
 *
IN THE MATTER OF: *
 *
TOWER DBW VI TRUST 2016-1 *
NMLS # 1507072 *
(“Tower Trust 2016”) *
 *
TOWER DB IX TRUST 2019-1 *
NMLS # 1886666 *
(“Tower Trust 2019”) *
 *
(“Respondents”) *
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CONSENT ORDER

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Part XII of Chapter 669, Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes, “Consumer Collection Agencies”, and the regulations promulgated thereunder, Sections 36a-809-6 to 36a-809-17, inclusive, of the Regulations of Connecticut State Agencies (“Regulations”);

WHEREAS, both Tower Trust 2016 and Tower Trust 2019 are Delaware statutory trusts with an office located at 1345 Avenue of the Americas, 46th Floor, New York, NY;

WHEREAS, Tower Trust 2016 was previously licensed to act as a consumer collection agency in Connecticut from September 7, 2016 to January 1, 2021, when its license expired;

WHEREAS, Tower Trust 2019 was never previously licensed to act as a consumer collection agency in Connecticut;

WHEREAS, at all times during the time periods referenced herein, Tower Trust 2016 and Tower Trust 2019 represent that they engaged a third party licensed to act as a consumer collection agency in

Connecticut to conduct and oversee (with assistance from and appropriate representation by members of the Connecticut bar) the consumer-facing collection activities on behalf of such Trusts in Connecticut;

WHEREAS, on April 18, 2022 and April 26, 2022, Tower Trust 2019 and Tower Trust 2016, respectively, submitted applications via the Nationwide Multistate Licensing System and Registry (“NMLS”) to act as consumer collection agencies in Connecticut, which applications remain pending;

WHEREAS, in connection with such applications, the Commissioner, who has not received any consumer complaint against Tower Trust 2016 or Tower Trust 2019, and solely as a result of receiving such applications, through the Consumer Credit Division of the Department of Banking (“Division”), conducted an investigation pursuant to Section 36a-17 of the Connecticut General Statutes into the activities of Tower Trust 2016 and Tower Trust 2019 to determine if they had violated, were violating or were about to violate the provisions of the Connecticut General Statutes and Regulations within the jurisdiction of the Commissioner;

WHEREAS, the Commissioner acknowledges that the Respondents have fully cooperated with the Division’s investigation;

WHEREAS, as a result of the investigation, the Commissioner alleges that from December 2021 to the present, Tower Trust 2016 acted within this state as a consumer collection agency without the requisite license by indirectly collecting or indirectly receiving payments on real estate tax liens of Connecticut consumer debtors, in violation of Section 36a-801(a) of the Connecticut General Statutes;

WHEREAS, as a result of the investigation, the Commissioner alleges that from October 2021 to the present, Tower Trust 2019 acted within this state as a consumer collection agency without the requisite license by indirectly collecting or indirectly receiving payments on sewer connection and real estate tax liens of Connecticut consumer debtors, in violation of Section 36a-801(a) of the Connecticut General Statutes;

WHEREAS, the Commissioner believes that such allegation would support the initiation of enforcement proceedings against Respondents, including, without limitation, proceedings to issue a cease and desist order against each Respondent pursuant to Sections 36a-804(b) and 36a-52(a) of the

Connecticut General Statutes, and to impose a civil penalty upon each Respondent pursuant to Sections 36a-804(b) and 36a-50(a) of the Connecticut General Statutes;

WHEREAS, initiation of such enforcement proceedings would constitute a “contested case” within the meaning of Section 4-166(4) of the Connecticut General Statutes;

WHEREAS, Section 4-177(c) of the Connecticut General Statutes and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, effective October 1, 2021, Connecticut law was amended to require consumer collection agency licensure of certain persons engaged in the business of acting as debt buyers of delinquent real property tax debt of Connecticut consumer debtors;

WHEREAS, by memorandum dated August 26, 2020, the Division advised consumer collection agencies that debt buyers who collect or receive payment on debts from Connecticut consumer debtors, indirectly through other licensed consumer collection agencies, require licensure;

WHEREAS, since at least November 20, 2007, the Division has considered residential water and sewer use charges to be “debts” within the meaning of Connecticut consumer collection agency laws and regulations;

WHEREAS, the Commissioner acknowledges that each Respondent has provided the Division with information and legal arguments in support of their belief that the above-referenced October 1, 2021 amendment to Connecticut consumer collection agency licensure law does not apply to either Respondent’s activity in connection with liens of Connecticut consumer debtors acquired by Respondents before October 1, 2021 pursuant to applicable contracts with municipalities;

WHEREAS, the Commissioner and each Respondent acknowledge the possible consequences of formal administrative proceedings including, but not limited to, the uncertainty of the outcome for either party, and each Respondent voluntarily agrees to consent to the below sanctions without admitting or denying the allegations set forth herein, and solely for the purpose of: (i) obviating the need for formal

administrative proceedings concerning the allegations set forth herein, and (ii) completing Respondents' licensing application process;

WHEREAS, the Commissioner and each Respondent now desire to resolve the matters set forth herein;

WHEREAS, each Respondent acknowledges that this Consent Order is a public record and is a reportable event for purposes of the regulatory disclosure questions on the NMLS, as applicable;

AND WHEREAS, each Respondent through its respective execution of this Consent Order, voluntarily agrees to waive its procedural rights, including a right to a notice and an opportunity for a hearing as it pertains to the allegation set forth herein, and voluntarily waives its right to seek judicial review or otherwise challenge or contest the validity of this Consent Order.

CONSENT TO ENTRY OF SANCTIONS

WHEREAS, each Respondent, through its execution of this Consent Order, consents to the Commissioner's entry of a Consent Order imposing the following sanctions:

1. No later than the date this Consent Order is executed by Respondents, they shall, jointly or severally, remit to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Ten Thousand Dollars (\$10,000) as a civil penalty;
2. No later than the date this Consent Order is executed by Respondents, they shall, jointly or severally, remit to the Department of Banking by electronic funds transfer, cashier's check, certified check or money order made payable to "Treasurer, State of Connecticut", the sum of Eight Hundred Dollars (\$800) as back licensing fees; and
3. Each Respondent shall cease and desist from acting within Connecticut as a consumer collection agency, directly or indirectly, without a license, in violation of Section 36a-801(a) of the Connecticut General Statutes.

CONSENT ORDER

NOW THEREFORE, the Commissioner enters the following:

1. The Sanctions set forth above be and are hereby entered;
2. Upon issuance of this Consent Order by the Commissioner, this matter will be resolved and the Commissioner will not take any future enforcement action against either Respondent based upon the allegations contained herein; provided that issuance of this Consent Order is without prejudice to the right of the Commissioner to take enforcement action against each Respondent based upon a violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms herein is not being observed or if any representation made by either Respondent and reflected herein is subsequently discovered to be untrue;
3. Each Respondent shall not take any action or make or permit to be made any public statement, including in regulatory filings, any proceeding in any forum or otherwise, denying, directly or indirectly, that allegations referenced in this Consent Order were made by the Commissioner, or create the impression that this Consent Order is without factual basis. Except as specifically provided herein, each Respondent shall not take any factual position in any proceeding brought by or on behalf of the Commissioner, or to which the Commissioner is a party, that is inconsistent with any part of this Consent Order. Nothing in this provision affects each Respondent's (i) testimonial obligations; or (ii) right to take any legal or factual positions that may contradict an allegation in this Consent Order in litigation or other legal proceedings in which the Commissioner is not a party;
4. Subject to the foregoing, and so long as this Consent Order is promptly disclosed by each Respondent and its control persons on NMLS, as applicable, nothing in the issuance of this Consent Order shall adversely affect the ability of each Respondent to apply for or obtain a license or renewal license under Part XII of Chapter 669, Sections 36a-800 to 36a-814, inclusive, of the Connecticut General Statutes, provided that all legal requirements for such license are satisfied and the terms of this Consent Order are being followed;
5. This Consent Order shall be binding upon Respondents, and their successors and assigns; and
6. This Consent Order shall become final when issued.

Issued at Hartford, Connecticut
this 1st day of May 2023.

/s/

Jorge L. Perez
Banking Commissioner

I, Constantine Dakolias, state on behalf of Tower DBW VI Trust 2016-1 that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Tower DBW VI Trust 2016-1; that Tower DBW VI Trust 2016-1 agrees freely and without threat or coercion of any kind to comply with the terms entered herein; and that Tower DBW VI Trust 2016-1 voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/
Name: Constantine Dakolias, Managing Partner
Title: CF Asset Administrator LLC sole administrator of
Tower DBW VI Trust 2016-1

State of: New York

County of: New York

On this the 19 day of April 2023, before me, Lauren Esposito, the undersigned officer, personally appeared Constantine M. Dakolias, who acknowledged himself/herself to be the Managing Partner of CF Asset Administrator LLC sole administrator of Tower DBW VI Trust 2016-1, a Delaware statutory trust, and that he/she as such Managing Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the statutory trust by himself/herself as managing partner.

In witness whereof I hereunto set my hand.

/s/
Notary Public – Lauren Esposito
Date Commission Expires: 09-21-2023

I, Constantine Dakolias, state on behalf of Tower DB IX Trust 2019-1 that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of Tower DB IX Trust 2019-1; that Tower DB IX Trust 2019-1 agrees freely and without threat or coercion of any kind to comply with the terms entered herein; and that Tower DB IX Trust 2019-1 voluntarily agrees to enter into this Consent Order, expressly waiving the procedural rights set forth herein as to the matters described herein.

By: /s/
Name: Constantine Dakolias, Managing Partner
Title: CF Asset Administrator LLC, sole administrator of
Tower DB IX Trust 2019-1

State of: New York

County of: New York

On this the 19 day of April 2023, before me, Lauren Esposito, the undersigned officer, personally appeared Constantine Dakolias, who acknowledged himself/herself to be the Managing Partner of CF Asset Administrator LLC the sole administrator of Tower DB IX Trust 2019-1, a Delaware statutory trust, and that he/she as such Managing Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the statutory trust by himself/herself as Managing Partner.

In witness whereof I hereunto set my hand.

/s/
Notary Public – Lauren Esposito
Date Commission Expires: 09-21-2023