

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

4 IN THE MATTER OF:) **ORDER NO. 22-87-2-S**
5 TYCOON TRADING, LLC; AND) **SECOND INTERIM TEMPORARY**
6 GARRETT A. ELDER) **CEASE AND DESIST ORDER,**
7) **ASSESSING CIVIL PENALTIES,**
8 Respondents) **ORDERING RESTITUTION, &**
9 _____) **EFFECTIVE IMMEDIATELY**

10 The Director of the Department of Commerce, Community, and Economic
11 Development, Division of Banking and Securities (“Administrator”), has conducted an
12 investigation into certain activities of Tycoon Trading, LLC and Garrett A. Elder
13 (collectively “Respondents”) and has determined that Respondents violated certain provisions
14 of the Alaska Securities Act, Alaska Statute (“AS”) 45.56 *et seq.* This Second Interim Order
15 replaces and supersedes the Interim Order dated October 7, 2022.

16 **I. FINDINGS OF FACT**

17 1. Tycoon Trading, LLC (“Tycoon Trading”) organized as an Alaska limited liability
18 company on September 8, 2012 (entity no. 10007162), and has an address of 7120 Old
19 Seward Highway, Suite 205, Anchorage, Alaska.

20 2. Garrett A. Elder is a resident of Anchorage, Alaska and is the sole owner of
21 Tycoon Trading, LLC.

22 3. On September 22, 2022, the Administrator sent a letter to Respondents requesting
23 information regarding their business activities.

24 4. Since October 3, 2022, the Administrator received information from or on behalf
of thirty-nine (39) investors indicating that from at least February 2017 through September

1 2022 (the “Relevant Period”), Respondent Elder offered and sold securities in the form of
2 participation in profit sharing agreements, investment contracts, and speculative trading in
3 foreign currencies to Alaska residents through his business Respondent Tycoon Trading LLC.
4 Investors would deposit money with Respondents based on Respondents’ assertions that
5 Respondent Elder would use his expertise to further invest investor’s funds for a profit. The
6 investment contracts signed by or on behalf of investors required splitting the profits between
7 the investor and respondents. The cumulative amount invested was \$7,433,274.00 (Seven
8 Million Four Hundred Thirty-Three Thousand Two Hundred Seventy-Four Dollars and
9 no/100). Investments were made by or on behalf of Alaskans aged 6 to 65. The Division has
10 information that there may be many more investors with significantly more money invested.

11 5. During the Relevant Period, Respondent Elder managed and traded assets held in
12 a common pooled vehicle by executing various securities transactions without being
13 registered as an investment adviser representative as required by AS 45.56.350(a).

14 6. During the Relevant Period, Respondent Elder through Tycoon Trading offered
15 and sold securities in Alaska without being registered as an agent as required by AS
16 45.56.330(a).

17 7. During the Relevant Period, Respondent Tycoon Trading issued securities in
18 Alaska that were not registered with the Administrator, federally covered in compliance with
19 Alaska law, or exempt from registration as required by AS 45.56.100.

20 8. During the Relevant Period, Respondent Tycoon Trading and/or Elder issued
21 statements to investors reflecting positive earnings on investments. Those statements were
22 falsified. All or substantially all of the investors’ assets have been dissipated. Despite
23 repeated attempts, investors have been unable to access their funds.

24 9. During the Relevant Period, Respondent Tycoon Trading was associated with
Respondent Elder without Elder being registered as an investment adviser representative as

1 required by AS 45.56.340(d).

2 10. As of the date of this Order, Respondent Elder is not registered as an investment
3 adviser representative or agent in the State of Alaska.

4 11. As of the date of this Order, Respondent Tycoon Trading is not registered as an
5 investment adviser in Alaska.

6 II. CONCLUSIONS OF LAW

7 1. The participation in profit-sharing agreements and investment contracts that
8 Respondent Elder offered and sold through Respondent Tycoon Trading are “securities” as that
9 term is defined in AS 45.56.900(32). The investments in foreign currencies and other
10 investments are “securities” as that term is defined in AS 45.56.900(32)(A)(ii).

11 2. During the Relevant Period, Respondents violated AS 45.56.500 by employing a
12 device, scheme, or artifice to defraud, by making untrue statements or omissions of material
13 fact, and by engaging in an act, practice, or course of business that operated as a fraud on
14 another person.

15 3. During the Relevant Period, Respondents violated AS 45.56.510 by offering
16 investment advice using a device, scheme, or artifice to defraud another person.

17 4. During the Relevant Period, Respondents violated AS 45.56.100 by offering and
18 selling securities that were not registered with the Administrator, federally covered in
19 compliance with Alaska law, or exempt from registration.

20 5. During the Relevant Period, Respondent Tycoon Trading violated AS 45.56.100 by
21 issuing securities that were not registered with the Administrator, federally covered in
22 compliance with Alaska law, or exempt from registration.

23 6. During the Relevant Period, Respondent Elder acted as an “investment adviser
24 representative” in Alaska as that term is defined in AS 45.56.900(19).

1 7. During the Relevant Period, Respondent Elder violated AS 45.56.350(a) by acting
2 as an investment adviser representative being registered in Alaska.

3 8. During the Relevant Period, Respondent Elder acted as an “agent” in Alaska as that
4 term is defined in AS.56.900(2).

5 9. During the Relevant Period, Respondent Elder violated AS 45.56.330(a) by acting
6 as an agent without being registered in Alaska.

7 10. During the Relevant Period, Respondent Tycoon Trading violated AS 45.56.340(a)
8 by acting as an investment adviser without being registered in Alaska.

9 11. During the Relevant Period, Respondent Tycoon Trading violated AS 45.56.340(d)
10 by associating with Respondent Elder without him being registered in Alaska.

11 **III. ORDER**

12 Pursuant to AS 45.56 and on the basis of the Findings of Fact and Conclusions of
13 Law, the Administrator ORDERS:

14 1. Respondents to pay RESTITUTION to their victims in the principal amount
15 invested, currently \$7,433,274.00, plus interest at the rate of 8% per annum, together with
16 such other and further amounts as may be revealed in the Division’s ongoing investigation.
17 This restitution is subordinate to, and does not duplicate, any criminal restitution that
18 Respondents may be ordered to pay as a result of the occurrences and transactions set out in
19 this Order.

20 2. Respondents to pay a CIVIL PENALTY of \$7,433,274.00. This amount is
21 computed per deposit, per investor, at an amount intended to equal the principal amount in
22 which Respondents defrauded investor. The civil penalty assessed in this paragraph is
23 subordinate to the payment of restitution to investors in Paragraph 1, or any other criminal
24 restitution that may be ordered.

3. Respondents to CEASE AND DESIST from offering or selling the profit-sharing

1 agreements and investment contracts or any security that is not registered, qualified, or
2 exempt to new investors in Alaska and CEASE AND DESIST accepting further investments
3 or funds in the profit-sharing agreements and investment contracts by current Alaska
4 investors, unless and until the profit-sharing agreements and investment contracts or other
5 securities are registered or otherwise exempt in Alaska.

6 4. Respondent Elder to CEASE AND DESIST from acting as an investment adviser
7 representative without being registered in Alaska.

8 5. Respondent Elder to CEASE AND DESIST from acting as an agent without being
9 registered in Alaska.

10 6. Respondent Tycoon Trading to CEASE AND DESIST from acting as an
11 investment adviser without being registered in Alaska.

12 7. Respondent Tycoon Trading to CEASE AND DESIST from employing
13 Respondent Elder as an investment adviser representative without Respondent Elder being
14 registered in Alaska.

15 8. Respondents to comply with all provisions of the Alaska Securities Act, including
16 associated regulations.

17 9. Pursuant to AS 45.56.690(b), each Respondent desiring a hearing must file a
18 separate request for a hearing within fifteen (15) days after receipt of this Order. The request
19 for a hearing must be in writing, must be directed to the Administrator, and must state the
20 grounds for the request to set aside or modify the Order. This Order takes effect immediately,
21 remains in effect until ten (10) days after the hearing is held, and becomes final if a hearing is
22 not requested within fifteen (15) days after the receipt of this notice.

23 This Order is interim in nature and the Division's investigation is ongoing. This
24 Order is entered on an interim basis to protect the investing public from further harm. This

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Order may be supplemented with further orders, including orders assessing civil penalties, restitution, or other relief. The Division may seek other relief available to it under the Act, including relief in the Alaska Superior Court. This Order is a publicly disclosable document.

IT IS SO ORDERED.

Julie Sande, Commissioner
Department of Commerce, Community and
Economic Development

DATED: 10/14/2022

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