

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF BUSINESS OVERSIGHT

4 To: TRUSTCITYBANK
5 TrustCity Bank
6 101 California Street, Suite 2710
7 San Francisco, California 94111

8 CEASE AND DESIST ORDER
9 (For violations of Financial Code section 560, 561, 562)

10 The Commissioner of Business Oversight (Commissioner)¹ finds that:

11 1. At all relevant times, TRUSTCITYBANK, also known as TrustCity Bank (TCB),
12 was a business (form unknown) with a business address advertised to be at 101 California Street,
13 Trustcity Bank Building 2710, San Francisco, California 94111.

14 2. At all relevant times, TCB maintained a website at trustcitybank.com that offered
15 banking services to California residents. The website displayed various written descriptions of its
16 business and the services it offered, such as:

17 a. Under the Customer Services tab, “TCB provides safe as well as efficient
18 banking services for all customers from individual, corporate to government entities. The
19 bank is engaged in depositing, lending, cash management and investment process to about 6
20 million in across 19 states in United States. The TCB bank provides services to 2600
21 branches and also provides online and mobile services with around 900 ATM machines.
22 Perhaps, it is known as one of the biggest bank in the stats [sic].”

23 b. Further under the Customer Services tab, “Trust City Bank provided different
24 services like banking, investment & retirement schemes and wealth management.”
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27 ¹ The Department of Business Oversight (DBO) is responsible for enforcing provisions of the California Financial Code
28 commencing at section 550, and is authorized to pursue administrative actions and remedies against persons who violate those provisions.

1 c. Under Credit Card tab, TCB purports to offer Platinum MasterCard at 0.00%
2 introductory rate for 6 months and then a APR of “7.49% to 13.49% based on your
3 creditworthiness.”

4 d. Contained under the “Bank With Us” tab, is an application form for different
5 types of accounts including a savings account or student account.

6 3. DBO received information that beginning in August, 2019, TCB received funds on
7 several occasions from an individual located in a foreign county purportedly as fees in order to
8 process moving existing funds from a TCB account to that individual’s bank account at another
9 institution. The individual reported that TCB did not move the funds into the individual’s bank
10 account or return the fees.

11 4. Financial Code section 560 provides, “No person who has not received a certificate
12 from the commissioner authorizing it to engage in the banking business shall solicit or receive
13 deposits, issue certificate of deposits with or without provision for interest, make payments on
14 checks, or transact business in the way or manner of a bank or trust company.”

15 5. Financial Code section 561 provides: “No person who has not received a certificate
16 from the commissioner authorizing it to engage in the banking business shall . . . make use of or
17 circulate any letterheads, billheads, blank notes, blank receipts, certificates, or circulars, or any
18 written or printed paper, whatever, having thereon any artificial or corporate name or other words
19 indicating that the business is the business of a bank or trust company, or transact business in a way
20 or manner as to lead the public to believe that its business is that of a bank or trust company, except
21 to the extent expressly authorized by this division.”

22 6. Financial Code section 562 provides, “No person who has not received a certificate
23 from the commissioner authorizing it to engage in the banking business shall transact business
24 under any name or title that contains the word “bank” or “banker” or “banking” . . . or “trust” . . .
25 or act or advertise in any manner that indicates that the business is the business or a bank or trust
26 company. . . .”

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1 7. The Commissioner has not issued TCB a certificate authorizing them to engage in
2 the banking business in this State or to transact business under any name or title that contains the
3 words “bank” or “banking.”

4 8. Pursuant to Financial Code section 567, “If the commissioner finds that a person has
5 conducted, or that there is reasonable cause to believe that a person is about to conduct, business
6 that requires a license issued by the commissioner and that person has not been issued the required
7 license, the commissioner may, without any prior notice or hearing, order the person to cease and
8 desist from conducting any unauthorized business unless and until the person is issued a license to
9 engage in appropriate license business.”

10 9. Based on the foregoing findings, the Commissioner is of the opinion that
11 TCB engaged in the business of soliciting or receiving deposits or transacted business in the way or
12 manner of a bank or trust company, without first obtaining a certificate from the Commissioner
13 authorizing it to engage in the banking business in this state, in violation of Financial Code section
14 560.

15 10. The Commissioner is of the further opinion that TCB has made use of or circulated
16 written words indicating that their business is the business of a bank, or have transacted business in a
17 way or manner as to lead the public to believe that its business is that of a bank, without first
18 obtaining a certificate from the Commissioner authorizing it to engage in the banking business in
19 this state, in violation of Financial Code section 561.

20 11. The Commissioner is of the further opinion that TCB transacted business under a
21 name that contains the word “bank” or acted or advertised in a manner that indicates that their
22 business is the business of a bank, without first obtaining a certificate from the Commissioner
23 authorizing it to engage in the banking business in this state, in violation of Financial Code section
24 562.

25 12. Pursuant to Finance Code section 567, TRUSTCITYBANK aka TrustCity Bank is
26 hereby ordered to cease and desist from engaging in the business of soliciting or receiving deposits
27 or transacted business in the way or manner of a bank or trust company, and/or making use of or
28 circulating written words indicating that their business is the business of a bank, or transacting

1 business in a way or manner as to lead the public to believe that its business is that of a bank, and/or
2 transacting business under a name that contains the word “bank” or acting or advertising in a manner
3 that indicates that their business is the business of a bank, without first obtaining a certificate from
4 the Commissioner authorizing them to engage in the banking business in this state, or otherwise being
5 exempt.

6 This Order is necessary, in the public interest, for the protection of consumers and consistent
7 with the purposes, policies and provision of the California Financial Institutions Law.

8 Dated: November 8, 2019
9 San Francisco, CA

MANUEL P. ALVAREZ
Commissioner of Business Oversight

11 By _____
12 Mary Ann Smith
13 Deputy Commissioner
14 Enforcement Division

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