures Fortress made to the Department, the Compliance Office believes that Fortress operated in violation of the Money Transmitter Act (“MTA”), 7 P.S. § 6101 et seq. Fortress, in order to avoid the time and expense of litigating this matter, and without admitting or denying the allegations herein, and intending to be legally bound, hereby agrees to the terms of this Consent Agreement and Order (“Order”).

BACKGROUND

1. The Department is the Commonwealth of Pennsylvania’s administrative agency authorized and empowered to administer and enforce the MTA.
2. The Compliance Office has the primary responsibility of administering and enforcing the MTA for the Department.
3. Fortress is a corporation that engages in the business of transferring money electronically from individuals to other individuals for a fee.
4. Fortress is incorporated in Nevada with its principal place of business located at

10801 W. Charleston Blvd, Suite 440, Las Vegas, NV 89135.

5. Fortress first applied for a MT license on August 2, 2022.

6. The DOBS granted Fortress license MT 100930 on August 8, 2022.

7. On November 27, 2023, Fortress applied to renew MT license 100930, however, Fortress did not provide Tangible Net Worth calculation and was put into a licensing status of “Approved-Deficient”, setting the requirement to provide the tangible net worth calculation.

8. Section 4(a)(1) of the MTA provides to qualify for a license “have tangible net worth of at least five hundred thousand dollars (\$500,000).” 7 P.S. § 6104(a)(1).

9. Section 1 under definitions of the MTA provides: “Tangible net worth means an entity’s net worth less intangible assets as determined by generally accepted accounting principles.” 7 P.S. § 6104.

10. Section 11.1 provides the licensee shall: “Maintain at all times the bond and tangible net worth as required by this act.” 7 P.S. § 6111.1.

11. On December 13, 2023, and January 16, 2024, Fortress was sent a notice of intent to refuse to renew Pennsylvania money transmitter license for failure to meet and maintain the required tangible net worth of \$500,000.

12. On March 04, 2024, Fortress was sent a refusal to renew Pennsylvania money transmitter license for failure to meet and maintain the required tangible net worth of \$500,000.

13. By not maintaining the required tangible net worth, Fortress does not meet the qualifications for licensure. Section 11.1 of the MTA states that licensees shall “Maintain at all times the bond and tangible net worth as required by this act.” 7 P.S. § 6111.1.

14. Fortress has not “maintained at all times” the required tangible net worth of \$500,000, a requirement for licensure.

VIOLATIONS

15. By not meeting and maintaining the tangible net worth of \$500,000 Fortress violated section 4(a)(1) and 11.1 of the MTA. 7 P.S. § 6104(a)(1), 7 P.S. § 6111.1.

AUTHORITY

16. Section 16 of the MTA states. “Any person, whether licensed or not licensed under the provisions of this act, or any director, officer, employee or agent of any such person, who shall violate the provisions of this act or shall direct or consent to such violations shall be subject to a fine levied by the department of up to ten thousand dollars (\$10,000) for each offense.” 7 P.S. § 6116.

RELIEF

17. Corrective Action. By June 1, 2024, Fortress shall provide evidence to the Department of having the required Tangible Net Worth of \$500,000, “maintained at all times”, for continued licensure. Should Fortress fail to comply with any of the terms set forth in the Order, the license renewal application shall be immediately withdrawn and the license 100930 shall be immediately surrendered.

18. Fine. Within 30 days of the Effective Date of this Order, as defined in Paragraph 25 below, Fortress shall pay the Department a fine in the amount of thirty thousand dollars (\$30,000). Payment shall be made through the Department portal at <https://www.portal.dobs.pa.gov>.

FURTHER PROVISIONS

19. Consent. Fortress hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Compliance Office's order authority under the MTA and agrees that it understands all of the terms and conditions contained herein. Fortress by voluntarily entering into this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

20. Consumer's Rights. The Order shall not limit or impair a consumer's rights under the MTA.

21. Publication. The Department will publish this Order pursuant to its authority in Section 302.A(5) of the Department of Banking Code. 71 P.S. 733-302.A(5).

22. Entire Agreement. This Order contains the entire agreement between the Department and Fortress. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Compliance Office and Fortress. This Order will resolve all known issues between Fortress and the Department to date.

23. Binding Nature. The Department, Fortress, and all officers, owners, directors, employees, heirs and assigns of Fortress intend to be and are legally bound by the terms of this Order.

24. Counsel. This Order is subject to review by the Department's Legal Division. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

25. Effectiveness. Fortress hereby stipulates and agrees that the Order shall become effective on the date that the Department's Legal Division docket this Order ("Effective Date").

26. Other Enforcement Action.

- a. The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against Fortress in the future regarding all matters not resolved by this Order.
- b. Fortress acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

27. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

28. Counterparts. This Order may be executed in separate counterparts, by facsimile or electronic format.

29. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Compliance Office and Fortress Trust, LLC, intending to be legally bound, do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF
PENNSYLVANIA
DEPARTMENT OF BANKING AND
SECURITIES

FORTRESS TRUST, LLC

Redacted

Redacted

John Talala, Director
Compliance Office

(Officer Signature)

ANTHONY BOTTICELLA
(Print Officer Name)

Date: 04/02/2024

CEO
(Title)

Date: 4/1/2024

