


CLERK OF THE COURT

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DISTRICT COURT

CLARK COUNTY, NEVADA

SANDY O'LAUGHLIN, in her capacity as)	Case No. A-25-931440-B
Commissioner of the State of Nevada,)	
Department of Business and Industry,)	Dept. No. XXXI
Financial Institutions Division,)	
)	
Petitioner,)	
)	
vs.)	
)	
ELEMENTAL FINANCIAL)	
TECHNOLOGIES INC., F/K/A FORTRESS)	
BLOCKCHAIN TECHNOLOGIES INC,)	
FORTRESS TRUST, LLC,)	
)	
Respondent.)	

ORDER GRANTING PETITION FOR
APPOINTMENT OF RECEIVER AND OTHER PERMANENT RELIEF

This matter came before the Court, the Honorable Joanna Kishner presiding, on the 4th day of November, 2025, at 8:30, on a hearing for an Order to Show Cause ("Hearing"). Respondent, ELEMENTAL FINANCIAL TECHNOLOGIES, INC. F/K/A FORTRESS BLOCKCHAIN TECHNOLOGIES, and/or any of its subsidiaries or entities related thereto including FORTRESS TRUST, LLC, (hereinafter collectively referred to as "FORTRESS"), was ordered to show cause why Petitioner Sandy O'Laughlin's, Commissioner

1 (“Commissioner”) of the Financial Institutions Division (“Division”), State of Nevada,
2 Petition for Appointment of Receiver, Temporary Injunction, and other Permanent Relief
3 (“Petition”), filed on October 28, 2025, should not be permanently granted. Michael Detmer,
4 Esq., of the Office of the State of Nevada, appeared on behalf of Petitioner; Bart K. Larsen
5 appeared on behalf of potential creditor, SardineAI Corp.

6 The Court, having considered the pleadings and papers on file; having heard the
7 arguments of counsel; and good cause appearing, hereby grants the Petition, and the
8 requested relief as follows:

- 9 1. John Guedry (“Guedry”) is hereby appointed as temporary Receiver of FORTRESS.

10 On the third day after filing the notice of entry of order granting Petitioner’s Petition,
11 absent a motion from an interested party seeking the appointment of an alternative
12 receiver, Guedry shall become the permanent Receiver of Fortress. Should an
13 interested party file a motion for an alternative receiver, the Court shall notice and
14 hold a hearing on the same.

- 15 2. The Receiver shall have all powers conferred upon a receiver by the provisions of
16 NRS 669.2846, except to the extent otherwise noted below or in any other orders of
17 this Court and except that the Receiver shall seek leave of this Court prior to
18 initiating any affirmative litigation.

- 19 3. Except as provided by Paragraph 2, and except by leave of this Court, during the
20 pendency of the receivership ordered herein, FORTRESS, FORTRESS’s officers,
21 directors, agents, employees, attorneys, and all other persons in active concert or
22 participation with any of them, and their corporations, subsidiaries, divisions, or
23 affiliates, and all investors, creditors, stockholders, lessors, customers and other
24 persons seeking to establish or enforce any claim, right, or interest against or on
25 behalf of FORTRESS, and all others acting for or on behalf of such persons, are
26 hereby permanently enjoined from taking any action that would interfere with the
27 exclusive jurisdiction of this Court over the Assets (defined below) of FORTRESS,
28 including, but not limited to:

- a. filing or assisting in the filing of a petition for relief under the Bankruptcy Code, 11 U.S.C. § 101 *et seq.*, or of any similar insolvency proceeding on behalf of the Receivership Entities;
- b. commencing, prosecuting, or continuing a judicial, administrative, or other action or proceeding against the Receivership Entities, including the issuance or employment of process against the Receivership Entities, except that such actions may be commenced if necessary to toll any applicable statute of limitations; and
- c. filing or enforcing any lien on any asset of FORTRESS, taking or attempting to take possession, custody, or control of any Asset of FORTRESS; or attempting to foreclose, forfeit, alter, or terminate any interest in any Asset of FORTRESS, whether such acts are part of a judicial proceeding, are acts of self-help, or otherwise.

➤ Provided, however, that this Order does not stay: (1) the commencement or continuation of a criminal action or proceeding; (2) the commencement or continuation of an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power; or (3) the enforcement of a judgment, other than a money judgment, obtained in an action or proceeding by a governmental unit to enforce such governmental unit's police or regulatory power.

4. The Receiver is authorized to enter the business of FORTRESS and oversee the operation, conservation, rehabilitation, administration, and/or liquidation of the business subject to the terms of this Order and any other pertinent orders of this Court. NRS 669.2846.

5. FORTRESS's officers, directors, stockholders, members, subscribers, managers, agents, employees, and all other persons are permanently enjoined from: (1) wasting or disposing of any Assets or property of FORTRESS, or (2) transacting any further business on behalf of FORTRESS except as expressly directed or approved by the Receiver. NRS 669.2846.

- 1 6. All existing and after-acquired property owned or controlled by, whether directly or
2 indirectly, or held in the name of FORTRESS, including but not limited to all rights,
3 contracts, monies, cryptocurrency, other digital assets, insurance policies, insurance
4 proceeds, deposit and other financial accounts, securities, trusts, accounts
5 receivable, customer lists, data, documents, negotiable instruments, licenses,
6 permits, books and records, claims, inventory, real property, software, computers,
7 data storage devices, passwords, keys, domain names, websites, cloud-based storage
8 accounts, social media accounts, email and other electronic communication records,
9 copyrights, patents, trademarks, and all other personal property, whether tangible
10 or intangible, of whatever kind and description and wherever situated, including
11 FORTRESS's Application Programming Interface ("API") (hereinafter cumulatively
12 referred to "Assets"), are impounded by the Court for the exclusive use and
13 disbursement of the Receiver as set forth herein. NRS 669.2846.
- 14 7. All persons other than the Receiver are permanently enjoined from disbursing,
15 committing, transferring, substituting, or withdrawing any funds from FORTRESS's
16 accounts, trust, customer, operating, cryptocurrency, or otherwise removing other
17 property from, controlled, or owned by FORTRESS except as expressly directed or
18 approved by the Receiver. NRS 669.2846.
- 19 8. Subject to the specific provisions in paragraph 1 above and paragraph 10 below, the
20 Receiver is hereby vested with title to all of FORTRESS's real and personal property
21 of every kind whatsoever and shall immediately take possession of the Assets
22 wherever located, whether in the possession of FORTRESS or its officers, directors,
23 employees, consultants, attorneys, agents, managers, parents, subsidiaries,
24 affiliated corporations, or those acting in concert with any of these persons, and any
25 other persons, including, but not limited to, all property, offices maintained or
26 utilized by FORTRESS, books, papers, contracts, deposits, stocks, securities, rights
27 of action, accounts, documents, data records, papers, evidences of debt, bonds,
28 debentures, mortgages, liens, furniture, fixtures, office supplies, computers, data

1 storage devices, passwords, keys, safe deposit boxes, legal/litigation files, and all
2 books and records of insurers, and administer them under the general supervision
3 of the Court. NRS 669.2846.

4 9. Within forty-five (45) days after the entry of this Order, the Receiver shall file in
5 this action an inventory of all Assets and any other property of which it has taken
6 possession pursuant to this Order and shall thereafter provide periodic accountings
7 of all such Assets and other property.

8 10. With respect to any documents or communications containing information that
9 would be protected by the attorney-client privilege or any other privilege held by
10 FORTRESS, the Receiver shall observe any such privilege. To affirmatively waive
11 any such privilege, the Receiver must obtain this Court's authorization to do so upon
12 a motion by the Receiver on notice to all affected parties, including FORTRESS's
13 current officers and directors.

14 11. The Receiver is hereby authorized to take any and all actions authorized by NRS
15 chapter 669 and any other applicable law, except as otherwise noted above or in
16 other orders of this Court, including, but not limited to:

- 17 a. taking any and all steps necessary to receive, collect, and/or review all mail
18 addressed to FORTRESS, including, but not limited to, mail addressed to each
19 and every one of its business premises and any post office boxes held in the
20 name of FORTRESS or any of its affiliates, and, at the Receiver's discretion,
21 instruct the U.S. Postmaster to re-route, hold, and/or release all such mail to
22 the Receiver;
- 23 b. receiving and collecting all monies, funds, and/or payments owing to
24 FORTRESS or in any manner relating to the Assets and to deposit such sums
25 into an account established and maintained by the Receiver;
- 26 c. using the taxpayer account number of FORTRESS in connection with the
27 receivership estate, as necessary to perform and/or carry out the Receiver's
28 duties;

- d. contacting each of the accounts receivable debtors of FORTRESS (collectively, “Account Debtors”) in order to advise them not to send further accounts receivable payments to FORTRESS and to instruct all Account Debtors to send any and all payments directly to the Receiver;
- e. investigating, commencing and prosecuting, on behalf of FORTRESS’S estate for the benefit of its creditors, all claims, causes of action, lawsuits, rights of recovery, or other similar rights, including avoidance, recover, subordination claims, and fraudulent transfer claims, including any claims and causes of action that might exist relating to the fraud, misuse, transfer, mishandling, or diversion of customer or custodial property by FORTRESS, or any of its current or former principals, officers, directors, employees, equity holders, partners, agents, advisors, accountants, representatives, or related persons or entities;
- f. making claims against FORTRESS’S insurers and pursuing and collecting on any insurance recoveries or proceeds available under any insurance policies issued in favor of FORTRESS or any of its related persons or entities; and
- g. instituting ancillary proceedings in this State or other states and countries as is necessary to preserve and protect the Assets.

12. Receiver and all personnel hired by the Receiver as herein authorized, including counsel to the Receiver and accountants, are entitled to reasonable compensation for the performance of duties pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by them, from the Assets of FORTRESS now held by, in the possession or control of, or which may be received by, the Receiver. The Receiver shall file with the Court and serve on the parties monthly requests for the payment of such reasonable compensation, with the first such request filed no more than sixty (60) days after the date of entry of this Order. The Receiver shall not increase the hourly rates used as the basis for such fee applications, nor shall the Receiver incur

any expenditure in excess of \$100,000 using FORTRESS's assets, without prior approval from the Court.

13. The Receiver may, at any time, file a motion with the Court seeking modification of any term of this Order.

14. This Order shall not result in any waiver of any rights of affected parties, including FORTRESS's directors and officers, to later seek to modify, vacate, or terminate the Receiver's appointment or to challenge the appropriateness of any actions by the Receiver.

IT IS SO ORDERED.

Dated this 7th day of November, 2025



C94 57F 713E 1449
Joanna S. Kishner
District Court Judge

Respectfully submitted by:

Approved as to form and content:

AARON D. FORD
Attorney General

By: /s/ Michael Detmer
MICHAEL DETMER
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Attorneys for the Division

Dated: November 7, 2025.

/s/ Bart K. Larsen, Esq.
Bart K. Larsen, Esq.
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Attorneys for SardineAI Corp.

Dated: November 7, 2025.

/s/ Stanley F. Orszula
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Attorneys for FORTRESS TRUST, LLC

Dated: November 7, 2025.

1 **CSERV**

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3 DISTRICT COURT
CLARK COUNTY, NEVADA

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6 Department of Business and
Industry - Financial Institutions
7 Division, Plaintiff(s)

CASE NO: A-25-931440-B

DEPT. NO. Department 31

8 vs.

9 Elemental Financial
10 Technologies Inc, Defendant(s)

11
12 **AUTOMATED CERTIFICATE OF SERVICE**

13 This automated certificate of service was generated by the Eighth Judicial District
14 Court. The foregoing Order Granting was served via the court's electronic eFile system to all
15 recipients registered for e-Service on the above entitled case as listed below:

16 Service Date: 11/7/2025

17 Michael Detmer mdetmer@ag.nv.gov

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