

1 STATE OF CALIFORNIA
2 BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
3 DEPARTMENT OF BUSINESS OVERSIGHT
4 www.dbo.ca.gov

5 To: Tower Trust
6 8383 Wilshire Blvd. #335
7 Beverly Hills, California, 90211

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, Tower Trust is and was a business (form unknown) located at
12 8383 Wilshire Blvd. #335, Beverly Hills, California, 90211

13 2. At all relevant times, Tower Trust maintained a website at towertrust.com. Tower
14 Trust identifies itself on its homepage as a an “administrator”.

15 3. Under the “About” tab of the website, Tower Trust displayed various written
16 descriptions of its business under the heading “WHAT WE DO,” stating “For years, we’ve worked
17 to simplify investment professionals’ ability to diversify client portfolios with non-traditional
18 investments like:”

- 19 • “Public limited partnerships or LLC’s”
- 20 • “**Precious Metals**” (emphasis in original)
- 21 • “Private Equity/Private Debt”
- 22 • “Residential & Commercial Real Estate”
- 23 • “Hedge Funds”
- 24 • “Oil and Gas, Renewable Energy”
- 25 • “And much more”

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27 ¹ The Department of Business Oversight (DBO) is responsible for enforcing provisions of the California Financial Code,
28 including the Banking provisions commencing at section 550, and is authorized to pursue administrative actions and remedies against persons who violate those provisions.

1 4. Additionally, under the “About” tab, Tower Trust states that it is “an independent
2 passive administrator and does not offer tax, legal, or investment advice, nor does it offer or
3 sponsor any proprietary investment products. Tower Trust offers an “open architect” approach to
4 investment choices and does not offer, solicit, or endorse any investment products or strategies.”

5 5. Pursuant to Financial Code section 119, “[b]ank” or “banks” includes trust
6 companies.

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

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

18 8. Financial Code section 562 provides, “No person who has not received a certificate
19 from the commissioner authorizing it to engage in the banking business shall transact business
20 under any name or title that contains the word “trust” or “trustee” or “trust company” . . . or act or
21 advertise in any manner that indicates that the business is the business of a bank or trust company.”

22 9. The Commissioner has not issued Tower Trust a certificate authorizing them to
23 engage in the trust business in this State or to transact business under any name or title that contains
24 the words “trust”

25 10. Pursuant to Financial Code section 567, “If the commissioner finds that a person has
26 conducted, or that there is reasonable cause to believe that a person is about to conduct, business
27 that requires a license issued by the commissioner and that person has not been issued the required
28 license, the commissioner may, without any prior notice or hearing, order the person to cease and

1 desist from conducting any unauthorized business unless and until the person is issued a license to
2 engage in appropriate license business.”

3 Based on the foregoing findings, the Commissioner is of the opinion that Tower Trust is
4 engaged in the business of soliciting or receiving deposits or transacted business in the way or
5 manner of a trust, without first obtaining a certificate from the Commissioner authorizing it to
6 engage in the trust business in this state, in violation of Financial Code section 560.

7 The Commissioner is of the further opinion that Tower Trust has made use of or circulated
8 written words indicating that their business is the business of a trust, or have transacted business in a
9 way or manner as to lead the public to believe that its business is that of a trust, without first
10 obtaining a certificate from the Commissioner authorizing it to engage in the trust business in this
11 state, in violation of Financial Code section 561.

12 The Commissioner is of the further opinion that Tower Trust business under a name that
13 contains the word “trust” or acted or advertised in a manner that indicates that their business is the
14 business of a trust, without first obtaining a certificate from the Commissioner authorizing it to
15 engage in the trust business in this state, in violation of Financial Code section 562.

16 Pursuant to Finance Code section 567, Tower Trust is hereby ordered to cease and desist
17 from engaging in the business of soliciting or receiving deposits or transacted business in the way or
18 manner of a trust company, and/or making use of or circulating written words indicating that their
19 business is the business of a trust, or transacting business in a way or manner as to lead the public to
20 believe that its business is that of a trust, and/or transacting business under a name that contains the
21 word “trust” or acting or advertising in a manner that indicates that their business is the business of a
22 trust, without first obtaining a certificate from the Commissioner authorizing them to engage in the
23 trust business in this state, or otherwise being exempt.

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

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Dated: July 29, 2020
San Francisco, CA

MANUEL P. ALVAREZ
Commissioner of Business Oversight

By _____
Mary Ann Smith
Deputy Commissioner
Enforcement Division