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

IN THE MATTER OF: TYCOON TRADING, LLC; AND GARRETT A. ELDER Respondents	**ORDER NO. 22-87-S** ***THIRD* INTERIM TEMPORARY CEASE AND DESIST ORDER, ASSESSING CIVIL PENALTIES, ORDERING RESTITUTION, & EFFECTIVE IMMEDIATELY**

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The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities ("Administrator"), has conducted an investigation into certain activities of Tycoon Trading, LLC and Garrett A. Elder (collectively "Respondents") and has determined that Respondents violated certain provisions of the Alaska Securities Act, Alaska Statute ("AS") 45.56 *et seq.* This Second Interim Order replaces and supersedes the Interim Order entered in this matter number on October 14, 2022.

I. FINDINGS OF FACT

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

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

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

4. Beginning on October 3, 2022, the Administrator received information from or on behalf of thirty three investors indicating that from at least 2017 through September of

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2022 (the "Relevant Period"), Respondent Elder offered and sold securities in the form of participation in profit sharing agreements, investment contracts, and speculative trading in foreign currencies to Alaska residents through his business Respondent Tycoon Trading LLC. Investors would deposit money with Respondents based on Respondents' assertions that Respondent Elder would use his expertise to further invest investor's funds for a profit. The investment contracts signed by or on behalf of investors required splitting the profits between the investor and respondents. The cumulative amount invested was $4,807,974.00 (Four Million Eight Hundred Seven Thousand Nine Hundred Seventy Four Dollars and no/100). Investments were made by or on behalf of Alaskans aged 6 to 63. The Division has information that there may be many more investors with significantly more money invested.

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

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

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

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

9. During the Relevant Period, Respondent Tycoon Trading was associated with Respondent Elder as required by AS 45.56.340(d).

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

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

II. CONCLUSIONS OF LAW

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

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

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

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

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

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

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

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

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

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

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

III. ORDER

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

1. Respondents to pay RESTITUTION to their victims in the principal amount invested, currently $4,807,974.00, plus interest at the rate of 8% per annum, together with such other and further amounts as may be revealed in the Division's ongoing investigation.

2. Respondents to pay a CIVIL PENALTY of $1,777,000 (One Million Seven Hundred Seventy Seven Thousand Dollars and no/100). This amount is computed at the average size of the deposits made by Respondents victims, $77,260, multiplied by the number of deposits, and considers the egregiousness of Respondents fraud and the age of Respondents' victims. The civil penalty assessed in this paragraph is subordinate to the payment of restitution to investors in Paragraph 1.

3. Respondents to CEASE AND DESIST from offering or selling the profit-sharing agreements and investment contracts or any security that is not registered, qualified, or exempt to new investors in Alaska and CEASE AND DESIST accepting further investments or funds in the profit-sharing agreements and investment contracts by current Alaska investors, unless and until the profit-sharing agreements and investment contracts or other

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securities are registered or otherwise exempt in Alaska.

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

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

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

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

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

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

This Order is interim in nature and the Division's investigation is ongoing. This Order is entered on an interim basis to protect the investing public from further harm. This 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: 11/10/22

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

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