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Submitted by email: LicensingPublicComments@occ.treas.gov

***Re: Application for New Bank Charter for World Liberty Trust Company, N.A., Proposed Charter No. 344521***

Dear Director Astrada:

Americans for Financial Reform Education Fund (AFREF) opposes World Liberty Financial, Inc.'s proposed creation of a wholly-owned subsidiary crypto national trust bank. There are multiple reasons the Office of the Comptroller of the Currency (OCC) should reject this application.<sup>1</sup> Moreover, a novel crypto bank and bank charter controlled by foreign investors must be considered a bank holding company under federal law, the establishment of which would require Federal Reserve Board approval, as well as requiring consolidated supervision of the World Liberty Financial parent and the proposed World Liberty Trust Company subsidiary. The Federal Reserve should consider and reject this application because it fails to meet many of the statutory obligations required of bank holding companies.

AFREF is a nonpartisan and nonprofit organization formed by a coalition of more than 200 civil rights, consumer, labor, business, investor, faith-based, and civic and community groups. dedicated to advocating policies that shape a fair and stable financial sector, including with regard to the chartering of financial institutions. AFREF was established in the wake of the 2008 crisis and continues to work towards a financial system that serves workers, communities and the real economy, and provides a foundation for advancing economic and racial justice.

The World Liberty Financial (WLF) proposed national trust bank amplifies the conflict of interest concerns raised by the Trump family's crypto business ventures that make it impossible for the OCC to impartially evaluate the charter application or examine and supervise the proposed national trust bank (Part I). Additionally, the recently disclosed foreign control of the WLF parent requires the Treasury Department to consider and evaluate the application under the Committee for Foreign

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<sup>1</sup> World Liberty Trust Charter Company, National Association (WLTC Application). [Application to the Office of the Comptroller of the Currency \(OCC\)](#). Public Volume. January 5, 2026.

Investment in the United States statutes.<sup>2</sup> The OCC should postpone the consideration of the WLTC application until the foreign owners divest their controlling holdings in WLF.

The OCC is inappropriately attempting to bestow national trust bank charters upon crypto and stablecoin companies in ways that are inconsistent with the historical and statutory intent and requirements for national trust banks (see Section II). National trust bank charters are intended to permit bona fide fiduciary activities to shepherd funds with a duty of care, prudence, and best interest that is free from conflicts of interest to their customers. World Liberty Financial intends to use the national trust bank charter to issue stablecoins, manage stablecoin reserves, and provide unnamed digital asset custody for customers to hold and trade cryptocurrencies. This is a much wider scope of activities, and it includes activities where the proposed WLTC national trust bank would not be guided by the best interests of most retail customers and would fall very far short of the high fiduciary responsibilities required of national trust banks. The OCC should reject the World Liberty national trust bank application because it does not meet the long-established, fundamental requirements of a trust charter.

Nor should the OCC facilitate the proposed World Liberty uninsured national trust bank's effort to become a member bank in the Federal Reserve system, which would confer unfair advantages and emergency public support to an uninsured crypto bank.

Furthermore, the proposed World Liberty Trust Company would meet the statutory definition of a bank that is controlled by a nonbank company which means it must be subject to Federal Reserve determination, approval, and consolidated supervision as a bank holding company (Section III). However, the Federal Reserve and the OCC should reject any consideration for World Liberty to become a bank holding company because it would impermissibly combine commerce and banking, including because of the foreign investor's broad non-financial holdings (Section III.B), it would exacerbate systemic risk to the banking industry and economy (Section IV), it would fail to meet the convenience and needs of customers and communities (Section V), and it would not address shortcomings in combatting money laundering that are greatly complicated by the large number of foreign investors, including politically exposed persons (Section VI).

The proposed crypto national trust bank would be a highly-complex and novel institution and the OCC should have provided more than 30 days for the public to submit comments. The complexity and novelty of the proposed charter, and the need for a longer comment period, are made still more pressing by the fact that a chartered World Liberty Financial Trust Company would likely to try to assert broad preemption of state consumer and investor protection laws, despite the inappropriateness and dubious legality of such an argument.

For all these reasons, the OCC and the Federal Reserve should reject the World Liberty application to form a national trust bank.

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<sup>2</sup> 50 USC 4565(a)(4)(D) includes any other investment by a foreign person with substantive decision-making regarding “the use, development, acquisition, safekeeping, or release of sensitive personal data of United States citizens maintained or collected by the United States business.”

## I. The Comptroller cannot impartially address the conflicts of interest between regulating a Trump family-controlled bank and the Trump family financial interests

President Trump's crypto business interests present an untenable conflict of interest that threatens to harm consumers, workers saving for retirement, market integrity, the stability of the financial system, and the real economy. The basic conflict of interest arises when the president's official duties and authority, carried out by his administration and executive branch officials, can directly benefit his financial fortune.

The administration's push for a broad policy environment that is deferential to the profits of the crypto industry, including light-touch regulatory oversight and rolling back enforcement against unlawful activities, benefits not only the industry broadly but also directly adds to the First Family's household wealth. It is almost impossible to disentangle the administration's crypto policy from the Trump family's crypto fortune. The Trump family's crypto holdings have grown to at least \$1.4 billion over the past year.<sup>3</sup> The family's wealth was boosted by the president's policies and actions, including regulatory approaches and rolled-back enforcement efforts.

President Trump, his sons, and other partners launched World Liberty Financial in September 2024, before the presidential election.<sup>4</sup> When WLF was launched, president-elect Trump said that it would "Make America great again, this time with crypto."<sup>5</sup> The WLF website lists President Trump as co-founder emeritus and his sons Eric, Don Jr., and Barron as co-founders.<sup>6</sup> The Trump family continues to hold a major stake in the crypto venture.<sup>7</sup> Today, a Trump family controlled firm holds a 38 percent stake in WLF, controls 22.5 billion of the WLFI governance tokens, and is awarded 75 percent of the net revenues of the WLF protocol and WLFI token sales.<sup>8</sup>

The WLF business generates earnings from the sales of its WLFI governance tokens (which are investments in the platform itself), transaction fees from issuing USD1 stablecoins, interest earnings from the stablecoin reserves, and it has just launched crypto lending services. The Trump family captures three-quarters of the net earnings of all of these activities and any future crypto ventures launched through the platform.

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<sup>3</sup> Massa, Annie and Tom Maloney. "[Trump Family's \\$6.8 billion fortune increasingly tied to crypto.](#)" *Bloomberg*. January 20, 2026. World Liberty Financial is a significant portion of the Trump family crypto business empire, but the family's interests also include the Trump and Melania Trump memecoins, holdings in a crypto treasury firm, a crypto-mining business, and crypto interests held by Trump Media & Technology Group.

<sup>4</sup> Lipton, Eric, David Yaffe-Bellany, and Ben Protess (Lipton, Yaffe-Bellany, and Protess). "[Secret deals, foreign investments, presidential policy changes: The rise of Trump's crypto firm.](#)" *New York Times*. April 29, 2025.

<sup>5</sup> Berwick, Angus (Berwick). "[The Trump's new crypto money maker: Deals with themselves.](#)" *Wall Street Journal*. August 31, 2025.

<sup>6</sup> World Liberty Financial, Inc. (WLF). About. [Accessed February 2026](#).

<sup>7</sup> In January 2025, two of the original founders were removed as controlling partners, giving the Trump family a 60 percent stake in WLF. Wilson, Tom et al. (Wilson et al.). "[Insight: How the Trump family took over a crypto firm as it raised hundreds of millions.](#)" *Reuters*. March 31, 2025.

<sup>8</sup> WLF. "[World Liberty Gold Paper.](#)" 2024 at 13; The WLF website fine print disclosure notes that "DT Marks DEFI LLC, an entity affiliated with Donald J. Trump and certain of his family members, owns approximately 38% of the equity interests in WLF Holdco LLC, which holds the only membership interest in World Liberty Financial, Inc." *WLF Governance*. Accessed February 2026.

It will be impossible for the Comptroller to impartially regulate a national trust bank owned by the Trump family. The president could pressure the Comptroller and other regulators to weakly apply or abstain from enforcing federal laws and regulations, posing risks for customers and the financial system. Additionally, the many foreign investors and partners in WLF create conflicts of interest between the Trump family financial fortunes and U.S. national security interests. Further, Trump's family interest in the earnings of WLF creates a tension between upholding financial laws, especially anti-money laundering laws, and accepting WLF investors and partners that include several people and companies with a history of substantial legal violations. Finally, the conflicts of interest that reduced OCC's rigorous oversight could allow risky activity to flourish in federally chartered banks and increase the risk of failure and financial instability.

### **A. Trump family holdings in World Liberty Financial creates conflict of interest problems for regulating the World Liberty Trust Company**

The president's influence and control over federal crypto policy can enrich the Trump family fortune while imperiling consumers, financial stability, and the real economy. Policy and regulatory decisions have a direct impact on the revenues and profits of the WLF enterprise and the president can exert control over these regulatory decisions to his own personal benefit. The president could — implicitly or explicitly — demand that the Comptroller approve this national trust bank charter license even if it did not meet the statutory requirements for such a license, that the Comptroller abstain from enforcing the laws and regulations governing this charter or do so with a light-touch, or that the Comptroller aggressively enforce laws and regulations against its rivals.

All Comptrollers serve at the pleasure of the president who can appoint and dismiss them.<sup>9</sup> Although there have been long-standing concerns about regulatory capture by financial regulators, regulatory independence was intended to insulate regulatory agencies from political and economic pressures. But the administration's evisceration of the independence of financial regulators signals the president is willing to exert greater authority to solely direct regulatory oversight and determinations.<sup>10</sup> It is difficult for the Comptroller or other financial regulators to make impartial, informed decisions that conform to statute and regulation if the president has ultimate control of regulatory decision-making.

Regulatory conflicts of interest that undermine supervision pose real risks to customers, market integrity, and financial stability. Presidential demands for regulatory fealty could expose the customers of WLTC and WLF to risks of financial loss or predation. The potential failure to rigorously oversee and supervise WLTC stablecoin reserves could cause the WLTC USD1 stablecoin to depeg and fall below its \$1 benchmark. Additionally, WLTC customers could have difficulty accessing their holdings on demand (*see* IV.A below).

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<sup>9</sup> 12 USC §2. The Comptroller “shall be appointed by the President” and shall hold the office “unless removed by the President, upon reasons to be communicated by him.”

<sup>10</sup> Exec. Order No. 14215. “[Ensuring Accountability for All Agencies](#).” February 18, 2025. It states that “so-called ‘independent agencies’” “currently exercise substantial executive authority without sufficient accountability to the President” that “prevent a unified and coherent execution of Federal Law.” Therefore, “it shall be the policy of the executive branch to ensure Presidential supervision and control of the entire executive branch.” The president and Attorney General “shall provide authoritative interpretations of law” that “are controlling on all employees in the conduct of their official duties.”

Enforcement favoritism that benefited WLTC and/or harmed its rivals would distort the market and create an unfair competitive environment that undermined market integrity. For example, conflicted regulators that succumbed to presidential pressure could effectively exempt the WLTC from compliance with key elements of the Bank Secrecy Act's anti-money laundering requirements, but impose more rigorous enforcement upon WLTC rivals that would increase their operating costs and reduce their competitiveness. Finally, this favoritism could allow the risk of institutional fragility and failure to mount, including through depegging precipitated runs, leading to collapse that could imperil the financial system and real economy (*see* IV.B below).

## **B. Foreign investors in World Liberty Financial create unique conflict of interest and potential national security problems**

Investments into WLF create a pathway for those seeking to influence the president to easily transfer money to the First Family. The largely unregulated and often anonymous crypto ecosystem makes it more difficult to identify conflicts of interest and easier for those seeking to influence the administration to curry favor by buying into the Trump family crypto enterprise.<sup>11</sup> These large anonymous investments into the Trump family venture represent “the perfect vehicle to funnel money to the president,” according to a former U.S. banking regulator.<sup>12</sup>

The primary way that investors purchase stakes in WLF is by purchasing governance tokens, and 75 percent of each token sale goes to the First Family. WLF launched “Trump-inspired” WLFI governance tokens in October 2024 and sold tokens to 85,000 customers that generated \$550 million in sales by March of 2025, generating over \$400 million for the Trump family.<sup>13</sup> Half of the money raised from WLFI sales came from investors that purchased at least \$1 million in WLFI tokens; 70 percent came from purchases of over \$100.<sup>14</sup>

A large portion of the WLFI purchases were from overseas buyers, with \$804 million identified as being held in offshore wallets representing 72 percent of the WLFI purchases by October 2025.<sup>15</sup> The *New York Times* identified investors from Hong Kong, Israel, Singapore, South Korea, and the United Arab Emirates.<sup>16</sup> The WLF token sales created a potential avenue to try to sidestep federal prohibitions on foreign donations to presidential election or inaugural funds.<sup>17</sup> Purchases by foreign governments could potentially violate the emoluments clause of the U.S. Constitution.<sup>18</sup>

WLF’s stablecoin, known as USD1, can also create a vector for influencing and rewarding the president. WLF has described its stablecoin as “the fastest growing stablecoin in history” and by

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<sup>11</sup> Confino, Paolo and Leo Schwartz. “[What is Trump really worth? What we know about his business wealth—from real estate to crypto to Truth Social.](#)” *Fortune*. March 25, 2025.

<sup>12</sup> [Wilson et al.](#)

<sup>13</sup> WLF. [Press release]. “[Trump-inspired World Liberty Financial closes \\$550 million across token sales.](#)” March 17, 2025.

<sup>14</sup> [Wilson et al.](#)

<sup>15</sup> Gauthier-Villars, David et al. (Gauthier-Villars et al.). “[Inside the Trump family’s global crypto cash machine.](#)” *Reuters*. October 28, 2025.

<sup>16</sup> [Lipton, Yaffe-Bellany, and Protests.](#)

<sup>17</sup> *Ibid.*

<sup>18</sup> U.S. Constitution. Art. I, Sec. 9. “No Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress, accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.”

February 2026 there were \$5 billion in USD1 in circulation.<sup>19</sup> WLF owns the USD1 brand, but the stablecoin is issued by BitGo, which also processes and redeems USD1 and holds the reserves backing the stablecoin.<sup>20</sup> The Trump family and BitGo receive interest on the reserves that back issued stablecoins — the total interest payments at current levels of circulation would amount to \$200 million in revenue annually.<sup>21</sup>

WLF has aggressively promoted USD1 as a vehicle for international payments which makes it more likely that overseas businesses or even governments might purchase USD1 stablecoins to influence Trump.<sup>22</sup> WLF co-founder Zach Witkoff (who is also a proposed director of the WLTC national trust bank) stated that WLF was offering a stablecoin that “sovereign investors and major institutions can confidently integrate into their strategies for seamless, cross-border transactions.”<sup>23</sup> For example, in January 2026, Pakistan announced that it was partnering with SC Financial Technologies, an affiliate of WLF which co-owns its USD1 stablecoin brand, to integrate USD1 into Pakistan’s digital currency infrastructure.<sup>24</sup>

### **1. *Undisclosed ownership stake and business partnership by UAE sovereign wealth fund raises conflict of interest and national security concerns***

The most jarring of these conflicts of interest is the recent revelation that a member of the United Arab Emirates’ (UAE) royal family made a major investment into WLF, secured leadership spots on the company’s board, and brokered the biggest purchase of WLF’s stablecoin. The UAE investment and business partnership directed by a high-level official of government in a region with substantial import to the U.S. national security creates a potential conflict of interest between the First Family’s fortune and the nation’s foreign policy interests.

Just before the 2025 Trump inauguration, WLF sold a \$500 million, 49 percent stake to a UAE investment fund backed by Sheikh Tahnoon bin Zayed Al Nahyan, a member of the royal family, who is a national security advisor, sits on the UAE Supreme Council for Financial and Economic Affairs, and is the chair of several UAE sovereign wealth funds.<sup>25</sup> The investment from Tahnoon’s Aryam Investment fund made it the single largest investor and put two top Aryam executives (who

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<sup>19</sup> WLFI. [Press release]. “[World Liberty Financial’s stablecoin USD1 now available on Coinbase](#).” August 22, 2025; Yaffe-Bellany, David (Yaffe-Bellany (February 7, 2026)). “[Binance gives Trump family’s crypto firm a leg up](#).” *New York Times*. February 7, 2026.

<sup>20</sup> “All reserve assets backing USD1 are held or maintained by BitGo Trust Company, Inc., a South Dakota-chartered trust company (“BitGo Trust”), and/or by BitGo Technologies LLC, a federally registered money services business and state-licensed money transmitter (“BitGo Tech,” together with BitGo Trust and their other affiliates, “BitGo”). BitGo issues USD1, and World Liberty Financial, Inc. and affiliated entities, own the World Liberty Financial USD1 brand and provide certain services. BitGo processes all initial purchases and redemptions of USD1 and provides related technical infrastructure and services.” World Liberty Financial. [The Dollar Upgraded: Get USD1](#). Accessed January 2026.

<sup>21</sup> WLF. [The Dollar Upgraded: Get USD1](#). Accessed January 2026; Yaffe-Bellany ([February 7, 2026](#)).

<sup>22</sup> Yaffe-Bellany, David. “[Trump’s crypto venture introduces new digital currency](#).” *New York Times*, March 25, 2025.

<sup>23</sup> Macheel, Tanaya and MacKenzie Siglos. “[Trump-backed crypto bank joins stablecoin wars with new dollar-pegged token](#).” *CNBC*. March 25, 2025.

<sup>24</sup> Shaid, Ariba. “[Exclusive: Pakistan to partner with affiliate of Trump family’s World Liberty Financial on USD1 stablecoin](#).” *Reuters*. January 14, 2026.

<sup>25</sup> Kessler, Sam et al. “[Spy Sheikh’ bought secret stake in Trump company](#).” *Wall Street Journal*. January 31, 2026; “[Top 100 Arabs 2025: 1. HH Sheikh Tahnoon bin Zayed Al Nahyan](#).” *Gulf Business*. 2025.

also sit on the MGX sovereign wealth fund board) on the WLF board.<sup>26</sup> One of Tahnoon's top crypto advisors — Peng Xiao, an official at G42, another sovereign wealth fund he controls — became the chief strategic advisor for WLF in 2025.<sup>27</sup> The investment also delivered \$375 million to the Trump family. This substantial investment should have been disclosed at the time it was made and considered as a covered transaction by the Committee for Foreign Investment in the United States.

Five months after the UAE investment in WLF, in May 2025, the Tahnoon-directed UAE sovereign wealth fund MGX purchased a \$2 billion stake in the world's largest crypto trading platform Binance using WLF's USD1 stablecoin.<sup>28</sup> Eric Trump and WLF co-founder (and son of the U.S. Middle East Envoy Steve Witkoff) Zach Witkoff announced the deal at a Dubai crypto conference.<sup>29</sup> The purchase was the single largest crypto investment in history and about two-thirds of all USD1 in circulation at the time.<sup>30</sup> It also gave USD1 instant credibility, improved its ranking among large stablecoin issuers, and stood to generate about \$80 million annually in interest payments to the Trump family and BitGo.<sup>31</sup> Witkoff cheered the deal at the conference and said “we thank MGX and Binance for their trust in us” and promised the announced deal was “only the beginning.”<sup>32</sup>

The transaction further cemented ties between the Trump family crypto enterprise and a foreign government (and also ties to Binance, discussed below) that could create tension between the Trump family financial interests and U.S. national security interests. Tahnoon has been a prominent U.S. government foreign policy intermediary on Middle Eastern diplomacy, terrorism, and technology.<sup>33</sup> He became the UAE's national security advisor in 2016, which gave him control over the nation's intelligence apparatus, including its intrusive surveillance of regime critics, reporters, and human rights activists.<sup>34</sup> After the UAE-Binance investment, the United States changed its national security export controls for artificial intelligence chips to the UAE.

Tahnoon's G42 sovereign wealth fund has had long-standing partnerships with Chinese technology firms, including the Huawei telecommunications giant.<sup>35</sup> In 2022, U.S. intelligence agencies determined that G42 leaked advanced technology to Huawei that was ultimately used to upgrade China's air-to-air missile projects.<sup>36</sup> The close relationship between G42 and Chinese technology firms had long raised national security concerns, including over the G42 official Peng Xiao, who is

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<sup>26</sup> Aryam was incorporated weeks before the WLF investment and shares executives and office space with other Tahnoon-managed businesses. [Kessler et al.](#)

<sup>27</sup> Lipton, Eric et al. (Lipton et al.). “[Anatomy of two giant deals: The U.A.E. got chips. The Trump team got crypto riches.](#)” *New York Times*. September 15, 2025.

<sup>28</sup> “[Abu Dhabi firm to invest \\$2bn in Binance using Trump's crypto venture.](#)” *Reuters*. May 1, 2025; [Gauthier-Villars et al.](#)

<sup>29</sup> Yaffe-Bellany, David (Yaffe-Bellany (May 1, 2025)). “[At a Dubai conference, Trump's conflicts take center stage.](#)” *New York Times*. May 1, 2025.

<sup>30</sup> [Lipton et al.](#)

<sup>31</sup> [Kessler et al.](#)

<sup>32</sup> Yaffe-Bellany ([May 1, 2025](#)).

<sup>33</sup> Yaffe-Bellany, David and Eric Lipton. “[U.A.E. firm quietly took stake in Trump family's crypto company.](#)” *New York Times*. February 1, 2026.

<sup>34</sup> Hope, Bradley (Hope). “[A spymaster sheikh controls a \\$1.5 trillion fortune. He wants to use it to dominate AI.](#)” *Wired*. January 14, 2025.

<sup>35</sup> *Ibid.*

<sup>36</sup> Sevastopulo, Demetri. “[China upgraded missiles using UAE technology.](#)” *Financial Times*. October 25, 2025.

now also an official advisor to WLF.<sup>37</sup> In 2023, the United States banned the export of Nvidia chips to the Middle East to restrict Chinese firms from accessing the advanced semiconductors.<sup>38</sup> G42 has committed to reducing its reliance on Chinese technology firm partnerships, but in February 2025, the UAE and China announced a new strategic partnership that aimed to boost economic and technological cooperation that was signed by the Abu Dhabi Department of Development (where G42 and WLF's Peng Xiao is an advisor).<sup>39</sup>

After the UAE involvement in WLF, both the initial investment and the use of USD1 to invest in Binance, the administrations lifted the export controls and agreed to allow half a million advanced AI chips to be exported to the UAE annually.<sup>40</sup> This creates the appearance that investments in the Trump family firm influenced an important decision impacting US national security. Although the administration has softened some AI export controls, Trump signed tough new AI export controls into law in the most recent National Defense Authorization Act that recognizes that technology transfer remains a critical national security concern.<sup>41</sup>

## C. World Liberty Financial business partnerships create additional conflicts

Several prominent investors and business partners of WLF have been embroiled in federal investigations for violations of securities and anti-money laundering laws. Trump has pardoned some of them after they either made substantial investments in WLF or entered into business partnerships that provided significant benefits to WLF. This creates the appearance of a quid pro quo where providing financial inflows to the Trump family-affiliated crypto firm, and thus to the Trump family that reap 75 percent of the profits, can secure pardons or escape from legal scrutiny for unlawful practices. It also creates a conflict of interest between the administration's impartial enforcement of federal financial laws and the financial interests of the First Family.

### 1. *From international fugitive to investor and celebrated supporter of Trump crypto business venture*

Justin Sun had long been under investigation for market manipulation and securities law violations, but after he invested heavily in Trump's crypto enterprises, the Securities and Exchange Commission (SEC) halted its case against him. Sun, a former Chinese Communist Party delegate, owns the Tron platform and other crypto ventures and has amassed \$8.5 billion while leaving a worldwide wake of controversial or shady deals.<sup>42</sup>

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<sup>37</sup> Mazzetti, Mark and Edward Wong. “[Inside U.S. efforts to untangle an A.I. giant’s ties to China](#).” *New York Times*. November 27, 2023; [Lipton et al.](#)

<sup>38</sup> [Hope.](#)

<sup>39</sup> Confino, Paolo. “[‘We cannot work with both sides’: Major Emirati AI company has picked a side in the U.S.-China Tech war](#).” *Fortune*. December 7, 2023; Kamau, Montel. Serrari Group. “[Abu Dhabi, China sign deals to enhance co-operation: Forging a new era of strategic partnership](#).” February 24, 2025; [Lipton et al.](#)

<sup>40</sup> [Kessler et al.](#)

<sup>41</sup> Gilroy, Terence, Alexandre Lany, and Elliot Hecht. Baker McKenzie. “[President Trump signs COINS Act codifying and expanding outbound investment regulation](#).” January 14, 2026.

<sup>42</sup> Forbes. “[Real Time Billionaires: Justin Sun](#).” Accessed February 2026; Harland-Dunaway, Christopher. “[The many escapes of Justin Sun](#).” *The Verge*. March 9, 2022; Lipton, Eric et al. “[Buyer with ties to Chinese Communist Party got V.I.P. treatment at Trump crypto dinner](#).” *New York Times*. June 6, 2025.

In the United States, the SEC charged Sun and three of his companies in 2023 with selling illegal securities and fraudulently manipulating the TRX price by artificially bumping sales through wash trades between insiders.<sup>43</sup> Sun further promoted TRX by paying celebrities like Lindsay Lohan and Soulja Boy to pump the token on social media, which the SEC alleged they did unlawfully without disclosing endorsement payments.<sup>44</sup> Sun had long remained outside of the United States, fearing imminent arrest.<sup>45</sup>

The Tron platform is also favored by money launderers and illicit finance. The Tron platform allows users to conceal their identities, easily convert crypto into cash, and charges low fees, which encourages its use for illicit financial flows.<sup>46</sup> Tron has been the primary platform for crypto transfers connected to designated terrorist groups, including Hamas and Hezbollah.<sup>47</sup> In 2024, the Tron platform hosted more than half of global illicit crypto finance amounting to \$26 billion, according to a report by TRM Labs.<sup>48</sup> The Justice Department has charged at least some individuals with laundering money on the Tron platform and the Treasury Department's Financial Crimes Enforcement Network has identified Tron as increasingly popular for illicit finance,<sup>49</sup> but it does not appear that the Tron platform itself has been subject to investigative scrutiny for money laundering or illicit finance.

After Trump was elected, Justin Sun began pouring money into the First Family's crypto businesses. In November 2024, WLF posted that it was "honored to have the support of Justin Sun and TRON" after Sun's investment.<sup>50</sup> Sun also became an advisor to the WLF project.<sup>51</sup> Sun purchased an \$18 million mountain of \$Trump memecoins which earned him the top spot and private access to Trump's memecoin celebration dinner.<sup>52</sup> He also plowed \$30 million into an initial WLFI investment in WLF and held a total of \$75 million in WLFI by July 2025, making him for a time the WLF's largest investor (since surpassed by the UAE investment).<sup>53</sup>

Soon after the inauguration, the Trump SEC stayed (or halted) its case against Sun.<sup>54</sup> In June of 2025, Tron announced plans to take the platform public through a reverse merger with a small Nasdaq-listed firm with support from a boutique investment bank where two of the Trump sons are

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<sup>43</sup> U.S. Securities and Exchange Commission (SEC). [Press release]. "[SEC charges crypto entrepreneur Justin Sun and his companies with fraud and other securities law violations.](#)" March 22, 2023.

<sup>44</sup> Mueller, Julia. "[SEC charges Lindsay Lohan, Jake Paul with crypto violations.](#)" *The Hill*. March 22, 2023.

<sup>45</sup> Berwick, Angus, Patricia Kowsmann, and Vicky Ge Huang (Berwick, Kowsmann, and Huang). "[A crypto billionaire who feared arrest in the U.S. returns for dinner with Trump.](#)" *Wall Street Journal*. May 22, 2025.

<sup>46</sup> Ulmer, Alexandra and Simon Lewis. "[Trump crypto venture partners with platform linked to Middle East militants.](#)" *Reuters*. December 12, 2024.

<sup>47</sup> Wilson, Tom and Elizabeth Howcroft. "[Focus: New crypto front in Israel's militant financing.](#)" *Reuters*. November 30, 2023.

<sup>48</sup> Kelly, Liam. "[Over half of illicit crypto activity in 2024 was on Tron: TRM Labs.](#)" *DLNews*. February 10, 2025.

<sup>49</sup> DiSalvo, Matthew. "[USDT on Tron central to \\$1 billion money laundering scheme, feds say.](#)" *DLNews*. January 17, 2026; "[US DOJ announces largest ever seizure of funds related to crypto scams.](#)" *TRM Labs*. June 18, 2025; [Berwick, Kowsmann, and Huang](#).

<sup>50</sup> WLF. [X Post](#). November 25, 2024.

<sup>51</sup> Howcroft, Elizabeth and Tom Wilson (Howcroft & Wilson). "[Crypto firm DFW Labs buys \\$25 million of Trump's World Liberty Financial tokens.](#)" *Reuters*. April 16, 2025.

<sup>52</sup> Sigalos, MacKenzie. "[Tron founder Justin Sun says he's the top \\$TRUMP meme coin holder.](#)" *CNBC*. May 20, 2025.

<sup>53</sup> [Wilson et al.](#); Wile, Rob. "[Meet the man — once sued by the SEC — who won the crypto contest to have dinner with the president.](#)" *NBC News*. May 20, 2025.

<sup>54</sup> Ishmael, Stacy-Marie. "[Justin Sun, SEC seek 'pause' in case against crypto entrepreneur.](#)" *Bloomberg*. February 26, 2025.

advisors.<sup>55</sup> Sun cheered the development on social media, posting “This time the big one is finally here.”<sup>56</sup>

## **2. WLF strengthens ties to Binance before Trump pardons convicted money launderer**

World Liberty Financial built close ties to Binance, the world’s largest crypto exchange that had been convicted of extensive money laundering law violations. Binance quietly helped WLF develop and launch its USD1 stablecoin, and the UAE investment in Binance funded with USD1 helped propel the stablecoin into the mainstream. Shortly after the UAE deal was announced, Trump pardoned Binance’s founder and former CEO Changpeng Zhao (known as CZ).

In 2023, the SEC filed thirteen charges against Binance and Zhao, saying they had engaged in an “extensive web of deception, lack of disclosure, and calculated evasion of the law.”<sup>57</sup> Several months later, CZ pled guilty and paid \$4.3 billion to settle federal criminal charges for violations of the Bank Secrecy Act.<sup>58</sup> The Justice Department found that Binance and Zhao knowingly and willfully allowed sanctions evasion with accounts in Iran, North Korea, and Syria and laundered the proceeds of darknet transactions, ransomware, and scams. Treasury Secretary Janet Yellen stated that Binance ignored “its legal obligations in the pursuit of profit. Its willful failures allowed money to flow to terrorists, cybercriminals, and child abusers through its platform.”<sup>59</sup> Zhao received a four-month prison sentence in a plea deal and admitted in court that “I failed to implement an adequate anti-money laundering program... I realize now the seriousness of that mistake.”<sup>60</sup>

Despite this history, WLF embraced a partnership with Binance that is integral to WLF’s business strategy. Binance helped develop the code that created USD1, promoted USD1 to the platform’s 275 million users, and received the \$2 billion USD1 transaction from the UAE investment, the largest crypto transaction in history, which still represents 40 percent of all USD1 in circulation.<sup>61</sup> Binance additionally promoted WLF’s USD1 by offering up to 99 percent APR yield for people that collateralized platform loans on the Binance and various interlinked platforms with their USD1 holdings.<sup>62</sup> It also waived fees to allow holders to convert other stablecoins into USD1.<sup>63</sup> This partnership was critical to the stablecoin’s success and 85 percent of USD1 were held in Binance accounts in early 2026.<sup>64</sup>

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<sup>55</sup> Steer, George and Philip Stafford. “[Crypto group Tron to go public after US pauses probe into billionaire founder.](#)” *Financial Times*. July 17, 2025.

<sup>56</sup> Osipovich, Alexander, Vicky Ge Huang, and Conner Hart. “[Crypto tycoon Justin Sun’s Tron Group to go public in U.S. via reverse merger.](#)” *Wall Street Journal*. June 16, 2025.

<sup>57</sup> SEC. [Press release]. “[SEC files 13 charges against Binance entities and founder Changpeng Zhao.](#)” June 5, 2023.

<sup>58</sup> Sigalos, MacKenzie and Ryan Browne. “[Binance CEO Changpeng Zhao pleads guilty to federal charges, steps down.](#)” *CNBC*. November 21, 2023.

<sup>59</sup> U.S. Department of Justice. [Press release]. “[Binance and CEO Plead Guilty to Federal Charges in \\$4B Resolution.](#)” November 21, 2023.

<sup>60</sup> Sigalos, MacKenzie and Ryan Browne. “[Binance founder Changpeng Zhao sentenced to 4 months in prison after plea deal.](#)” *CNBC*. April 30, 2024.

<sup>61</sup> Faux, Zeke, Muyao Shen, and Anthony Cormier. “[Binance aided Trump crypto firm before founder CZ sought pardon.](#)” *Bloomberg*. July 11, 2025.

<sup>62</sup> “[Trump-linked stablecoin USD1 hits 99% APR on Binance chain.](#)” *Protos*. July 15, 2025.

<sup>63</sup> Yaffe-Bellany ([February 7, 2026](#)).

<sup>64</sup> *Ibid.*

The SEC dismissed its market manipulation enforcement case against Binance and Zhao the same month that WLF announced the UAE investment in Binance with USD1.<sup>65</sup> The case was dismissed with prejudice which prevents it from being reopened in the future. A Binance spokesperson thanked “the Trump administration for recognizing that innovation can’t thrive under regulation by enforcement.”<sup>66</sup>

But Zhao’s conviction still stood in the way of Binance’s return to the U.S. market where it had been banned since the 2023 SEC suit.<sup>67</sup> Zhou is now an Emirati citizen and advisors of UAE royal family lobbied for Zhao’s pardon, which would help pave the way for regulatory approval for Binance to operate in the Emirates and the United States.<sup>68</sup> Other Washington insiders, including one close to one of the Trump sons leading WLF, lobbied for Zhao’s pardon.<sup>69</sup>

In October 2025, Trump granted Zhao a full and unconditional pardon.<sup>70</sup> When asked, President Trump said of Zhao that “I don’t know him, I don’t believe I’ve ever met him,” but that he “gave him a pardon at the request of a lot of very good people.”<sup>71</sup> Zhao stated that any impression that there were business ties between himself and the Trump family’s crypto venture were “misconstrued” and that “there’s no business relationships whatsoever.”<sup>72</sup>

Despite these denials, the deep partnership between WLF and Zhao’s Binance creates the perception that presidential pardons are granted in part based on financial ties and benefits to Trump family interests. The Brennan Center noted that “Handing out pardons and legal favors to donors blurs the line between public duty and private gain, and it is likely to further erode Americans’ trust in government.”<sup>73</sup>

#### **D. Conflicts of interest can foster politically influenced supervisory leniency, leading to bank failures that can threaten financial stability**

The actual or perceived exercise of political favoritism in bank regulatory oversight can have substantial ramifications on the banking system and the economy. The proposed creation of a federal bank controlled by the president’s family poses the risk that the WLTC national trust bank will face less rigorous supervision, as has occurred repeatedly with politically connected banking institutions that failed. It is extremely unlikely that an OCC head appointed by the president and serving at his pleasure will be an effective regulator of an institution run by the president’s family. The results of such favorable and lax supervision can be risky conduct that can harm customers, the

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<sup>65</sup> SEC. [Press release] “[SEC announces dismissal of civil enforcement action against Binance entities and founder Changpeng Zhao](#).” May 29, 2025.

<sup>66</sup> Stempel, Jonathan. “[US SEC dismisses lawsuit against Binance crypto exchange](#).” Reuters. May 30, 2025.

<sup>67</sup> Yaffe-Bellany ([February 7, 2026](#)); Kharpal, Arjun. “[Binance says ‘wait and see’ on reentering the U.S. Ripple’s CEO thinks it’s happening](#).” CNBC. January 20, 2026.

<sup>68</sup> [Kessler et al.](#)

<sup>69</sup> Barnes, Daniel. “[Binance founder’s pardon shows power of Trump allies on K Street](#).” Politico. October 25, 2025.

<sup>70</sup> President Trump, Donald J. [Executive Grant of Clemency, Full and Unconditional Pardon. U.S. v Zhao 23CR0017RAJ-001 Changpeng Zhao](#). October 21, 2025.

<sup>71</sup> Murray, Isabella. “[Trump pardons billionaire Binance founder Changpeng Zhao, says he did so at request of others](#).” ABC News. October 23, 2025.

<sup>72</sup> Murti, Lola. “[Pardoned Binance founder Zhao says his business relationship was ‘misconstrued’](#).” CNBC. January 23, 2026.

<sup>73</sup> Brennan Center for Justice. “[Political donors should not be above the law](#).” September 12, 2025.

resiliency of the bank, and financial stability. It also can create an uneven playing field for rival firms and undermines confidence in the effectiveness and impartiality of federal financial regulators.

Some of the biggest bank failures during the S&L bailout were politically connected institutions. President George H.W. Bush's son Neil Bush was on the board of Silverado Banking, Savings & Loan, where he received a lavish salary, perquisites, and a \$100,000 loan he did not have to repay, and there were concerns that regulatory deference contributed to the S&L's failure.<sup>74</sup> Federal regulators ultimately charged the Silverado directors with gross negligence and conflict of interest law violations that enabled the thrift to make risky and improper loans that led to its collapse costing taxpayers \$1 billion.<sup>75</sup> The FDIC settled a suit with Bush and the other Silverado directors for \$49 million — less than 5 percent of what the taxpayers paid.<sup>76</sup> The head of another politically connected thrift, Lincoln S&L, encouraged five Senators to persuade federal banking regulators to ease up on supervision of his collapsing thrift that spawned the Keating Five scandal when Lincoln ultimately collapsed.<sup>77</sup> Lincoln's risky, excessive leverage, and fraudulent business practices led to a collapse that was the biggest S&L failure and cost taxpayers \$3.4 billion.<sup>78</sup>

During the Carter administration, the Office of Management and Budget Director Bert Lance was forced to resign after it appeared that administration officials interceded in an investigation by the Comptroller of the Currency into excessive overdrafts that amounted to interest-free loans, which potentially undermined the safety and soundness of a bank headed by Lance.<sup>79</sup>

During the early years of the Great Depression, President Herbert Hoover appointed Charles Dawes, the former Vice President and former Comptroller of the Currency, to head the Reconstruction Finance Corporation that was intended to provide emergency backstop to fountaining companies.<sup>80</sup> Dawes left the RFC to return to his struggling bank, the Central Republic Bank, which received a \$90 million bailout from the RFC but ultimately collapsed.<sup>81</sup> The timing of Dawes departure from the RFC, return to Central Republic, and the receipt of a federal lifeline smacked of political interference that favored insiders, and damaged Hoover's reputation.<sup>82</sup> A federal judge later determined that "there was no excuse or justification" for the RFC making such a large loan to Central Republic and that the RFC made the emergency line of credit "without adequate security and without full investigation."<sup>83</sup>

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<sup>74</sup> Beaty, Jonathan. "[Running with a bad crowd: Neil Bush & the \\$1 billion Silverado debacle](#)." *Time*. October 1, 1990.

<sup>75</sup> Labaton, Stephen. "[F.D.I.C. sues Neil Bush and others at Silverado](#)." *New York Times*. September 22, 1990.

<sup>76</sup> Bates, James. "[Neil Bush and U.S. settle suit over failure of S&L](#)." *Los Angeles Times*. May 30, 1991.

<sup>77</sup> Nowicki, Dan and Bill Muller. "[John McCain gets into 'a hell of a mess' with the Keating Five scandal](#)." *Arizona Republic*. April 2, 2018.

<sup>78</sup> McFadden, Robert D. "[Charles Keating, 90, key figure in '80s savings and loan crisis, dies](#)." *New York Times*. April 2, 2014.

<sup>79</sup> Horrock, Nicholas M. "[Variety of charges caused Lance's decline and fall](#)." *New York Times*. September 22, 1977; "[Lance comes out swinging](#)." *Time*. September 26, 1977; Hershey, Robert D. "[Bert Lance, Carter advisor, dies at 82](#)." *New York Times*. August 15, 2013.

<sup>80</sup> Rappleye, Charles (Rappleye). "[The century-long history of tapping Wall Street to run the government](#)." *Smithsonian*. February 13, 2017.

<sup>81</sup> "[Dawes banker again](#)." *New York Times*. June 22, 1932; "[Dawes announces loans to his bank](#)." *New York Times*. June 28, 1932; "[Dawes new bank opens in Chicago](#)." *New York Times*. October 7, 1932; "\$2,000,000 repaid to RFC." *New York Times*. July 10, 1934.

<sup>82</sup> [Rappleye](#).

<sup>83</sup> "[RFC wins decision in fight over bank](#)." *New York Times*. February 21, 1939.

If the WLTC mismanaged its stablecoin reserves, failed to enable on demand redemption of its crypto assets held in custody, or otherwise succumbed to financial pressures, the shock would hurt customers and business partners and could be transmitted across the financial system. The potential political pressure to leniently supervise a federally chartered bank held by the president's family could or could be perceived to contribute to failure. This fundamental conflict of interest between rigorous enforcement of the federal banking law and the president's family fortune cannot be ameliorated until the First Family divests itself from WLF or withdraws its application for a national trust bank charter.

## II. Proposed World Liberty Trust Company national trust bank fails to meet the high fiduciary standard demanded by statute and regulation

The OCC must reject the World Liberty Financial charter application to form a de novo national trust bank because its activities and business model greatly exceed the narrow fiduciary banking authorities permitted under federal statute and federal banking regulations for national trust banks. The Congress never intended national trust banks to perform the activities included in WLF's business activities and identified in its charter application. Approving this national trust bank charter or any others like it for novel crypto banks would fail to uphold federal banking law and precedent.

WLF proposes to use the national trust bank to issue the WLF USD1 stablecoin; manage the reserves of dollars and U.S. government money market funds, and cash equivalents; and provide digital asset custody.<sup>84</sup> The vast majority of the details, business plan, and strategy of the proposed national trust bank were not disclosed in its application's public volume, making it difficult for the public to assess the proposed charter's compliance with OCC licensing requirements. But it is reasonable to assume that some — if not all — of the parent WLF's business activity would be connected to the WLTC.

WLF's business strategy includes crypto custody deposits, crypto asset-backed lending, and a platform to trade crypto tokens.<sup>85</sup> It also has suggested it might begin offering tokenized real estate and tokenized oil and gas investments on its platform.<sup>86</sup> It plans to launch a debit card that would allow WLF users and USD1 stablecoin holders to make consumer purchases.<sup>87</sup> And in January of 2026, WLF announced the launch of World Liberty markets that would let users lend and borrow digital assets (its own USD1 and WLFI as well as Ether, tokenized Bitcoin, Tether, and Circle).<sup>88</sup>

These activities and capacities are well in excess of the Congressional intent, plain reading of the statute, and federal regulations governing national trust banks that are explicitly intended to solely offer bona fide fiduciary services to their custodial customers. Trust banks are trustees of their customers' funds and the trustee relationship is the exemplar of fiduciary relationships. Trustees

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<sup>84</sup> [WLTC Application](#) at 1.

<sup>85</sup> [Gauthier-Villars et al.](#)

<sup>86</sup> Sandor, Krisztian (Sandor). “[Eric Trump confirms plans to tokenize real estate with World Liberty Financial.](#)” *CoinDesk*. October 15, 2025; Wee, Rae and Xinghui Kok (Wee & Kok). “[Trump-linked World Liberty Financial to launch debit card as early as this year.](#)” *Reuters*. October 1, 2025.

<sup>87</sup> [Wee & Kok](#).

<sup>88</sup> Kharif, Olga (Kharif). “[Trump-linked World Liberty opens \\$3.4 billion token for loan bet.](#)” *Bloomberg*. January 12, 2026.

must exercise duties of obedience, care, loyalty, honesty, prudence, good judgment, transparency and be free of conflicts of interest to further their clients' best interests.

The courts have long recognized that the standards for a trustee fiduciary relationship are especially rigorous. The New York Court of Appeals highlighted the distinction between many ordinary business activities and those of fiduciaries in *Meinhard v. Salmon*:

Many forms of conduct permissible in a workaday world for those acting at arm's length, are forbidden to those bound by fiduciary ties. A trustee is held to something stricter than the morals of the market place. Not honesty alone, but the punctilio of an honor the most sensitive, is then the standard of behavior. As to this there has developed a tradition that is unbending and inveterate.<sup>89</sup>

WLF's current relationship with its customers, the already announced expanded business lines, and the proposed activities of the national trust bank for which it is seeking a charter do not adhere to the high fiduciary standard of providing a duty of care, acting in its clients' best interests, or other fiduciary duties.

### **A. Congress intended national trust banks to engage only in narrow fiduciary activities**

The Comptroller lacks the statutory authority to approve national trust bank charters to organizations that do not perform bona fide fiduciary activities. WLF's business model and national trust bank charter application revolves around broad crypto investment brokerage, exchange, and clearing activities that are not permissible for national trust banks.

Congress did not intend for national bank trust charters to be used by any company that desired a special purpose bank charter. There is nothing in federal law that remotely envisions or approves the use of national trust bank charters by companies that operate crypto trading exchanges, act as crypto brokerages, provide commercial loans for leveraged trading, or that issue private stablecoin currencies, cryptocurrency securities, commodities, or other digital assets.

Trust banks were intended to provide investment services to funds held in custody as an executor or guardian. Congress granted the authority to charter and regulate national trust banks to the Federal Reserve in the early 20<sup>th</sup> century and shifted that authority to the Comptroller in 1962. The congressional intent, plain reading of the statute, and current regulations only grant the authority to grant national trust bank charters to institutions that perform these narrow fiduciary activities and only these narrow fiduciary activities.

The original Federal Reserve regulations governing national trust banks clearly prevent them from engaging in non-fiduciary activities. The 1937 Regulation F authorized trust banks "for the investment of funds for true fiduciary purposes" but "the operation of Common Trust Funds investment trusts for other than strictly fiduciary purposes is hereby prohibited."<sup>90</sup> In 1962, Federal

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<sup>89</sup> [Meinhard v. Salmon](#), 164 N.E. 545, 546 (N.Y. 1928).

<sup>90</sup> Board of Governors of the Federal Reserve System. [Regulation F Trust Powers of National Banks](#). 2 Fed. Reg. 252. December 30, 1937 at 3441.

Reserve Governor William Martin, Jr. testified that the Federal Reserve had “confined participation in common trust funds to situations where the bank was acting as a trustee, executor, administrator, or guardian for ‘true fiduciary purposes.’”<sup>91</sup>

The Federal Reserve did not allow these trust banks to provide brokerage investment services to customers. A 1956 *Federal Reserve Bulletin* cautioned that “trust fund participation should be preceded by particularly careful determination of the bona fides of their use and purpose to avoid improper use of the common trust fund as a medium attracting individuals primarily seeking investment management of their funds.”<sup>92</sup> A 1967 *University of Pennsylvania Law Review* commentary concluded that “The practical effect of these [Federal Reserve] rulings was to prohibit banks from offering participation in the common trust fund as a vehicle for investment.”<sup>93</sup>

When Congress transferred national trust bank oversight from the Federal Reserve to the Comptroller it merely shifted the jurisdiction but not the statutory language or intent. The House report on the 1962 legislation that transferred trust bank authority to the Comptroller stated that the bill would make no change from “the substantive provisions of section 11(k) other than the transfer of authority, so that there is no alteration of existing law regarding national banks acting in fiduciary capacities.”<sup>94</sup> The 1962 OCC Annual Report noted that all of the trust banks were solely “authorized to act in fiduciary capacities.”<sup>95</sup> Congress has not even slightly altered or amended the statutory provisions that limit trust banks to narrow fiduciary responsibilities for the past half century.<sup>96</sup>

## B. Federal statute and regulation solely prescribe narrow fiduciary activities for national trust banks

The OCC does not have the authority under statute or regulation to issue a de novo national trust bank charter to WLF or other crypto companies that do not narrowly exercise fiduciary responsibilities. Federal law authorizes the Comptroller to charter national trust banks “to act as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, or in any other fiduciary capacity.”<sup>97</sup> Comptroller James Saxon testified in 1963 that “There is no more carefully devised or restrictive set of laws or regulations in any field of banking, in my opinion, than that appertaining to the law of trusts, because of the special and traditional significance

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<sup>91</sup> Martin, William McC., Jr. Board of Governors, Federal Reserve System. Letter to Hon. Oren Harris. [Hearing before the Subcommittee on Commerce and Finance on H.R. 8499, H.R. 9410](#). Committee on Interstate and Foreign Commerce. U.S. House of Representatives. 88<sup>th</sup> Congress, Second Session. June 9, 10, and 11, 1964 at 8.

<sup>92</sup> “[Common Trust Funds](#).” *Federal Reserve Bulletin*. Vol. 42, No. 3. March 1956 at 228.

<sup>93</sup> Editorial Comment. “[Banks, Trusts and Investment Companies: The Commingled Investment Fund](#).” *University of Pennsylvania Law Review*. Vol. 115, No. 8 June 1967 at 1278.

<sup>94</sup> [Congressional Record](#). September 17, 1962 at 19577.

<sup>95</sup> Office of the Comptroller of the Currency (OCC). “[100th Annual Report of the Comptroller of the Currency 1962](#).” 1963 at 15.

<sup>96</sup> Pub. L. 87-722. [To Place Authority Over Trust Powers of National Banks in the Comptroller of the Currency](#). September 28, 1962; 12 USC §92a. The congressional changes to the statute since 1962 have not amended or changed the requirements that trust banks may only act in fiduciary capacities. In 1980, the Congress added wind-down procedures to revoke national bank trust charters. Pub. L. 96-221 §704. Monetary Control Act of 1980. March 31, 1980; In 2012, the Congress removed the reference to “committee of estates of lunatics” from the law. Pub. L. 112-231. December 28, 2012.

<sup>97</sup> 12 USC 92a(a).

attached to the fiduciary relationship and existing for centuries both in the common law and the statute law of this country.”<sup>98</sup>

The courts have ruled that the statute intends and permits only a narrow set of fiduciary authorities for national trust banks. In 1979, the Third Circuit of the United States Court of Appeals found that:

it must have been these specially permitted fiduciary powers to which Congress intended to refer when by its recent enactment it authorized the Comptroller to restrict the operations of a national bank to those of a trust company and activities related thereto. In other words, it was the fiduciary operations carried on in the trust department of such a company or of a commercial bank to which reference must have been intended. Only by being so read does the statute have full meaningful effect and we so read it.<sup>99</sup>

Federal banking regulations permit national trust banks to engage only in specific enumerated activities and to do so as the fiduciary of their clients. The OCC is authorized to charter a national trust bank as a “special purpose bank that limits its activities to fiduciaries.”<sup>100</sup> The regulations spell out that these fiduciary capacities and activities as:

Trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under a uniform gifts to minors act; investment adviser, if the bank receives a fee for its investment advice; any capacity in which the bank possesses investment discretion on behalf of another.<sup>101</sup>

The Comptroller is not authorized to approve national trust bank charters to an applicant that does not limit its activities to these specified fiduciary activities.

### **C. WLTC’s proposed activities greatly exceed the enumerated fiduciary activities and include activities where they will not be acting as their clients’ fiduciaries**

WLTC’s national trust bank charter application states that it will provide custody accounts, stablecoin reserve management, conversion for trading, and stablecoin issuance.<sup>102</sup> WLFC offers or plans to offer in the near term, staking and lending of stablecoins, brokerage services to trade crypto on WLFC’s and other platforms, a stablecoin backed debit card, and tokenized real estate and energy investments.<sup>103</sup> This business model is not restricted to activities where it will be acting governed by the bona fide fiduciary responsibilities of care, honesty, prudence, and best interest that is exercised free from conflicts.

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<sup>98</sup> Hon. Saxon, James J. Comptroller of the Currency. “[Common Trust Funds—Overlapping Responsibility and Conflict in Regulation](#).” Hearing before the Subcommittee of Legal and Monetary Affairs of the Committee on Government Operations. U.S. House of Representatives. May 20, 1963 at 44.

<sup>99</sup> [National State Bank v. Smith](#), 591 F.2d 223 (Jan. 15, 1979).

<sup>100</sup> 12 CFR §5.20(e)(1)(i). The regulation specifies that banks either limit their activities to fiduciaries “or to any other activities within the business of banking” and the use of “or” proscribes national trust banks from exercising the core banking functions of taking deposits, paying checks, and lending money.

<sup>101</sup> 12 CFR §9.2(e).

<sup>102</sup> [WLTC Application](#) at 1; Shubnell, Jason (Shubnell). “[Trump-backed World Liberty Financial seeks US bank charter to bring USD1 stablecoin fully onshore](#).” *The Block*. January 7, 2026.

<sup>103</sup> [Gauthier-Villars et al; Kharif; Sandor; Wee & Kok](#).

## 1. WLF does not primarily offer bona fide fiduciary services

The products and services offered by WLF and the proposed activities in its national trust bank charter application are not actually or predominantly fiduciary in nature. Although it would provide custody services to clients through its national trust bank charter, this custody arrangement is not a fiduciary custody arrangement and it is ancillary to the primary service of crypto brokerage, tokenized investments, crypto lending, and a proposed crypto-backed debit card.

WLF is not primarily a custodian and it is certainly not a fiduciary custodian. The custody arrangement is ancillary to the marketing of its stablecoin and governance token as well as crypto-based lending and investments that are unrelated to the duties of fiduciary custody by a trustee. The congressional intent, historical record, legal precedent, and federal regulations identify the fiduciary role narrowly as an administrator, manager, custodian, or executor of funds for the benefit of the client. The Bank Holding Company Act identifies trust banks as those where “all or substantially all of the deposits of such institution are in trust funds and are received in a bona fide fiduciary capacity.”<sup>104</sup> Bona fide means in good faith, which puts a heightened responsibility on trust banks to act in the best interests of their customers as prudent stewards of their funds.

WLF simply does not act as a fiduciary custodian and the overwhelming majority of the funds that it holds are intended for clients to invest and to trade through its platform. But WLF admits that trading in cryptocurrency poses serious risks to investors.<sup>105</sup> A majority of crypto traders lose money on their holdings, according to a Bank for International Settlement paper.<sup>106</sup> A 2025 survey of over 1,000 crypto traders found that 84 percent of traders lose money in the first year and 58 percent lost *all* their money within the first year.<sup>107</sup> A 2023 Lending Tree survey found that just over one-fourth (28 percent) sold their crypto at a profit.<sup>108</sup> These losses are often concentrated among the smaller retail investors (often known as krill or minnows) while gains are largely captured by larger investors (known as whales). A 2024 Federal Reserve Bank of Philadelphia study found that large traders saw the value of their holdings go up with the crypto market, but small holders saw their holdings decline.<sup>109</sup> The vast majority of crypto traders lose money, meaning that it’s unlikely that most of WLF’s clients are receiving the prudent care in their best interest that is required of a bona fide fiduciary.

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<sup>104</sup> 12 USC 1841 (c)(2)(D)(i).

<sup>105</sup> The fine print at the bottom of WLF’s landing page notes: “Transacting in digital assets could result in significant losses and may not be suitable for some persons. Digital asset markets and exchanges are not necessarily regulated with the same controls or customer protections available with other forms of financial products and are subject to an evolving regulatory environment. Digital assets do not have legal tender status and are not covered by deposit protection insurance. The past performance of a digital asset is not a guide to future performance, nor is it a reliable indicator of future results or performance. Information is provided for informational purposes only and is not investment advice or a recommendation to buy, sell, hold, stake or otherwise transact in any digital asset.” [WLF](#). Accessed February 2026.

<sup>106</sup> Cornelli, Giulio et al. Bank for International Settlement. “[Crypto Shocks and Retail Losses](#).” BIS Bulletin No. 69. February 20, 2023.

<sup>107</sup> Miller, Liam. “[Study: 84% of Retail Crypto Traders Lose Money in Their First Year](#).” NFTevening. August 19, 2025.

<sup>108</sup> Evans, Julie Ryan. Lending Tree. “[Tales from the crypto crypt: 38% of investors have lost more money than made it](#).” January 30, 2023.

<sup>109</sup> Chernoff, Alan and Julapa Jagtiani. Federal Reserve Bank of Philadelphia. “[Beneath the Crypto Currents: The Hidden Effect of Crypto ‘Whales’](#).” Working Paper No. 24. August 2024.

## **2. WLF does not provide the investment advice for a fee in the manner that is within the authority of a trust bank**

Trust banks are required to exercise a fiduciary duty in the management of their clients' funds. This trustee relationship gives the trust bank the authority to recommend investments to clients that furthers their interests. But even that investment guidance is specified in regulation to prevent funds in national trust banks from becoming a vehicle for investment trading activity. The regulations permit national trust banks to offer investment advice for a fee, but that generally means "portfolio advisory and management activities."<sup>110</sup>

The regulations state that this advice for a fee fiduciary authority excludes "client-directed investment activities."<sup>111</sup> WLF generates fees based on the volume of its WLFI governance tokens, fees from its stablecoin sales, and interest from its stablecoin reserves, not for providing investment advice. Its website explicitly states that "no legal, tax, investment, or other advice is provided by any entity. Please consult your legal, tax and investment professionals for questions about your specific circumstances."<sup>112</sup>

## **3. WLF has conflict of interest with its clients that violates fiduciary duty obligations**

WLF's business model, which is currently primarily a brokerage to trade WLF-based crypto tokens and stablecoin exchange services, inherently creates conflicts of interest with its customers. WLF makes more money if customers buy or trade more irrespective of the outcome of those investments because it earns fees based on the volume of trades. The company's total revenue is substantially dependent on the volume of WLFI and USD1 sales, which is in conflict with the interests of its customers in a way that is incompatible with the responsibilities of fiduciary duty required by a national trust bank by statute and regulation.

The prohibition against conflicts of interest in providing investment advice is a bedrock principle of fiduciary relationships. The SEC has noted that "Loyalty to his trust is the first duty which a fiduciary owes to his principal, it is the general rule that a fiduciary must not put himself into a position where his own interests may come in conflict with those of his principal."<sup>113</sup> The Supreme Court has recognized the congressional intent of requiring the "delicate fiduciary nature of an investment advisory relationship" for trust banks and that fiduciaries have "an affirmative duty of 'utmost good faith, and full and fair disclosure of all material facts'" that requires investment advisors provide unconflicted and disinterested advice.<sup>114</sup>

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<sup>110</sup> 12 USC §9.2(e); 12 USC §9.101(a).

<sup>111</sup> 12 CFR §9.101(b)(ii). This provision notes that providing general research on investments does not constitute advice. Nor does the provision of advice when it is "merely incidental to other services." 12 USC §9.101(a).

<sup>112</sup> [WLF](#). Accessed February 2026.

<sup>113</sup> SEC. [In the Matter of Arleen W. Hughes doing business as E.W. Hughes & Company](#). Release No. 4048. February 18, 1948 at 6.

<sup>114</sup> [SEC v. Capital Gains Research Bureau, Inc.](#), 375 U.S. 180 (1963).

## D. The OCC cannot bestow national trust bank charters on entities that do not provide fiduciary care such as WLF

The OCC is only authorized to grant national bank charters to institutions that primarily will engage in fiduciary activities for their customers. The OCC's efforts to broaden the national trust bank charter to create a loophole from the Bank Holding Company Act and other federal banking laws to allow crypto businesses to effectively become banks is inappropriate and not grounded in federal law or regulation. This applies to all crypto firms from WLF's brokerage sales and emerging lending and trading services, fully vertically integrated exchanges, to custody brokerages like several trust charters that have already been approved, to the stablecoin issuers which are likely to be applying in large numbers.

Congress has not given the OCC authority to create novel crypto banks under federal law.<sup>115</sup> The OCC regulations allow it to consider applications for national trust charters “to organize a special-purpose national bank limited to fiduciary powers.”<sup>116</sup> But the OCC has nonetheless granted national bank charters to several crypto businesses on the basis of their own declaration that these businesses broad activities are actually all “fiduciary in nature.”

The OCC stated that it approved the national trust charter of Anchorage Trust because it “solely performs the functions and activities that may be performed by a trust company” and that “all of Anchorage Trust’s core services, activities, and functions are fiduciary in nature.”<sup>117</sup> But the approval lists bank activities that are predominantly non-fiduciary in nature. While holding funds for crypto trading is custodial, it is not of a fiduciary custodial nature because it is not acting in the prudent, unconflicted, best interests of clients. The other Anchorage activities of on-chain governance services, staking, trading, and transaction settlement are not fiduciary activities.<sup>118</sup> The OCC is obligated by statute and regulation to demonstrate that the activities of the proposed national trust bank are fiduciary in nature in order to grant this charter.

Similarly the OCC approved national trust bank charters for the crypto firm Paxos even though its activities were overwhelmingly of a non-fiduciary nature including managing stablecoin reserves, providing payments, crypto brokerage trading services, crypto exchange services, and more.<sup>119</sup> The OCC approved Protego’s application despite its providing non-fiduciary activities for platform tokens, commodities tokens, crypto-collectibles such as memecoins and non-fungible tokens, stablecoins, client-to-client trading, client-to-client lending, staking services, and more.<sup>120</sup>

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<sup>115</sup> The GENIUS Act directs the OCC to develop regulations for non-bank domestic stablecoin issuers, which have not been promulgated at this date.

<sup>116</sup> 12 CFR §9.3(c).

<sup>117</sup> OCC. “[Application by Anchorage Trust Company, Sioux Falls, South Dakota to Convert to a National Trust Bank](#).” (Anchorage OCC Application). 2020-WE-Conversion-317667/ 2020-WE-Waiver-317826. January 13, 2021 at 2 and at note 5 at 2.

<sup>118</sup> *Ibid.* at 3.

<sup>119</sup> OCC. “[Application to charter Paxos National Trust, New York, New York](#).” (Paxos OCC Application). OCC Control Number: 2020-NE-Charter-318305. April 23, 2021 at 1 to 2.

<sup>120</sup> OCC. “[Application by Protego Trust Company, Seattle, Washington, to Convert to a National Trust Bank](#).” (Protego OCC Application). OCC Control Numbers: 2020-HQ-Conversion-318271/ 2021-HQ-Waiver-319182. February 4, 2021 at 2.

The OCC has justified this extra-statutory approval of novel crypto national trust bank charters on the basis of a 2021 interpretive letter that distorted federal laws and regulations. It changed the consideration of national trust bank charters to allow “activities permissible for a state trust bank or company even if those state authorized activities are not necessarily considered fiduciary in nature.”<sup>121</sup> Further the interpretive letter asserts that “the absence of other textual and statutory guidance” allows broad interpretation to permit activities authorized by state but not federal law or regulation.<sup>122</sup>

But this letter attempts to rewrite OCC regulations and policy without the required formal notice and comment rulemaking under the Administrative Procedures Act,<sup>123</sup> and it is inconsistent with statute with robust textual history and longstanding and settled jurisprudence. The letter is an improper basis for issuing charters, and should be rescinded. Indeed, President Trump has ordered all agencies to rescind all “regulations that are based on anything other than the best reading of the underlying statutory authority or prohibition.”<sup>124</sup>

The OCC lacks authority to grant novel crypto national bank trust charters to WLF or other crypto companies.

### **III. Proposed WLTC national trust bank should be considered and rejected under the Bank Holding Company Act**

The OCC must consider — and reject — the proposed creation of the novel de novo WLTC national trust charter under the Bank Holding Company Act. The proposed institution fulfills the definition of a bank under the Bank Holding Company Act and thus must meet its critical considerations. The WLTC application for a national trust bank fails to meet required standards in multiple areas. The Act requires banking regulators to reject applications that impermissibly combine banking and commerce; this applicant does so, especially through the control exercised by the Emirati sovereign wealth fund which is a technology incubator that is not closely related to banking.<sup>125</sup> It also would pose risks to the stability of the banking or financial system, fail to further the convenience and needs of communities, and fail to effectively combat money laundering.<sup>126</sup>

The OCC must reject this novel crypto bank charter application because it is unsupported by federal banking statute and establishes an unprecedented new class of banks with many bank powers but far less regulatory oversight. Approving this application effectively creates a new special purpose nonbank bank charter for the crypto industry by distorting the statutory obligations of national trust banks and creates a broad and unlawful carveout from the Bank Holding Company Act. It would create a new class of banks with many of the powers of banks (including Federal Reserve membership benefits) but without any of the consolidated oversight and supervision of non-bank parent companies and their bank subsidiaries that federal law requires for bank holding companies.

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<sup>121</sup> OCC. “[OCC Chief Counsel’s Interpretation on National Trust Banks.](#)” Interpretive Letter No. 1176. January 2021 at 1.

<sup>122</sup> *Ibid.* at 2.

<sup>123</sup> 5 USC §§551 to 559.

<sup>124</sup> Executive Order No. 14219. “[Ensuring Lawful Governance and Implementing the President’s ‘Department of Government Efficiency’ Deregulatory Initiative.](#)” 90 Fed. Reg. 36. February 25, 2025 at 10583.

<sup>125</sup> 12 USC §1842.

<sup>126</sup> *Ibid.*

The Federal Reserve describes the importance of consolidated supervision in its bank holding company supervision manual:

Among the principal purposes of the BHC Act is to protect the safety and soundness of corporately controlled banks. Financial trouble in one part of an organization can spread rapidly to other parts of the organization; moreover, large BHCs increasingly operate and manage their businesses on an integrated basis across corporate boundaries. Risks that cross legal entities or that are managed on a consolidated basis cannot be monitored properly through supervision directed at any one of the legal entity subsidiaries within the overall organization.<sup>127</sup>

The proposed creation of the World Liberty Trust Company would create a bank under the statute that would be wholly controlled by its World Liberty Financial, Inc. parent.<sup>128</sup> The Federal Reserve must consider the creation of a national trust bank controlled by a company as the creation of a new bank holding company. The OCC should reject this application and the Federal Reserve should not approve such a bank holding company because the proposed charter fails to meet the bona fide fiduciary statutory requirements of national trust banks and it also fails to meet the stringent Bank Holding Company Act requirements.

#### **A. WLTC's proposed national trust bank meets the definition of bank under the Bank Holding Company Act**

The proposed WLTC national trust bank would fulfill the definition of bank and be controlled by the nonbank WLF parent company and therefore the Federal Reserve should consider and have consolidated regulation of the entity under the Bank Holding Company Act. The OCC must not determine that the proposed WLTC national trust bank — or other similar crypto trust banks — are excluded from the definition of bank under the Bank Holding Company Act.

WLF's activity and capacity meet the definition of a bank under the Bank Holding Company Act. The Bank Holding Company Act defines a bank as *either* an insured depository institution or a non-insured institution that accepts “demand deposits that the depositor may withdraw by check or similar means for payments to third parties or others” and also is “engaged in the business of making commercial loans.”<sup>129</sup> But the proposed WLTC trust charter activities would accept demand deposits and would make crypto loans, which fulfills the definition of bank under the Bank Holding Company Act.

First, WLF's acceptance of crypto assets deposited for liquid staking would satisfy the definition of demand deposits. WLF's staking program allows customers to deposit staked crypto assets to other blockchain platforms and collect rewards.<sup>130</sup> There are multiple proposals for WLF to offer staking

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<sup>127</sup> Federal Reserve System Board of Governors. Division of Supervision and Regulation. “[Bank Holding Company Supervision Manual](#).” December 31, 2024 at Section 1050.0 at 1.

<sup>128</sup> [WLTC Application](#) at 3 and 9.

<sup>129</sup> 12 USC §1841(c)(1).

<sup>130</sup> The website states “Earn by supplying assets to a third-party lending network or use them as collateral to borrow liquidity.” WLF. [WLFI Markets is Here](#). Accessed February 2026.

on the WLF platform currently being considered.<sup>131</sup> It also formed a partnership to offer liquid staking which allows customers to “move between chains, earn sustainable yield, and access capital — all without being locked in” by issuing synthetic assets of the same value against staked assets.<sup>132</sup> Liquid staking allows customers to deposit crypto assets into staking pools and immediately receive receipt tokens on a one-to-one basis into their account that can be used and maintain liquidity without withdrawing the staked assets.<sup>133</sup> The acceptance of customer assets for liquid staking would effectively constitute demand deposits because the accepting party provides receipt tokens into the customer’s account that retain the properties of a demand deposit. Second, WLF facilitates commercial loans. Its World Liberty Markets application allows users to borrow and lend and collateralize digital assets for institutions and individuals.

Finally, WLTC would not qualify for any of the trust bank exclusions to the bank definition under the Bank Holding Company Act.<sup>134</sup> Trust banks are excluded from the definition of bank only if they meet all four specific criteria under the Act: they must exercise bona fide fiduciary activities, they must not take demand deposits and must not make commercial loans, they may not receive payment services or discount borrowing privileges from the Federal Reserve, and they may not have insured deposits. WLTC proposed national trust bank would only meet one of these criteria for exclusion: its deposits *would* be uninsured, but it would not accept substantially all of its deposits for bona fide fiduciary activities (see Section II, above), it would hold demand deposits and make commercial loans, and it has applied to be a Federal Reserve member bank (see Section III.B, below).<sup>135</sup>

The OCC has already inappropriately excluded other crypto companies from the definition of bank. In the approvals for Anchorage, Paxos, and Protego, the OCC has stated the proposed banks “shall not engage in activities that would cause it to be a “bank” as defined in section 2(c) of the Bank Holding Company Act.”<sup>136</sup> This construction forbids the institutions from pursuing activities that would meet the definition of bank rather than assessing whether the applicant’s proposed national trust bank activities meet the definition of bank. Federal statute requires banking regulators to determine whether the charter applicants meet the definitions of bank and bank holding company, not to merely confer nonbank status through axiomatic tautology.

The Federal Reserve must consider this charter application under the Bank Holding Company Act since the proposed World Liberty Trust Company clearly meets the definition of a bank and its direct parent World Liberty Financial, Inc, would have control over a bank.<sup>137</sup> The Federal Reserve must reject the proposed application because it impermissibly combines banking and commerce, poses financial stability risks, fails to further the convenience and needs of communities, and does not effectively combat money laundering.<sup>138</sup>

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<sup>131</sup> WLF Governance. “[Governance proposal: Enable \\$WLFI Token Staking for Enhanced Governance and Ecosystem Incentives.](#)” WLF-STAKE-001. July 17, 2026; “[WLFI staking proposal.](#)” July 25, 2025; “[Proposal: WLFI staking with USD1 stablecoin yield.](#)” August 2025.

<sup>132</sup> Manning, Landon and Mohammad Shahid. “[What is StakeStone? The latest partner to Trump’s World Liberty Financial.](#)” *Be(in)crypto.* May 9, 2025.

<sup>133</sup> Aziz, Ayesha. “[World Liberty moves into crypto lending with \\$3.4B USD1.](#)” *Coin Market Cap.* January 2026.

<sup>134</sup> 12 USC 1841(c)(2)(D).

<sup>135</sup> [WLTC Application](#) at 1.

<sup>136</sup> [Anchorage OCC Application](#) at 5; [Paxos OCC Application](#) at 5; [Protego OCC Application](#) at 5.

<sup>137</sup> 12 USC 1841(a)(1) and 12 USC §1842(a)(1).

<sup>138</sup> 12 USC 1842.

## B. WLTC's proposed national trust bank would violate the separation of banking and commerce

The creation of national trust bank charters owned by non-banking companies breaks the long-established barrier between banking and commerce. Congress created this division between banking and other commercial businesses to prevent excessive concentrations of economic power and political influence, to prevent commercial-banking conflicts of interest, to safeguard against financial contagion, and to prevent commercial firms from accessing explicit and implicit subsidies granted to large banking institutions.<sup>139</sup>

WLF issues its governance token WLFI and stablecoin USD1 and facilitates lending and liquid staking. It is planning to offer broader crypto brokerage services on its platform (including for tokenized real estate and energy assets), more crypto lending and borrowing services, and a crypto-backed debit card for retail purchases. The proposed World Liberty Trust Company would perform many if not all of these activities.<sup>140</sup>

Additionally, the ownership stake that the MGX Emirati sovereign wealth fund holds in WLF allows the fund to exercise impermissible control of WLF and subsequently WLTC by a commercial entity that is not closely related to banking, which is impermissible under the Bank Holding Company Act. The proposed WLTC would be a wholly owned subsidiary of WLF.<sup>141</sup> The UAE-based MGX chaired by Sheikh Tahnoon holds a 49 percent stake in WLF and two MGX officials sit on the board of WLF.<sup>142</sup> The substantial MGX stake and influence over WLF meets the definition of “control” under the Bank Holding Company Act, which is: “directly or indirectly or acting through one or more other persons, controls, or has the power to vote 25 per centum or more of any class of voting securities of the bank or company” or “directly or indirectly exercises a controlling influence over the management of policies of the bank company.”<sup>143</sup> MGX’s control of WLF would also give it control of the wholly owned national trust bank WLTC subsidiary.

MGX is a technology and artificial intelligence incubator with broad holdings in technology infrastructure companies, semiconductors, and AI developers.<sup>144</sup> It owns a stake in TikTok, purchased a U.S.-based data center firm, invested in OpenAI, bought half an Australian gold mine, and invested in a California semiconductor manufacturer.<sup>145</sup> These commercial ventures are far

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<sup>139</sup> 12 USC §1843.

<sup>140</sup> 12 USC §24 (seventh) already prohibits national trust banks from directly underwriting or dealing in securities like cryptocurrencies and digital assets because it is an impermissible combination of commerce and banking. The Supreme Court upheld this prohibition for national trust banks in *Investment Company Institute v. Camp* that found that “No provision of the banking law suggests that it is improper for a national bank to pool trust assets, or to act as a managing agent for individual customers, or to purchase stock for the account of its customers. But the union of these powers gives birth to an investment fund whose activities are of a different character. [...] On their face, §§16 and 21 of the Glass-Steagall Act appear clearly to prohibit this activity by national banks.” *Invest. Co. Inst. V. Camp*, 625 to 626 (1971).

<sup>141</sup> [WLTC Application](#) at 3 and 9.

<sup>142</sup> [Kessler et al; Gauthier-Villars et al.](#)

<sup>143</sup> 12 USC §1841(a) and §1841(2)(A) and (C).

<sup>144</sup> MGX. [About Us](#). Accessed February 2026.

<sup>145</sup> Chmielewski, Dawn and Deborah Sophia. “[Oracle, Sliver Lake part of group of investors who will own about 50% of TikTok US, source says.](#)” *Reuters*. September 25, 2026; Kumar, Pramod. “[MGX consortium buys \\$40bn US data centre company.](#)” *Arabian Gulf Business Insight*. October 16, 2025; Khan, Sarmad. “[Sheikh Tahnoon chairs MGX board meeting](#)

beyond what is closely related to banking and thus are prohibited combinations of banking and commerce under the Bank Holding Company Act.<sup>146</sup>

The combination of commercial interests and the business of banking is prohibited by federal law to prevent non-bank companies from receiving the unique public benefits afforded to regulated banks. WLF appears to be seeking a federal banking charter primarily to secure the substantial benefits of a federal bank charter for its parent company, since the activities envisioned by the proposed WLTC national trust bank are all currently offered by WLF.

The federal government provides direct and implicit subsidies to chartered banks that justify increased scrutiny of de novo bank charter applications and the establishment of new bank holding companies. Banks are able to borrow from the Federal Reserve at highly-discounted rates that can be at or below 1 percent, far cheaper than the credit terms other firms can access. This borrowing also receives significant tax subsidies that can encourage excess borrowing and leverage which in turn can further incentivize excessive risk-taking.<sup>147</sup>

WLTC has requested what is perhaps the largest public benefit by requesting that its national trust bank become a member bank in the Federal Reserve system.<sup>148</sup> Granting WLTC Federal Reserve membership would provide access to Fed master accounts and the clearing, payment, and settlement services currently limited to qualified insured depository institutions.<sup>149</sup> This would confer tremendous business advantages to the WLTC national trust bank and its World Liberty Financial, Inc. parent that are not available to other companies, including Federal Reserve guarantees for large Fedwire payments, overdraft borrowing during business hours, and settlement of instantaneous payments.<sup>150</sup>

Most importantly, Federal Reserve membership would give WLTC (and indirectly WLF) potential access to emergency intervention (extensions of low-cost credit) in the event of a financial or economic shock.<sup>151</sup> If crypto prices collapsed or the WLF USD1 stablecoin depegged and WLTC and WLF faced losses on declining token sales as well as loans to leveraged crypto traders, the national trust bank could appeal to the Federal Reserve for an emergency line of credit to backstop the companies. This is a benefit other crypto issuers and brokerages do not currently have, and one that would put the public on the hook for the next crypto crash.

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and reviews penAI and Altera deals.” *The National*. September 28, 2025; Cartwright, Ben. “[MGX snaps up stake in ‘highest-grade’ undeveloped NT gold project](#).” *Australian Mining*. February 6, 2026; Al Sayegh, Hadeel. “[MGX co-invests with Silver Lake in Altera acquisition](#).” *Reuters*. September 16, 2025.

<sup>146</sup> 12 USC §1843(a) and §1843(c)(8).

<sup>147</sup> See Admati, Anat and Martin Hellwig. [The Bankers’ New Clothes: What’s Wrong with Banking and What to Do About It](#). Princeton University Press: Princeton, New Jersey. 2024 at 137 to 140.

<sup>148</sup> [WLTC Application](#) at at Interagency Charter And Federal Deposit Insurance Application. The OCC has required some other crypto trust banks including Anchorage and Protego to apply for membership in the Federal Reserve System. [Anchorage OCC Application](#) at 4; [Protego OCC Application](#) at 4.

<sup>149</sup> 12 USC §248a and §342.

<sup>150</sup> It is worth noting that the GENIUS Act neither requires nor forbids federally qualified stablecoin issuers from accessing the benefits of Federal Reserve membership. It states that “nothing in this Act shall be construed as expanding or contracting legal eligibility to receive services available from a Federal Reserve bank or to make deposits with a Federal Reserve bank, in each case pursuant to the Federal Reserve Act.” [GENIUS Act](#) at §4(a)(13).

<sup>151</sup> 12 USC §347a.

Company-owned banks like the proposed WLTC national trust bank charter have every incentive to make imprudent investments or loans to their commercial affiliates or parent companies that can compromise the stability of both the bank and affiliate. As former CFPB Director Rohit Chopra noted, “to prevent conflicts of interest, anticompetitive behavior, and undue risk taking, banks are also limited to certain financial activities, rather than allowing them to engage in commercial enterprise or merely be an arm of a larger conglomerate.”<sup>152</sup>

Federal banking regulators should further reject this application for a novel crypto de novo national trust bank charter because it would create a precedent that could make it easier for Big Tech firms to acquire their own banks. Companies like Apple, Amazon, Google, and Meta already intermediate customer transactions and payments between third parties. Meta and Amazon are already purportedly considering issuing their own stablecoins.<sup>153</sup> The approval of federal bank charters “would let Silicon Valley behemoths issue their own stablecoins — social media networks and ecommerce platforms could accept the functional equivalents of deposits,” warned professor Hilary Allen.<sup>154</sup>

These combinations would concentrate tremendous economic and political power in the hands of a small number of firms that already dominate social media and electronic commerce. It would allow these firms to hold crypto and stablecoin deposits for their commercial customers, condition access to their platforms on the use of their affiliated stablecoins, more closely surveil transactions, and impose algorithmic price hikes on customers that could struggle to spend these branded stablecoins elsewhere. Moreover, if they were big enough, platforms with stablecoin bank trust charters could exercise quasi monetary policy by controlling the availability of their stablecoins and the mix of assets that filled their stablecoin reserves.

Federal banking regulators must reject the World Liberty Financial application for a novel national trust bank charter because it would create a bank holding company that violates the separation of banking and commerce. The OCC should not allow crypto or stablecoin national trust bank charters to become Federal Reserve members with access to Fed master accounts, payments rails, and emergency rescue funding unless they are insured depository institutions.

#### **IV. Proposed WLTC national trust bank would amplify systemic risks to the banking industry and the economy**

The proposed creation of the WLTC national trust bank trust would amplify risks to the financial system by embedding cryptocurrencies and stablecoins into the fabric of the financial system which could easily transmit contagions across the economy in times of economic stress. This risk is exacerbated by WLF’s role in the crypto ecosystem as an issuer and broker that is dependent on steadily rising crypto values to generate trading volume and fees. The next severe crypto downturn could severely harm both World Liberty Financial and the World Liberty Trust Company and the

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<sup>152</sup> Chopra, Rohit. Director of the Consumer Financial Protection Bureau. “[Prepared Remarks of CFPB Director Rohit Chopra at the Brookings Institution Event on Payments in a Digital Century.](#)” October 6, 2023.

<sup>153</sup> Heeb, Gina, AnnaMaria Androitis, and Josh Dawsey. “[Walmart and Amazon exploring issuing their own stablecoins.](#)” *Wall Street Journal*. June 13, 2025.

<sup>154</sup> Allen, Hilary. “[Donald Trump crypto embrace is a threat to Wall Street.](#)” *Financial Times*. March 5, 2025.

financial impacts could easily spread across the financial system. The next crash could be more severe than the crypto winter of 2022 because the current crypto market surge has been far greater.

Following the 2008 financial crisis, Congress added financial stability considerations to the Bank Holding Company Act that required regulators to consider a charter's potential risk to the stability of the financial and banking system.<sup>155</sup> The statute prohibits the Federal Reserve from approving charter applications that do not meet the financial stability consideration. The Bank Holding Company Act explicitly states that “in every case, the Board shall take into consideration the extent to which a proposed acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system.”<sup>156</sup>

The combination of the WLF stablecoin and token issuer with a nationally chartered bank exacerbates the systemic risk of the crypto sector because it creates a vector for contagion that previously had not existed. WLF provides brokerage, trading, and custody services as well as financing for leveraged trading of crypto assets. These various services are distinct, segregated, and closely regulated in the equities and commodities markets. The combination of these functions makes crypto exchanges more vulnerable to shocks, increases the risk of insolvency, and heightens the likelihood that crashes will transmit contagions.<sup>157</sup>

Additionally, WLF's association with the president and his family can make it a more prominent target of cyber-attacks and frauds because of the widespread attention and audience following the president. Even before WLF was launched, hackers took over social media accounts of members of the first family and pushed fraudulent advertisements for a fake WLF and scammers had pushed fake crypto tokens that were purportedly backed by the Trump family, some of which raked in hundreds of millions of dollars.<sup>158</sup> Cyber-attacks and the widespread prevalence of fraud and scams on platforms can undermine confidence and cause customers to liquidate their accounts that can contribute to financial risk and instability that can affect the broader financial system.

Finally, the foreign ownership of WLF by the Emirati MGX sovereign wealth fund poses additional potential risks of failure and financial contagion. The failure of the Bank of Credit and Commerce International (BCCI) from fraud, laundering billions of dollars of illicit funds, and what a Senate investigative committee called a “panoply of financial crimes,” was facilitated by the complex foreign ownership through layers of shell holding companies (including substantial opaque financing from Emirati sovereign wealth funds) that federal banking regulators were unable to pierce or supervise.<sup>159</sup> The BCCI collapse cost worldwide depositors and creditors at least \$10 billion<sup>160</sup> Similarly, the Federal Reserve's approval of the takeover of the small community Farmington State Bank (renamed Moonstone) by an opaque holding company backed by the foreign ownership of now

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<sup>155</sup> Dodd-Frank Wall Street Reform and Consumer Protection Act. [Pub. L. 111-113](#) §604(d) and (f). July 21, 2010.

<sup>156</sup> 12 USC §1842(c)(7).

<sup>157</sup> Azar, Pablo D. et al. (Azar et al. FRB NY). Federal Reserve Bank of New York. “[The Financial Stability Implications of Digital Assets](#).” *Economic Policy Review*. Vol. 30, No. 2. November 2024 at 22 to 23.

<sup>158</sup> Sigalos, MacKenzie. “[The latest hiccup in Trump's crypto launch: Deleted posts and a hacking claim](#).” CNBC. September 4, 2024.

<sup>159</sup> Sens. Kerry, John and Hank Brown. Committee on Foreign Relations. U.S. Senate. “[The BCCI Affair](#).” December 1992 at executive summary.

<sup>160</sup> [United States v. BCCI Holdings, Luxembourg, S.A.](#) U.S. District Court for the District of Columbia. 69 F. Supp. 2d 36 (D.D.C. 1999). July 12, 1999.

disgraced FTX and Alameda Research pushed the bank into speculative crypto businesses.<sup>161</sup> Federal prosecutors ultimately seized \$50 million from Farmington during the FTX fraud investigation and the bank was liquidated and sold to another bank in 2024.<sup>162</sup>

### **A. WLF is vulnerable to bubbles, crashes, and runs that would be more likely to infect the financial system if it controlled a federally chartered bank**

The extreme volatility of the crypto market creates bubbles and crashes that harm investors, lead to crypto business insolvencies, and can lead to runs on crypto assets and financial institutions. The unique structure of loosely regulated and barely supervised crypto trading — mostly funded by stablecoins — with round-the-clock trading, inflexible settlement, and automated smart contract execution means that during economic or market stress cascading losses can trigger fire sales that increase the risks of financial crisis and contagion across the financial system.<sup>163</sup>

Leveraged crypto trading poses real risks to investors and the crypto platforms like WLF that facilitate these loans. Margin trading amplifies the profits when markets rise but also amplifies the losses when markets crash and leveraged traders must liquidate their positions to repay their creditors. At the end of June 2025, crypto traders had borrowed more than \$53 billion to finance margin positions.<sup>164</sup>

High levels of leverage combined with constant trading and automated liquidation contracts can create cascading downward price spirals that lead to runs at crypto exchanges. The Federal Reserve Bank of New York reported that leverage-fueled runs end up “amplifying investor’s exposure to shocks to crypto asset prices and the feedback loop between leverage and crypto asset prices” and that this “reduces the ability of investors to absorb even modest adverse shocks without selling assets, cutting back on lending, or defaulting.”<sup>165</sup> The 2022 crypto crash erased \$2 trillion dollars from the holdings of crypto investors — mostly the smaller investors that did not get out quickly — but did not infect the financial system or the broader economy because crypto was not enmeshed in the financial system.<sup>166</sup>

Another severe crash occurred last Fall, when a surprise tariff announcement sparked a market dive that severely impacted the crypto market. Bitcoin prices dropped 13 percent in a day. But the so-called Alt-Coins — the most speculative tokens and memecoins — fell by 80 percent.<sup>167</sup> It was the

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<sup>161</sup> Gandel, Stephen. “Crypto firm FTX’s questionable ownership of a U.S. bank raises questions.” *New York Times*. November 23, 2022; Chopra, Rohit. Consumer Financial Protection Bureau Director. “[Statement on Reviewing Investments and Takeovers of Banks](#).” April 25, 2024.

<sup>162</sup> Saulsberry, Gabrielle. “[Feds seize \\$150M from Farmington, Silvergate amid FTX probe](#).” *Banking Dive*. January 25, 2023; Saulsberry, Gabrielle. “[Fed ends enforcement action against Farmington State Bank](#).” *Banking Dive*. February 7, 2024.

<sup>163</sup> Frayer, Corey. Consumer Federation of America. “[The Very Real Dangers of Adopting Virtual Currency](#).” February 2025 at 4.

<sup>164</sup> Icomoni. “[Crypto borrowing just hit \\$53.09 billion. Here’s what it means for your portfolio](#).” September 11, 2025. <sup>165</sup> [Azar et al. FRB NY](#) at 2 and 3.

<sup>166</sup> Sigalos, MacKenzie. “[Why the \\$2 trillion crypto market crash won’t kill the economy](#).” *CNBC*. June 18, 2022.

<sup>167</sup> Karif, Olga. “[A \\$131 billion crypto crash has traders fearing lasting damage](#).” *Bloomberg*. October 13, 2025.

biggest one-day loss in crypto history and was nineteen times larger than the FTX collapse in 2022.<sup>168</sup> Within a few days, the crypto market lost \$380 billion.<sup>169</sup>

## B. Stablecoin runs could impact WLTC and undermine financial stability

Stablecoins are critical to the crypto trading market but are vulnerable to runs that can undermine financial stability. The overwhelming majority of stablecoin transactions are used to buy or sell other cryptocurrency tokens or digital collectibles; that was the case for 88 percent of them in 2024.<sup>170</sup> Although the name suggests stability, stablecoins pose risks to users and the financial system and have been subject to value depegging, volatility, runs, cyberbreaches, mismanagement of reserves, and liquidity problems that can harm customers and be transmitted to the financial system and propagate financial contagion.

The proposed WLTC national trust bank charter will issue the USD1 stablecoin, manage its reserves, and provide custody for its stablecoin and other digital assets, and provide conversion and trading services for its customers.<sup>171</sup> There are \$5 billion in WLF issued USD1 stablecoins currently in circulation.<sup>172</sup> The USD1 reserve is “comprised of U.S. dollars on deposit in financial institutions as well as U.S. government money market funds, and cash equivalents.”<sup>173</sup> Granting a national bank charter to WLTC would create an institution that would be vulnerable to stablecoin runs that could transmit shocks to the financial system.

Stablecoins are digital currencies that have their price pegged to a specific value, typically the U.S. dollar. Most stablecoins are backed by highly-liquid, highly-stable assets like cash reserves or government securities that stabilize and maintain the price. A 2023 Bank of International Settlements study found that not a single one of 68 stablecoins — including all major stablecoins — had been able to maintain their peg parity at all times.<sup>174</sup> A Federal Reserve Bank of New York study found that redemptions “accelerate significantly” when stablecoin values dip below \$1.<sup>175</sup> Since U.S. Treasuries are a major portion of stablecoin reserves, a stablecoin run could create a new vector of concentrated financial risk that could be transmitted throughout the financial system.<sup>176</sup> J.P. Morgan Research noted that “the effects of a massive [stablecoin] liquidation could spill over to other markets, destabilizing the traditional banking system.”<sup>177</sup>

Stablecoin runs are not uncommon. In 2022, the algorithmic stablecoin Terra unraveled when large sophisticated investors cashed out \$375 million, causing other bigger investors to flee, abandoning

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<sup>168</sup> Chavez-Dreyfuss, Gertrude. “[After record crypto crash, a rush to hedge against another freefall.](#)” *Reuters*. October 14, 2025.

<sup>169</sup> “[Crypto Market Value Plunges \\$380 Billion in Record Selloff.](#)” *AI Invest*. October 15, 2025.

<sup>170</sup> Yue, Frances. “[Stablecoin supply is growing fast. Here's how it compares to cash.](#)” *Marketwatch*. June 11, 2025.

<sup>171</sup> [WLTC Application](#) at 1; [Shubnell](#).

<sup>172</sup> Yaffe-Bellany ([February 7, 2026](#)).

<sup>173</sup> [WLTC Application](#) at 1.

<sup>174</sup> Kosse, Anneke et al. Bank of International Settlements. “[Will the real stablecoin please stand up?](#)” Working Paper No. 141. November 8, 2023.

<sup>175</sup> Anadu, Kenechukwu et al. Federal Reserve Bank of New York. (Anadu et al. FRB NY). “[Runs and Flights to Safety: Are Stablecoins the New Money Market Funds?](#)” Federal Reserve Bank of New York Staff Report No. 1073. April 2024 at 2.

<sup>176</sup> Seru, Amit. “[Can markets trust stablecoins?](#)” *Wall Street Journal*. July 28, 2025.

<sup>177</sup> J.P. Morgan Global Research. “[What to know about stablecoins.](#)” September 4, 2025.

Terra and selling its affiliated LUNA token, which rapidly became totally valueless. A 2023 study found that “less sophisticated investors not only ran later and had larger losses, but a significant fraction of them attempted to buy into the run, hoping to ‘buy the dip.’”<sup>178</sup>

Customers that withdraw funds from banks that hold stablecoin reserves — as WLTC plans to do with its proposed national trust bank application — can precipitate a stablecoin run that could ignite a cascade of runs.<sup>179</sup> In 2023, the bank that hosted over \$3 billion of Circle’s USDC reserves, Silicon Valley Bank, collapsed amid a deposit run, which pulled down the USDC value and that of other stablecoins USDC collateralized, and encouraged USDC holders to flee to other stablecoins or other non-crypto assets.<sup>180</sup>

Economics Nobel Laureate Jean Tirole warned that stablecoin runs on stablecoin issuers or banks that hold them could lead to government bailouts of uninsured stablecoins. He stated that “if it is held by retail or institutional depositors who thought it was a perfectly safe deposit, then the government will be under a lot of pressure to rescue depositors so they don’t lose their money.”<sup>181</sup> This exact thing happened at SVB. The FDIC rescued the *uninsured* SVB deposits — more than \$3 billion of which were reserves for Circle’s USDC stablecoin — at a cost of \$18.6 billion in order to prevent the collapse from impacting the broader financial system.<sup>182</sup>

The Federal Reserve and OCC should reject the proposed WLTC national trust bank application because it would be especially vulnerable to crypto crashes and stablecoin runs that would undermine the financial viability of the institution and could propagate contagion to the financial system and the economy. Currently, the all-too-common shocks or fragility that impact the crypto market are confined to the customers and companies directly involved in crypto. But if WLTC secured a bank charter and became a member bank at the Federal Reserve, the trust bank could apply for and would likely receive emergency lines of credit to prevent financial instability resulting from the platform’s high-risk activities from spreading, ultimately putting the public on the hook. This prospect would amplify the threat to the financial system because access to Federal Reserve emergency support as a backstop would encourage and enable excessive risk-taking by an institution not subject to consolidated supervision to constrain it.

## **V. Proposed WLTC national trust bank would fail to meet the convenience and needs of customers or communities**

The proposed WLTC national trust bank would not meet the convenience and needs of communities. The banking regulators must independently assess public interest considerations under the Bank Holding Company Act to determine whether proposed de novo charters for national trust banks and new bank holding companies deliver benefits to customers and communities. The “convenience and needs” consideration incorporates the provision of quality and equitable services to customers broadly and to lower-income and Black and Latine households and communities and

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<sup>178</sup> Liu, Jiageng, Antoinette Schoar, and Igor Makarov. “[Anatomy of a Run: The Terra Luna Crash](#).” *Harvard Law School Forum on Global Governance*. May 22, 2023.

<sup>179</sup> Varoufakis, Yanis. “[Defusing the stablecoin time bomb](#).” *Project Syndicate*. July 2, 2025.

<sup>180</sup> [Anadu et al. FRB NY](#) at 3.

<sup>181</sup> Storbeck, Olaf. “[Stablecoins could trigger taxpayer bailouts, warns Nobel economics laureate](#).” *Financial Times*. September 1, 2025.

<sup>182</sup> FDIC. “[Special Assessment Pursuant to Systemic Risk Determination](#).” August 27, 2025.

other communities of color.<sup>183</sup> The managerial fitness and regulatory compliance consideration encompasses compliance with supervisory regulations, including consumer protection.<sup>184</sup> The OCC and Federal Reserve should reject the WLTC application for a national trust bank for failing to meet these statutory requirements.

### **A. Proposed WLTC national trust bank would offer lower levels of consumer protection than consumers expect and deserve from banks**

The proposed WLTC uninsured national trust bank charter would give the company the patina of adherence to federal consumer and investor protections, even as the crypto industry broadly seeks many exemptions from these critical safeguards that customers deserve. Awarding a federal banking charter would give WLF's operations the imprimatur of legitimacy and give customers a false sense of confidence that would leave them more vulnerable to the fraud, scams, cyber-hacks, and complex and unfair terms that cost them money, time, and their privacy.

The crypto industry has contested the degree to which a broad set of federal consumer and investor financial protections apply to crypto products, stablecoins, or payments made with these products, or even if they apply at all. For example, in a 2024 regulatory comment filed with the Consumer Financial Protection Bureau regarding its proposed larger market participant rule for digital consumer payment applications, crypto market leader Coinbase disputed the CFPB's authority over crypto-based payment activities, saying the agency made:

sweeping and unsupported conclusions about its authority over crypto-assets and the purported similarities between digital applications used for crypto-asset transactions and those used for fiat-denominated transactions. The CFPB has never formally sought or been given, and currently lacks, the authority over crypto-assets that it asserts in the Proposed Rule.<sup>185</sup>

These claims are dubious; federal courts have upheld the argument that crypto transactions can and do fall under provisions such as the Electronic Fund Transfer Act (EFTA),<sup>186</sup> and the CFPB prior to the current administration issued a proposed rulemaking to articulate coverage of EFTA and Regulation E to this very asset class.<sup>187</sup> Yet, if the industry could dictate policy, such customer funds and transactions — including cash, stablecoins, crypto tokens, and other digital assets — would not be protected or fully protected by the Truth in Savings Act, the Electronic Funds Transfer Act, the

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<sup>183</sup> 12 USC §1816(6); 12 CFR §5.20(f)(1)(ii) and §5.20(f)(1)(iv).

<sup>184</sup> 12 USC §1816(4); 12 CFR §5.20(f)(1)(iii).

<sup>185</sup> Coinbase. [Response to CFPB Proposed Rule Defining Larger Participants of a Market for General-Use Digital Consumer Payment Applications](#). January 8, 2024.

<sup>186</sup> National Consumer Law Center. [Comment in Response to Docket Number CFPB-2025-0003](#). March 26, 2025. In its letter to the CFPB, NCLC noted several federal court rulings determining that “one federal district court held that cryptocurrency is a ‘digital form of liquid, monetary assets’ constituting ‘funds’ under the EFTA. That same court reasoned that nothing in the EFTA limits coverage to fiat currencies or excludes crypto-assets, as the EFTA was intended to be flexible and broad to reach situations not expressly anticipated by Congress. Additionally, other courts interpreting “funds” in the context of federal money transmitter and money laundering statutes have reached similar conclusions, finding that Bitcoin and digital currencies constitute funds.”

<sup>187</sup> Consumer Financial Protection Bureau. [Proposed Rule: Electronic Fund Transfers Through Accounts Established for Personal, Family or Household Purposes Using Emergent Payment Mechanisms \(Electronic Fund Transfer Act; Regulation E\)](#). Docket Number CFPB-2025-0003. January 10, 2025.

CARD Act, or other consumer protections that customers rightly expect govern the conduct of a federally chartered bank merely because crypto is involved. Nor are trading customers currently covered by the investor protection safeguards typically found in regulated securities markets, such as custody insurance, best interest or best execution standards, ongoing and timely disclosures, and other obligations that registered brokers, exchanges, and clearing agencies must meet to do business in traditional markets.

WLF customers are vulnerable to losses because currently they are not effectively covered by federal investor protections. The WLFI governance token disclosure notes that “any funds that you consider to be invested in \$WLFI will not be protected, guaranteed, or reimbursed by any governmental, regulatory, or other entity.”<sup>188</sup> In November 2025, WLF acknowledged that phishing attacks compromised some users’ wallets which caused the platform to freeze some users’ wallets.<sup>189</sup> The World Liberty Financial governance message board contains multiple threads reporting customers’ long-standing struggles to restore access to their wallets (“After 4 months of exerting constant pressure on all fronts and refusing to take ‘no’ for an answer, today I can proudly say I have received a response from WLFI.”), failure to deliver promised safeguards (“I only purchased this token because it supposedly has an asset-protection feature. From the beginning, I read the token’s contract, and it clearly stated that this feature exists.”), and a lack of transparency (“there has been zero communication, zero clarification, and zero timeline for the migration process....no transparency, no accountability.”)<sup>190</sup> Breaches and cyberattacks harm customers more because crypto brokers are not required to live up to the standards imposed on registered securities brokers, which must promptly report breaches and have rigorous policies to prevent and recover from unauthorized access to customer information.<sup>191</sup>

### ***1. Proposed WLTC bank charter would mislead customers into believing accounts were covered by FDIC insurance and consumer protections***

WLTC’s proposed uninsured national trust bank could mislead customers into believing their holdings would be covered by FDIC insurance and other consumer financial protections. Bank customers have confidence in the security and consumer protection of their accounts because of the federal bank charter. The proposed WLTC national trust bank would hold customers’ stablecoins, and crypto assets, but these accounts would not be protected by deposit insurance or fully covered by basic Truth in Savings Act protections. This would leave customers vulnerable to losses from mismanagement, market downturns, and runs.

A WLTC federal bank charter would give the company federal legitimacy that could effectively lead customers to believe the custody holdings were insured deposits. WLF is currently promoting crypto lending with its USD1 stablecoin and other stablecoins creating interest-like benefits for stablecoin

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<sup>188</sup> WLF. WLFI Risk Disclosures. [Item 22. Risk of Uninsured Losses](#). Accessed February 2026.

<sup>189</sup> Ramesh, Rashmi. “[Cryptohack roundup: WLF scrambles to secure user funds](#).” *Bank Info Security*. November 27, 2025.

<sup>190</sup> WLFI Governance. “[Don’t give up! Pressure works.](#)” February 5, 2026; “[The owners of the hacked wallets, which have been blacklisted in order to safeguard their assets... all of us have received an email informing us that our funds will be rescued. The question is: when?](#)” September 2025; “[WLFI: Protection or Scamming? 287 Wallets Still Blacklisted.](#)” November 2025.

<sup>191</sup> Fischer, Amanda. Better Markets. “[Hacked: Why Coinbase and Other Crypto Brokers Should be Subject to SEC Rules.](#)” May 20, 2025.

holders,<sup>192</sup> making them seem more like savings accounts at banks. These loans are generally over collateralized with other cryptocurrencies, so the value of the collateral exceeds the stablecoin value of the loan, but if the value of the pledged crypto crashed, it is unclear that the customer-lenders would be made whole.<sup>193</sup> Moreover, none of these holdings are protected by the Truth in Savings Act which requires clear, standardized disclosures of interest rates and annual percentage yields, fees, balance minimums, and account terms.<sup>194</sup>

Customers could also likely believe that stablecoin holdings at federally chartered banks would be covered by deposit insurance (even though the GENIUS Act defines stablecoins as non-deposits<sup>195</sup>). In practical terms, stablecoin holdings function as deposits and will be perceived as deposits, especially when they are in federally chartered national trust banks. *Financial Times* columnist Robert Armstrong summed it up succinctly:

A stablecoin issuer is a bank and a stablecoin is a bank deposit. This is not complicated. If you hand me money and I invest it, and in return I give you something that is a liability for me and an asset for you, and that is redeemable by you on demand and at par, I am a bank and the thing I have handed you is a deposit. It doesn't matter if that thing also works as an intermediary in a crypto market, a token in a cross-border payment app or gets you a gumball out of a gumball machine. I'm a bank, you're a depositor, and we're in this together.<sup>196</sup>

Customers would be more likely to believe that stablecoins are insured deposits because of changes to the FDIC rules on disclosure about non-insured financial products. The FDIC has proposed weakening the notification for non-FDIC insured financial products offered through national banks, including narrowing the digital deposit-taking displays of non-deposit signage, allowing notifications to expire without customer acknowledgement, and other changes that provide flexibility to banks that will reduce transparency and increase customer confusion.<sup>197</sup> WLF currently acknowledges stablecoin accounts are not savings accounts and not insured by the FDIC,<sup>198</sup> but the changes to the FDIC notification could make it harder for customers to see or understand whether their accounts are covered by deposit insurance. In addition to customer confusion, despite the exclusion of stablecoin holdings from deposit insurance, the likely belief that stablecoins held at federally chartered banks would be covered by deposit insurance would put tremendous pressure on banking regulators to rescue customers in the event of bank failure.<sup>199</sup>

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<sup>192</sup> Baird, Kyle. “[Trump-backed World Liberty moves into crypto lending as USD1 climbs stablecoin ranks.](#)” *The Block*. January 12, 2026.

<sup>193</sup> Mikulva, Jason. “[Coinbase goes scorched earth to protect ‘rewards.’](#)” October 5, 2025.

<sup>194</sup> 12 CFR §1030.

<sup>195</sup> [GENIUS Act](#) at §(2)(22)(B)(ii).

<sup>196</sup> Armstrong, Robert. “[Stablecoins are bank deposits.](#)” *Financial Times*. May 26, 2025.

<sup>197</sup> FDIC. Notice of Proposed Rulemaking. “[FDIC Official Signs, Advertisement of Membership, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC’s Name or Logo.](#)” 90 Fed. Reg. 160. August 21, 2025 at 40767 et seq.

<sup>198</sup> “USD1 is not subject to deposit insurance protection, including, but not limited to the Federal Deposit Insurance Corporation insurance, or the Securities Investor Protection Corporation or any other governmental or non-governmental insurer.” WLF. “[USD1 Risk Disclosures.](#)” Accessed February 2026.

<sup>199</sup> Storbeck, Olaf. “[Stablecoins could trigger taxpayer bailouts, warns Nobel economics laureate.](#)” *Financial Times*. September 1, 2025.

## B. Proposed WLTC national trust bank fails to meet the convenience and needs of communities

Banks are institutions that should be deeply rooted in the economic fabric of communities and banking regulators should make a meaningful assessment of de novo charter applicant's prospective plans to meet the convenience and needs of communities and consumers. The OCC's national trust bank regulations require institutions to provide "fair access to financial services by helping to meet the credit needs of its entire community."<sup>200</sup> The OCC can and should reject national trust bank applications that fail to meet "the needs of the community to be served," as provided by statute.<sup>201</sup>

WLTC national trust bank charter plainly states that the Community Reinvestment Act is not applicable and it does not present a plan to serve the community.<sup>202</sup> The OCC requirements for de novo national trust bank charter applications, which says that a "business plan or operating plan must indicate the organizing group's knowledge of and plans for serving the community."<sup>203</sup>

The creation of crypto national trust bank charters for institutions like WLTC that are heavily involved with stablecoins will accelerate the flight from insured bank deposits to stablecoins, which will in turn harm the ability of banks to provide credit to communities. The reduction of insured bank deposits would effectively reduce the coverage and application of the Community Reinvestment Act. WLF's USD1 is more likely to draw funds away from insured depository institutions because of the imprimatur of a federal banking charter. This would undermine the ability of the banking system to provide needed credit to families and firms and undermine economic growth.

The Treasury Department estimates that the recently enacted GENIUS Act would reduce total deposits by \$6.6 trillion.<sup>204</sup> An October 2025 study estimated that even stablecoins that do not offer interest or rewards could reduce insured bank deposits by over 6 percent which, in turn, would reduce community bank small business lending by nearly \$19 billion and farm lending by nearly \$11 billion.<sup>205</sup>

Interest-bearing stablecoins would draw even more deposits from insured depository institutions and further erode the capacity of banks to lend to families and firms. The GENIUS Act precluded issuers from offering interest on their stablecoins, but was silent on whether exchanges are prohibited from paying rewards on stablecoin holdings.<sup>206</sup> Soon after passage of GENIUS, crypto firms began renewed marketing of various rewards and yield-generating activities on their platforms to take full advantage of this implicit loophole.

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<sup>200</sup> 12 CFR §5.20(f)(1)(ii)

<sup>201</sup> 12 USC §92a(i).

<sup>202</sup> [WLTC Application](#) at 8 to 9.

<sup>203</sup> 12 CFR §5.20(h)(5)(i).

<sup>204</sup> U.S. Department of the Treasury. Treasury Borrowing Advisory Committee. "[Digital Money](#)." April 30, 2025 at 12.

<sup>205</sup> Nigrinis, Andrew Rodrigo. Legal Economics LLC. "[The Lending Impact of Stablecoin Induced Deposit Outflows](#)." October 10, 2025.

<sup>206</sup> Willems, Adam. "[The loophole turning stablecoins into a trillion-dollar fight](#)." *Wired*. September 3, 2025.

Federal banking regulators should consider WLTC’s failure to create a business plan to address community needs and reject this application.

## VI. Proposed WLTC national trust bank would not address shortcomings in combatting money laundering

Federal banking regulators should reject WLTC’s application for a national trust bank charter because it poses risks that the institution will fail to effectively prevent and police money laundering on its platform. The OCC recognizes that trust banks may “impose unique risks, including those associated with the Bank Secrecy Act/Anti-Money Laundering” because of their typical affiliations with larger organizations and relationships with third parties.<sup>207</sup> The Federal Reserve is required to consider “the effectiveness of the company or companies in combatting money laundering activities” in bank holding company applications.<sup>208</sup>

WLF’s crypto-oriented business is vulnerable to criminal activity, transmitting and laundering the proceeds of illicit activity, and sanctions evasion. The speed, relative anonymity, irreversibility, and cross-border nature of crypto makes it a favored vector of illicit finance and money laundering. WLF lacks the internal controls to prevent foreign and illicit actors from using the platform to launder money or from gaining influence or control over the platform’s governance. For example, among the overseas WLFI token buyers mentioned above were scores of buyers from Iran, North Korea, and Russia, including some associated with notorious cyber-hacks.<sup>209</sup>

Several of WLF’s partners have been convicted or investigated for money laundering violations. This includes notable partners and investors like Justin Sun and his Tron platform and Changpeng Zhao and his Binance exchange but also many less well-known partners and investors. For example, in May 2025, WLF launched USD1 on KuCoin,<sup>210</sup> which paid penalties of nearly \$300 million after pleading guilty to money laundering charges and getting banned from the United States for facilitating “billions of dollars’ worth of suspicious transactions.”<sup>211</sup>

WLF took a major stake in Alt5 Sigma, a small Nasdaq-traded blockchain company, and converted it into a crypto treasury vehicle and put WLF’s Zach Witkoff (also a proposed WLTC director) on its board in 2025.<sup>212</sup> The investment into and primary holdings of Alt5 Sigma have been WLFI governance tokens, creating a circular feedback loop that benefits the first family.<sup>213</sup> One of Alt5

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<sup>207</sup> OCC. “[Comptroller’s Licensing Manual: Charters.](#)” December 2021 at 59.

<sup>208</sup> 12 USC §1842(c)(6).

<sup>209</sup> Accountable.US. “[American Sell-Out.](#)” September 2025.

<sup>210</sup> Everson, Zach. “[Trump’s new partner for crypto venture is KuCoin — an exchange banned in the U.S., fined \\$300 million for money laundering.](#)” *Forbes*. May 21, 2025.

<sup>211</sup> U.S. Justice Department. [Press release]. “[KuCoin pleads guilty to unlicensed money transmission charge and agrees to pay penalties totally nearly \\$300 million.](#)” January 27, 2025.

<sup>212</sup> Craig, Tim. “[World Liberty Financial token valued at \\$0.20 in Trump crypto project’s Alt5 treasury deal.](#)” *DLN*ews. August 12, 2025.

<sup>213</sup> Yaffe-Bellany, David. “[Trump crypto firm announces \\$1.5 billion digital coin deal.](#)” *New York Times*. August 11, 2025; Mackintosh, James. “[The Trump family cashes in on ‘the infinite money glitch.’](#)” *Wall Street Journal*. August 23, 2025; [Berwick](#).

Sigma's subsidiaries has been found criminally liable for money laundering in Rwanda, a charge it is appealing.<sup>214</sup>

### **A. Control by Emirati sovereign wealth fund and other UAE investors requires heightened money laundering compliance scrutiny**

The controlling stake that Emirati sovereign wealth fund MGX holds in the WLF parent company of the proposed World Liberty Trust company and other investors from the United Arab Emirates poses unique risks of illicit finance that require heightened scrutiny by federal banking regulators. The UAE's regulatory environment, especially regarding cash purchases of real estate and crypto-to-cash conversion, the illicit gold trade, and other financial practices often associated with illicit finance, makes it welcoming to sanctions evaders and those concealing illicit finance.

MGX holds 49 percent stake in WLF and two of its officers sit on the WLF board, which makes it and its officers principal shareholders subject to background checks.<sup>215</sup> Sheikh Tahnoon bin Zayed Al Nahyan is chair of MGX, brother of the UAE president, and a national security advisor to the UAE.<sup>216</sup> Tahnoon also chairs the \$1.2 trillion Abu Dhabi Investment Authority, the G42 sovereign investment fund, the First Abu Dhabi Bank, and oversees the royal family's holdings through its Royal Group, including the International Holding Company conglomerate.<sup>217</sup> Bloomberg reported that his control over this sprawling business empire made him the royal family's "de facto business chief" backed by "an unusual amount of financial firepower even in the oil-rich Persian Gulf."<sup>218</sup>

Tahnoon and his lieutenants at MGX and WLF are politically exposed persons who warrant even closer scrutiny. Federal banking regulators define politically exposed persons as "foreign individuals who are or have been entrusted with a prominent public function, as well as their immediate family members and close associates" that may present a higher risk that could conceal corruption or other illicit activity.<sup>219</sup> Tahnoon himself qualifies as a senior foreign political figure under the Bank Secrecy Act that requires enhanced scrutiny.<sup>220</sup> Federal banking regulators note that there are "serious national security or criminal threats posed by [politically exposed persons], including [senior foreign political figures]" that include human rights abuses and corruption as well as illicit criminal finance.<sup>221</sup>

The Anti-Money Laundering Network listed Tahnoon as high-risk for money laundering and illicit finance for the sprawling business empire he controls, the opacity of the UAE financial system, and

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<sup>214</sup> Everson, Zach. "[Trump crypto partner may have violated SEC rules with filing on CEO.](#)" *Forbes*. November 21, 2025.

<sup>215</sup> [Kessler et al.](#); 12 USC §375b(8).

<sup>216</sup> [Gauthier-Villars et al.](#)

<sup>217</sup> Pasquali, Valentina. "[L'imad marks rise of new generation in Abu Dhabi.](#)" *Arabian Gulf Business Insight*. February 4, 2026.

<sup>218</sup> Bartenstein, Ben et al. "[Gulf royal's \\$1.5 trillion empire draws bankers and billionaires.](#)" *Bloomberg*. September 5, 2023.

<sup>219</sup> Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Financial Crimes Enforcement Network, National Credit Union Administration, and the Office of the Comptroller of the Currency (Joint Statement on Politically Exposed Persons). "[Joint statement on Bank Secrecy Act due diligence requirements for customers who may be considered politically exposed persons.](#)" August 21, 2020 at 1.

<sup>220</sup> 31 CFR §1010.605(p).

<sup>221</sup> [Joint Statement on Politically Exposed Persons](#) at 2.

his widespread use of offshore companies, including in countries cloaked in bank secrecy laws.<sup>222</sup> Tahnoon and his wife appear in the Pandora Papers for shell companies located in the British Virgin Islands that held offshore real estate and one that used unregistered bearer bonds that facilitate anonymous transactions (bearer shares are prohibited in the United States).<sup>223</sup>

The MGX ownership stake and control over WLF was not publicly known when the World Liberty Trust Company national trust bank charter application was filed. It is unclear if this controlling interest under federal banking law was revealed in the confidential portion of the WLTC application. The Federal banking regulators are supposed to perform background checks on principal shareholders of new bank charters that exercise controlling interests in banks, including fingerprinting, Federal Bureau of Investigation review, federal and state banking regulators, U.S. State Department review, and more.<sup>224</sup> These requirements must be applied to the two MGX officials on the WLF as well as Sheikh Tahnoon.

Two additional investors from the United Arab Emirates have questionable histories of money laundering or sanctions evasion. The UAE-based Aqua 1 Foundation bought \$100 million WLFI tokens in June 2025.<sup>225</sup> The backers of Aqua 1 appear to be a Chinese businessman who is under investigation in the United Kingdom for money laundering, connected to the Chinese crypto trading firm Web3Port that has been implicated in market manipulation rug-pull schemes.<sup>226</sup> Abu Dhabi-based crypto investment firm DWF Labs also bought \$25 million in WLFI in 2025.<sup>227</sup> One DFW Labs managing partner had previously pled guilty to fraud charges in Russia and had managed firms that helped Russian banks evade sanctions.<sup>228</sup> He stated that the company's WLF investment increased the firm's U.S. visibility and hoped it would enable a "direct dialogue with policymakers."<sup>229</sup>

The UAE is a known hub for illicit finance that makes the intersection of Emirati investors and a proposed national trust bank charter more concerning. S&P Global has noted that the UAE has a "reputation as a destination for money laundering."<sup>230</sup> In 2024, the Organized Crime and Corruption Reporting Project identified Dubai as a "hub for money laundering" because of limited extradition treaties, opaque judicial enforcement, and a real estate market that offers "a way to not only launder illicit funds, but to make additional profits."<sup>231</sup> The UAE has approved controversial Russian bank

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<sup>222</sup> Anti-Money Laundering Network. [Politically Exposed Persons: Sheikh Tahnoon bin Zayed Al Nahyan](#). Accessed February 2026.

<sup>223</sup> Michael, Maggie and Michael Hudson. International Consortium of Investigative Journalists. "[Pandora Papers reveal Emirati royal families' role in secret money flows.](#)" November 16, 2021.

<sup>224</sup> OCC. "[Comptroller's Licensing Manual: Background Investigations.](#)" February 2025.

<sup>225</sup> Shen, Muyao. "[Trump's crypto project gets \\$100 million from UAE-based fund.](#)" Bloomberg. June 26, 2025.

<sup>226</sup> Gauthier-Villars et al.; Silverman, Jacob. "[Revealed: Trump's \\$100 million crypto man.](#)" July 14, 2025.

<sup>227</sup> [Howcroft & Wilson.](#)

<sup>228</sup> Silverman, Jacob. "[The shady financial past of a major Trump crypto investor.](#)" The Nation. June 17, 2025.

<sup>229</sup> [Lipton, Yaffe-Bellany, and Protess](#)

<sup>230</sup> Smith, Matt and Marissa Ramos. S&P Global. "[UAE banks face money laundering risks despite enhanced financial controls.](#)" July 24, 2024.

<sup>231</sup> Organized Crime and Corruption Reporting Project. "[What is 'Dubai Unlocked'? Everything You Need to Know.](#)" May 14, 2024.

charters like MTS Bank which appear to make UAE a haven for illicit Russian money.<sup>232</sup> Transparency International has criticized the UAE’s “persistent weaknesses” in its anti-money laundering regime and “poor record” on cooperation on “high-profile corruption and money laundering cases” that created risks to the financial system.<sup>233</sup>

The problem may be especially acute for crypto. Dubai has one of the highest rates of crypto use and it is a haven for crypto-to-cash and other anonymous transactions that allow the conversion of crypto into cash, gold, gems, and more that facilitates illicit finance and money laundering.<sup>234</sup> Two of the masterminds of the \$4 billion OneCoin crypto scam laundered millions of dollars of their proceeds through UAE real estate while under U.S. investigation, before they became fugitives (they are still missing).<sup>235</sup>

Federal banking regulators should reject WLTC’s national trust bank charter application because it poses significant risk of facilitating money laundering, illicit finance, and sanctions evasion.

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The OCC and Federal Reserve must reject World Liberty Trust Company’s application to form a wholly-owned World Liberty Trust Company national trust bank subsidiary because it fails to meet the statutory requirements for national trust banks and bank holding companies, it would impermissibly commingle commerce and banking, it would amplify risks to the financial system and the broader economy, it would not meet the convenience and needs of customers or communities, and it would pose substantial risks of non-compliance with money laundering laws.

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<sup>232</sup> Marlow, Ben. “[Abu Dhabi is a haven for dirty money — we cannot allow it to buy a British Bank.](#)” *Telegraph*. February 10, 2023.

<sup>233</sup> Transparency International. “[Appeal to object to the Commission’s Delegated Regulation removing the United Arab Emirates from EU’s list of high-risk third countries.](#)” June 12, 2025.

<sup>234</sup> Woodman, Spencer. International Consortium of Investigative Journalism. “[From Dubai to Toronto, inside the crypto-to-cash storefronts fueling money launderings new frontier.](#)” November 17, 2025.

<sup>235</sup> Hall, Kevin G. et al. Organized Crime and Corruption Reporting Project. “[Top Crypto Scammers Managed to Sell Dubai Properties after being charged.](#)” May 15, 2024.