

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

ORDER NO. 23-107-S

IN THE MATTER OF:)
)
TRUE BULLION, LLC)
DBA GOLD SILVER)
INTERNATIONAL EXCHANGE,)
DBA GSI EXCHANGE, AND)
ANTHONY ALLEN ANDERSON)

CONSENT ORDER

Respondents)

I. PRELIMINARY STATEMENT

This Consent Order (the “Order”) is entered into by the Alaska Division of Banking and Securities (The “Administrator”) with True Bullion, LLC and Anthony Allen Anderson (collectively, “Respondents”) with respect to investigations led by Alabama, Arkansas, and Texas and inquiries by other states into whether Respondents engaged in acts or practices that violated the Alaska Securities Act, Alaska Statute (“AS”) 45.55 *et seq*, and AS 45.56 *et seq*¹ (the “Act”), and the regulations promulgated thereunder at 3 AAC 08 (the “Regulations”).

WHEREAS, True Bullion, LLC is a Delaware limited liability company originally organized on August 8, 2014, with business offices located at: 26635 West Agoura Road, Suite 220, Calabasas, California 91302; 3838 Oak Lawn Avenue, Suite 100010. True Bullion, LLC, has transacted business as Gold Silver International Exchange and GSI Ex, Dallas, Texas 75219; and 4440 PGA Boulevard, Suite 600, Palm Beach Gardens, Florida 334change. Hereinafter, True

¹ On January 1, 2019, AS 45.56 became effective as the Alaska Securities Act. Before January 1, 2019, the Alaska Securities Act was codified at AS 45.55. Citations to AS 45.55 in this Order refer to AS 45.55 as codified before enactment of AS 45.56.

1 Bullion, LLC, Gold Silver International Exchange, and GSI Exchange will collectively be
2 referred to as “GSI.”

3 **WHEREAS**, Anthony Allen Anderson is an individual who is a Senior Partner of GSI.

4 **WHEREAS**, three of the states that have conducted inquiries – Alabama, Texas, and
5 Arkansas – have entered Cease and Desist Orders (“C&D Orders”) against Respondents.

6 **WHEREAS**, Respondents have cooperated in the inquiries and have agreed to resolve the
7 matter with Alabama, Arkansas, Texas and other states (the “Participating States”).

8 **WHEREAS**, Respondents, without admitting or denying the Findings of Fact and
9 Conclusions of Law contained herein, voluntarily consent to the entry of this Order, effective
10 September 15, 2023.

11 **II. JURISDICTION**

12 1. The Administrator has jurisdiction over matters relating to securities pursuant to
13 AS 45.55.920 and AS 45.56.690

14 2. This Order is entered in accordance with the Act and associated regulations.

15 3. The acts and practices that are the subject of the Administrator’s investigations
16 occurred while Respondents were conducting business in Alaska.

17 4. The Alaska find this Order is in the public interest and represent that they have
18 the authority to enter the following:

19 **III. FINDINGS OF FACT**

20 1. On or about August 18, 2014, GSI was organized as limited liability company
21 with the state of Delaware, Department of State, Division of Corporations.

22 2. Since its organization, Respondents have sold precious metals to three Alaska
23 residents.

24 3. Respondents have not been registered as either a broker dealer, broker dealer

1 agent, investment adviser, investment adviser representative, or other relevant equivalent in
2 Alaska [“Registration(s)”], and based upon GSI’s representations regarding the current nature of
3 its operations as set forth in the Compliance Plan submitted to the Participating States, the
4 Administrator does not contend they are required to be registered.

5 4. The C&D Orders allege in summary as follows:

6 a. GSI is an independent retailer of precious metals, including, but not
7 limited to, gold and silver bars, rounds, and coins, and during the time period set forth
8 herein, solicited senior citizens and other persons in the Participating States to
9 purchase precious metals.

10 b. GSI advertised to prospective precious-metals customers through its
11 publicly available website, gsiexchange.com, and through cold calls and targeted
12 mail.

13 c. GSI advised prospective and current customers in the Participating States
14 to protect their investments by liquidating certain securities holdings and using the
15 proceeds to open self-directed individual retirement accounts (“IRAs”) to purchase
16 precious metals from or purchase and take direct possession of precious metals from
17 GSI. In many cases, GSI advised customers on the process of liquidating securities
18 and directly contacted certain broker-dealers and investment advisers on behalf of its
19 customers to facilitate the liquidation.

20 d. While advising customers in the Participating States, GSI did not disclose
21 risks inherent in liquidating securities to purchase precious metals, but instead made
22 various unverified claims regarding the reliability and safety of, and protection
23 afforded through precious-metals investments as opposed to traditional securities and
24 claimed precious metals would safeguard wealth.

1 e. When communicating with customers, GSI overstated the amount of risk
2 involved with continuing to hold securities in traditional investment accounts and
3 failed to disclose the amount of a mark-up or spread that GSI would charge, the risks
4 involved with purchasing GSI's offerings, and the fact that GSI and its employees
5 were not registered to transact business in the Participating States as an investment
6 adviser or as investment adviser representatives.

7 f. Through the above-referenced activity, GSI attracted more than 450
8 clients from 44 states, and their transactions involved more than \$32 million.

9 5. Respondents have claimed a number of defenses and exemptions particular to
10 each of the Participating States' Relevant Laws.

11 6. As part of the resolution of this matter, Respondents have submitted a
12 comprehensive Compliance Plan and proposal to the Participating States, which is designed to
13 ensure that Respondents will not provide securities advice in the future, will be transparent in all
14 aspects of their business activities with customers, and will otherwise abide by the Participating
15 States' Relevant Laws. In determining to issue this Consent Order, State considered
16 Respondents' agreement to offer rescission and implement the Compliance Plan, and their
17 provision of substantial and timely cooperation to the Participating States.

18 **IV. CONCLUSIONS OF LAW**

19 1. The Administrator makes it unlawful for a person to transact business in Alaska
20 as an investment adviser or investment adviser representative unless such person is registered
21 under their applicable Securities laws.

22 2. The Administrator makes it unlawful for any person who receives consideration
23 for advising a person as to the value of securities and/or commodities or their purchase or sale,
24 to make any untrue statement of a material fact, or to omit to state a material fact necessary in

1 order to make the statements made, in the light of the circumstances under which they are made,
2 not misleading.

3 3. To the extent Respondents have engaged in such conduct described in the C&D
4 Orders within Alaska, their conduct falls within the Relevant Laws.

5 4. Implementation of the Compliance Plan, along with the refunds to be offered
6 under this Order in lieu of a fine or penalty, will serve as a tool to prevent potential future
7 violations of the Relevant Laws.

8 5. Under the circumstances, this Order is appropriate and in the public interest.

9 6. The foregoing Findings of Fact and Conclusions of Law constitute sufficient bases
10 for The Administrator to resolve the subject matter of their inquiries regarding Respondents'
11 offer and sale of precious metals and any potential violations of Relevant Laws within Alaska.

12 ORDER

13 On the basis of the Findings of Fact, Conclusions of Law, and with the Respondents' consent to
14 the entry of this Order, **IT IS HEREBY ORDERED:**

15 1. That this Order concludes the inquiry by The Administrator and any other possible
16 related action that could be brought or remedy sought under Relevant Laws as it relates to the
17 substance of the Findings of Fact and Conclusions of Law herein, provided however, that The
18 Administrator maintains jurisdiction to pursue violations arising by Respondents' failure to
19 comply with the terms and conditions of this Order.

20 2. This Order is entered into solely for the purpose of resolving the investigations
21 and is not intended to be used for any other purpose, and Respondents neither admit nor deny the
22 Findings of Fact and Conclusions of law herein.

23 3. The Administrator shall not take other adverse action against Respondents related
24 to the matters and conduct at issue in this Order, provided that The Administrator may pursue

1 claims arising from Respondents' failure to comply with the terms and conditions of this Order
2 or from conduct not resolved herein, and further may take any action permitted by paragraph 11
3 of this Order.

4 4. Respondents shall not violate the Relevant Laws during any future transactions.
5 Moreover, nothing herein shall be construed as having altered GSI's obligation to comply with
6 all applicable federal states, and local statutes, rules, and regulations.

7 5. Respondent GSI shall offer Eligible Customers refunds under the following terms:

8 a. Eligible Customers shall be those current GSI customers who were, at the time
9 of purchase, residents of a participating State who purchased precious metals
10 from GSI prior to July 22, 2021.

11 b. Respondent GSI will take reasonable steps to identify a current physical and
12 electronic mail address of all Eligible Purchasers by conducting a review of
13 information set forth in internal notes, databases, payment records, or other
14 internal files, as well as contracts, agreements, powers of attorney, and
15 correspondence sent or received by regular mail or electronic mail.

16 c. Respondent GSI will notify Eligible Purchasers of the opportunity to elect to
17 receive a refund, separate from any unrelated files or documents, by certified
18 mail addressed to a current physical address and by electronic mail to a current
19 email address. The notice shall take substantially the same form as the notice
20 and form for customer signature set out in Exhibit A, incorporated herein by
21 reference.

22 d. Respondent GSI will send the letter to the Eligible Purchasers of Alaska within
23 30 calendar days of the Effective Date, and will send a second letter
24 approximately 30 calendar days after the first letter is sent.

- 1 e. Respondent GSI will allow Eligible Purchasers the option to receive a refund
2 by responding to the letter in writing addressed to a designated physical or
3 electronic mail address for Respondent GSI.
- 4 f. Within seven calendar days from the expiration of the time for all Eligible
5 Purchasers from each participating state to elect a refund and return the
6 purchased metal (the “Expiration Date”), Respondent GSI shall establish an
7 escrow account (“Account”) to be used for the sole purpose of (i) paying
8 refunds to Eligible Purchasers, and (ii) paying the expenses of the distribution.
- 9 g. Within fourteen calendar days of the Expiration Date, Respondent GSI shall
10 either (a) deposit cash into the Account consisting of 110% of the total amount
11 to be refunded to all Eligible Purchasers (the “Deposit Amount”), or (b) obtain
12 a line of credit for the Deposit Amount.
- 13 h. Failure by Respondent GSI to timely make in its entirety the deposit or obtain
14 the line of credit required by subparagraph (g) shall be a material breach by
15 GSI of this Order, and time is of the essence with respect to GSI’s obligation
16 to make the deposit or obtain the line of credit, provided that in the event the
17 Deposit Amount is more than \$1,000,000, then GSI and the Participating
18 States shall attempt in good faith to arrange a method for GSI to finance its
19 obligation to monetize the value of the precious metals that customers would
20 be required to return pursuant to their refund requests. In the event no such
21 alternative is agreed upon within 30 days of the Expiration Date, GSI and the
22 Administrator may withdraw from this Consent Order.
- 23 i. Respondent GSI will pay refunds, as calculated herein, to Eligible Purchasers
24 within 90 calendar days after the Expiration Date. GSI shall not pay any

1 refunds until after it has made the deposit or obtained the line of credit required
2 by subparagraph (g) or an alternative arrangement has been made pursuant to
3 subparagraph (h).

4 j. Respondent GSI will provide to the Administrator, prior to the execution of
5 this Order, the names, email addresses, and physical addresses of Eligible
6 Purchasers in Alaska, as well as the date metals were purchased, the purchase
7 price of those metals and the current Liquidation Value of the metals of all
8 identified Eligible Purchasers within Alaska. GSI shall provide to Alaska (i)
9 evidence of the establishment and funding of the Account, (ii) the aggregate
10 number of purchasers from all participating states that elected to receive a
11 refund, and (iii) the aggregate amount of the refunds to be paid. Within 30
12 days of a request by the Administrator, Respondent GSI will provide to the
13 Administrator copies of any and all written communications with Eligible
14 Purchasers in Alaska, a list of Eligible Purchasers who elected to receive a
15 refund, who elected not to receive a refund, who did not respond, and who
16 could not be reached, and records reflecting the payment of refunds to Eligible
17 Purchasers.

18 k. Respondents, the Administrator, and their respective personnel shall not
19 influence an Eligible Purchaser to either accept or reject an offer of refund under the
20 terms of this Order, provided that the Administrator's advising Eligible Purchasers of
21 the forthcoming notice from GSI and the importance of making an election shall not
22 be considered an effort to influence an Eligible Purchaser within the meaning of this
23 subparagraph.

24 6. Any GSI customer that GSI was unable to notify may request a refund within six

1 months of the Expiration Date.

2 7. This Order shall not disqualify or be interpreted to disqualify Respondents from
3 any business they otherwise are qualified, licensed, or permitted to perform under applicable law,
4 nor shall it form the basis of any disqualification under federal, state, or local law. This
5 Order is not intended to subject any Covered Person to any disqualifications under the laws of
6 the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands, or
7 under the rules or regulations of any securities or commodities regulator or self-regulatory
8 organization, including, without limitation, any disqualification from relying upon the state or
9 federal registration exemptions or safe harbor provisions. (“Disqualification Laws”). This Order
10 is not intended to be considered as a disqualifying event according to these Disqualification
11 Laws. “Covered Persons” means Respondent GSI and its current or former officers, directors,
12 members, managers, employees, or other persons that could otherwise be disqualified as a result
13 of this Order. This Order is not intended to serve as a ground(s) for denial of or renewal of any
14 license or registration to Respondents.

15 8. This Order is not intended to be deemed or used as (a) an admission of, or
16 evidence of, the validity of any alleged wrongdoing or liability; or (b) an admission of, or
17 evidence of, any such alleged fault or omission of Respondents in any civil, criminal, arbitration,
18 or administrative proceeding in any court, administrative agency, or other tribunal.

19 9. This Order is not intended to state or imply willful, reckless, or fraudulent
20 conduct by Respondents, or their affiliates, directors, officers, employees, associated persons, or
21 agents.

22 10. Respondents, through execution of this Order, voluntarily waive the right to a
23 hearing, appeal, and judicial review of this Order under the Relevant Laws.

24 11. If, after this settlement is executed, Respondents fail to comply with any of the

1 terms set forth herein, or any representation by Respondents herein is discovered to be materially
2 incorrect or misleading or if GSI or the Administrator withdraws pursuant to paragraph 5(h), the
3 Administrator may take any action permitted under state law, including but not limited to
4 reinstating the actions and investigations referenced in this Consent Order.

5 12. Respondents enter into this Order voluntarily and represent that no threats, offers,
6 promises, or inducements of any kind have been made by the Participating States or their
7 officers, employees, agents, or representatives to induce Respondents to enter into this Order.

8
9 Julie Sande, Commissioner
10 Department of Commerce, Community and
Economic Development

11 DATED: 12/21/23

12 /s/ Robert H. Schmidt
13 Robert H. Schmidt, Director
14 Division of Banking and Securities

15 Respondent understands that this Order is a publicly disclosable document.

16 I hereby agree to the entry of this Consent Order; consent to all the terms, conditions and orders
17 contained therein; and waive any right to appeal from this Order.

18 /s/ Anthony Allen Anderson

12/15/23

19 Anthony Allen Anderson
20 (on behalf of himself and GSI Exchange)

21 Date