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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF BANKING AND SECURITIES

In the matter of:)
Prime Trust, LLC) ORDER NO: 23-124-C
NMLS ID 2240901) CEASE AND DESIST
Respondent.) AND
REVOCAION ORDER

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (“Division”) has investigated certain activities of Prime Trust, LLC (“Respondent”) and has determined that Respondent violated certain provisions of the Alaska Uniform Money Services Act, Alaska Statute (AS) 06.55 et seq (“AUMSA”).

I. FINDINGS OF FACT

The Division and issues this Cease and Desist and Suspension Order (Order) because they have reason to believe that:

1. On March 24th, 2022, Respondent, was initially licensed by the Division as a money transmitter under AS 06.55.103. Respondent has been so licensed since that date.
2. As of June 21st, 2023, Respondent suspended payments of its obligations to its customers. Respondent limited its platform activity, preventing customers from transferring or withdrawing their digital assets (virtual currency) stored on the platform.
3. On June 22nd, 2023, the Division was notified by the Nevada Financial Institutions Division (NFID) of the issuance of an Order to Cease and Desist. NFID’s Order stems from

1 the examination that began on November 7th, 2022. NFID’s examination of the Respondent
2 remains open in order for NFID to continue to monitor the solvency of the Respondent, as
3 NFID had determined that the Respondent was in an unsafe or unsound condition to be
4 transacting business.

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6 **II. CONCLUSIONS OF LAW**

7 1. Respondent is subject to the requirements for licensure under the AUMSA, as it had
8 been granted licensure by the Division on March 24th, 2022.

9 2. Respondent’s suspension of payments of its obligations to consumers threatens the
10 Respondent's ability to meet the minimum requirements for licensure in accordance with AS
11 06.55.105.

12 3. Pursuant to AS 06.55.603 the Division may issue a cease and desist order, and a
13 revocation order under AS 06.55.601 if there is reason to believe that such a violation or failure
14 to comply with the statutes and regulations presents an imminent threat to the public.

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16 **III. ORDER and NOTICE**

17 Pursuant to AS 06.55.603, and on the basis of the Findings of Fact and Conclusions of Law,
18 the Division ORDERS:

19 1. The effective date of this Order is June 26th, 2023.

20 2. Pursuant to AS 06.55.603, Respondent shall cease and desist from engaging in any
21 new money transmission activities within the State of Alaska.

22 3. As of the effective date of this Order, no new money transmission activities or new
23 transmission business shall be conducted under Respondent’s money transmitter license with
24 Alaska consumers.

1 4. Pursuant to AS 06.55.601(a)(7), the money transmitter license of Respondent,
2 previously issued, is hereby REVOKED.

3 5. Respondent shall not resume any money transmission activities. This order does not
4 prohibit Respondent from allowing Alaska consumers to withdraw their assets.

5 6. Within ten (10) day of the effective date of the Order, Respondent shall furnish a list
6 of all its Alaska consumers with outstanding transmission obligations and the dollar amount of
7 those obligations to the Division via a secure electronic transmission method.

8 8. This Order shall remain in full force and effect until such time as it is modified or
9 vacated by the Division.

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11 **IT IS SO ORDERED.**

12
13 Julie Sande, Commissioner
14 Department of Commerce, Community and
15 Economic Development

16 DATED: July 21st, 2023

17 /s/ James H. Schmidt
18 BY: Robert H. Schmidt, Director
19 Division of Banking and Securities
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