
*
IN THE MATTER OF: *
*
TRUE BULLION, LLC *
*
d/b/a GSI Exchange and as *
Gold Silver International Exchange *
*
ANTHONY ALLEN ANDERSON *
(CRD No. 7416458) *
*
(“Respondents”) *
*

CONSENT ORDER

No. CO-24-202323-S

I. PRELIMINARY STATEMENT

WHEREAS, the Banking Commissioner (“Commissioner”) is charged with the administration of Chapter 672a of the General Statutes of Connecticut, the Connecticut Uniform Securities Act (“Act”), and Sections 36b-31-2 to 36b-31-33, inclusive, of the Regulations of Connecticut State Agencies promulgated under the Act (“Regulations”);

WHEREAS, Respondent True Bullion, LLC is a Delaware limited liability company originally organized on August 18, 2014, with business offices located at: 26635 West Agoura Road, Suite 220, Calabasas, California 91302; 3838 Oak Lawn Avenue, Suite 1000, Dallas, Texas 75219; and 4440 PGA Boulevard, Suite 600, Palm Beach Gardens, Florida 33410. True Bullion, LLC, has transacted business as Gold Silver International Exchange and GSI Exchange. Hereinafter, True Bullion, LLC, Gold Silver

International Exchange and GSI Exchange will collectively be referred to as “GSI;

WHEREAS, Respondent Anthony Allen Anderson, an individual, is the managing member of True Bullion, LLC;

WHEREAS, the North American Securities Administrators Association, Inc. (“NASAA”) is a voluntary association whose membership consists of 67 state, provincial, and territorial securities administrators;

WHEREAS, State securities regulators, as members of NASAA, formed a multistate task force, lead by the states of Alabama, Arkansas, and Texas, to conduct a coordinated investigation (the “Investigation”) into whether Respondents had violated state securities laws;

WHEREAS, Respondent has advised the NASAA multistate task force of its agreement to resolve the Investigation through a multistate settlement which contains terms similar to this Consent Order;

WHEREAS, GSI has been cooperative in communicating with the Division, and this settlement was originally intended to be a multi-state settlement that did not call for a fine, the goal of this settlement therefore being to achieve the maximum percent refund for Eligible Connecticut Investors expeditiously and without a fine being imposed;

WHEREAS, Section 36b-31(c) of the Act provides, in part, that: “To encourage uniform interpretation and administration of sections 36b-2 to 36b-33, inclusive, and effective securities regulation and enforcement, the commissioner may cooperate with the securities agencies or administrators of other states, Canadian provinces or territories . . . [and] any national or international organization of securities officials or agencies, and any governmental law enforcement or regulatory agency. The cooperation authorized by this subsection includes, but is not limited to, the following actions . . . (2) conducting joint . . . investigations; (3) sharing and exchanging information and documents subject to the restrictions of chapter 3; . . . and (5) executing joint agreements, memoranda of understanding and orders;”

WHEREAS, the Commissioner, acting pursuant to Sections 36b-31(c) and 36b-26 of the Act and through the Securities and Business Investments Division, conducted an Investigation similar to the

Investigation described above to determine if Respondents had violated any provision of the Act or any regulation or order under the Act;

WHEREAS, Section 36b-27(a) of the Act authorizes the Commissioner to order any person who has violated, is violating or is about to violate any provision of the Act or any regulation, rule or order adopted or issued under the Act to cease and desist from such violation, and subsections (b) and (c) of Section 36b-27 of the Act authorize the Commissioner to order that restitution be made to affected investors;

WHEREAS, an administrative proceeding under Section 36b-27 of the Act would constitute a “contested case” within the meaning of Section 4-166(4) of the General Statutes of Connecticut;

WHEREAS, Section 4-177(c) of the General Statutes of Connecticut and Section 36a-1-55(a) of the Regulations of Connecticut State Agencies provide that a contested case may be resolved by consent order, unless precluded by law;

WHEREAS, Section 36b-31(a) of the Act provides, in relevant part, that “[t]he commissioner may from time to time make . . . such . . . orders as are necessary to carry out the provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, Section 36b-31(b) of the Act provides, in relevant part, that “[n]o . . . order may be made . . . unless the commissioner finds that the action is necessary or appropriate in the public interest or for the protection of investors and consistent with the purposes fairly intended by the policy and provisions of sections 36b-2 to 36b-34, inclusive”;

WHEREAS, Respondents, without admitting or denying the Findings of Fact and Conclusions of Law set forth below and solely for the purposes of this Consent Order, admit the jurisdiction of the Commissioner to enter this Consent Order, voluntarily consent to the entry of this Consent Order, and voluntarily waive the following rights: (1) to be afforded notice and an opportunity for a hearing within the meaning of subsections (a), (b) and (c) of Section 36b-27 of the Act and Section 4-177(a) of the General Statutes of Connecticut; (2) to present evidence and argument and to otherwise avail themselves

of subsections (a), (b) and (c) of Section 36b-27 of the Act and Section 4-177c(a) of the General Statutes of Connecticut; (3) to present their respective positions, including their defenses and exemptive claims, in a hearing in which each is represented by counsel; (4) to have a written record of the hearing made and a written decision issued by a hearing officer; and (5) to seek judicial review of, or otherwise challenge or contest the matters described herein, including the validity of this Consent Order;

WHEREAS, Respondents acknowledge that they each have had the opportunity to consult with and be represented by independent counsel in negotiating and reviewing this Consent Order and that they execute this Consent Order freely;

WHEREAS, as part of the resolution of this matter, Respondents have submitted a comprehensive Compliance Plan and proposal to the affected states, which Compliance Plan and proposal are designed to ensure that Respondents will not provide securities advice in the future, will be transparent in all aspects of their business activities with customers, and will otherwise abide by state securities laws, including the provisions of the Act and its Regulations.

WHEREAS, Respondents have agreed to implement the Compliance Plan and to offer rescission as more fully described herein, and have demonstrated cooperation with the affected states in their resolution of this matter;

WHEREAS, the Commissioner finds that the entry of this Consent Order is necessary or appropriate in the public interest and consistent with the purposes fairly intended by the policy and provisions of the Act;

NOW THEREFORE, the Commissioner hereby enters this Consent Order.

II. FINDINGS OF FACT

1. On or about August 18, 2014, GSI was organized as limited liability company with the State of Delaware, Department of State, Division of Corporations.
2. Since its organization, Respondents have sold precious metals to at least nine known residents of the State of Connecticut.

3. At no time have Respondents been registered as a broker-dealer agent, investment adviser or investment adviser agent under the Act.
4. GSI is an independent retailer of precious metals, including, but not limited to, gold and silver bars, rounds, and coins, and during the time period set forth herein, solicited senior citizens and other persons in multiple states to purchase precious metals.
5. GSI promoted its business to prospective precious-metals customers through advertising on its publicly available website, gsiexchange.com, and through cold calls and targeted mail.
6. GSI advised prospective and current customers in multiple to protect their investments by liquidating certain securities holdings and using the proceeds to open self-directed individual retirement accounts (“IRAs”) to purchase precious metals from GSI or purchase and take direct possession of precious metals from GSI. In many cases, GSI advised customers on the process of liquidating securities and directly contacted certain broker-dealers and investment advisers on behalf of its customers to facilitate the liquidation.
7. While so advising customers, GSI did not disclose the risks inherent in liquidating securities to purchase precious metals, but instead made various unverified claims regarding the reliability and safety of, and protection afforded through precious-metals investments as opposed to traditional securities and claimed precious metals would safeguard wealth.
8. When communicating with customers, GSI overstated the amount of risk involved in continuing to hold securities in traditional investment accounts, and failed to disclose the amount of a mark-up or spread that GSI would charge, the risks involved with purchasing GSI’s offerings, and the fact that GSI and its employees were not registered to transact business as an investment adviser or an investment adviser agent.
9. Through the above-referenced activity, GSI attracted more than 450 clients from 44 states, with transactions totaling more than \$32 million.

III. CONCLUSIONS OF LAW

The Commissioner finds, absent this issuance of a Consent Order, sufficient authority would exist to initiate enforcement proceedings against Respondents under subsections (a), (b) and (c) of Section 36b-27 of the Act, based on the following, all of which are more fully described above, after granting Respondent an opportunity for a hearing:

1. Section 36b-6(c) of the Act makes it unlawful for a person to transact business in this state as an investment adviser or an investment adviser agent unless such person is registered under the Act.
2. Section 36b-5(a) of the Act makes it unlawful for any person who receives compensation or other remuneration for advising a person as to the value of securities or their purchase or sale, to make any untrue statement of a material fact, or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading.
3. Respondents' conduct, as described herein, would, if proven, constitute a violation of Sections 36b-6(c) and 36b-5(a) of the Act.
4. Violations of Sections 36b-6(c) and 36b-5(a) of the Act would support administrative proceedings under Section 36b-27 of the Act.

IV. CONSENT ORDER

On the basis of the Findings of Fact, Conclusions of Law, and the consent of the Respondents to the entry of this Consent Order, the Commissioner enters this Consent Order. A fine is not being imposed since this settlement was originally intended to be a multi-state settlement that did not call for a fine, and the goal was to achieve the maximum percent refund for Eligible Connecticut Investors expediently.

IT IS HEREBY ORDERED THAT:

1. Respondents shall refrain from engaging, directly or indirectly, in conduct constituting or which would constitute a violation of the Act or any regulation or order under the Act, including,

without limitation, engaging in conduct proscribed by Sections 36b-6(c) and 36b-5(a) of the Act;

Refund Offer to Eligible Connecticut Purchasers

2. “Eligible Connecticut Customers” or “Eligible Connecticut Purchasers” shall mean those current GSI customers who were, at the time of purchase, a resident of Connecticut and who purchased precious metals from GSI prior to July 22, 2021.
3. No later than the date this Consent Order is entered by the Commissioner, Respondent GSI shall provide the Commissioner with the names, email addresses, and physical addresses of Eligible Connecticut Customers, as well as the date(s) metals were purchased, the purchase price of those metals and the current Liquidation Value of the metals of all identified Eligible Connecticut Customers. Respondent GSI will take reasonable steps to identify a current physical and electronic mailing address for all Eligible Connecticut Customers by conducting a review of information set forth in internal notes, databases, payment records, or other internal files, as well as contracts, agreements, powers of attorney, and correspondence sent or received by regular mail or electronic mail.
4. Respondent GSI will notify Eligible Connecticut Customers in writing of the opportunity to elect to receive a refund. Such notice shall be separate from any unrelated files or documents, and sent by certified mail, addressed to a current physical address, and by electronic mail to a current email address. The notice shall be in a form preapproved by the Commissioner and substantially similar to that used in other state settlements with GSI. Respondent GSI will send the notice to Eligible Connecticut Customers within thirty (30) calendar days after the Commissioner enters this Consent Order, and will send a second notice approximately thirty (30) calendar days after the first notice is sent. Respondent GSI will allow Eligible Connecticut Purchasers the option to receive a refund by responding to the notice in writing addressed to a designated physical or electronic mail address for Respondent GSI.

5. The cut-off date (“Expiration Date”) for Eligible Connecticut Purchasers to elect a refund and return the purchased metal will be sixty (60) days from receipt of the first notice. Any GSI customer that GSI was unable to notify may request a refund within six months of the Expiration Date.
6. If Respondents fail to timely make the distributions to investors within the foregoing time period, or fails to provide the Commissioner, within that time period, of substantial proof, that Respondent has set up an alternative means for pursuing its recompense to Connecticut investors, the Commissioner may deem such conduct a violation of this Consent Order supporting the entry of an Order imposing a \$200,000 fine against Respondents.. Within 30 days of a request by the Commissioner, Respondent GSI will provide to the Commissioner copies of any and all written communications with Eligible Connecticut Purchasers, a list of Eligible Connecticut Purchasers who elected to receive a refund, those who elected not to receive a refund, those who did not respond, and those who could not be reached. GSI shall also furnish the Commissioner with records reflecting the payment of refunds to Eligible Connecticut Purchasers.
7. Respondent GSI will pay refunds, as calculated herein, to Eligible Connecticut Purchasers within 90 calendar days after the Expiration Date.
8. This Order concludes the Investigation by the Commissioner and resolves any other action that the Commissioner could commence under the Act as it relates to the Findings of Fact and Conclusions of Law herein; provided, however, that excluded from and not covered by this paragraph are any claims by the Commissioner arising from or relating to enforcement of the terms and conditions of this Consent Order. Nothing herein shall be construed as limiting the Commissioner’s ability to investigate Respondents for violations not resolved herein or to respond to and address any consumer complaints made with respect to Respondents.
9. This Consent Order is entered into solely for the purpose of resolving the referenced securities investigation

and is not intended to be used for any other purpose.

10. This Consent Order shall not disqualify or be interpreted to disqualify Respondents from any business they otherwise are qualified, licensed, or permitted to perform under applicable law, nor shall it form the basis of any disqualification under federal, state, or local law. This Consent Order is not intended to subject any Covered Person to any disqualifications under the laws of the United States, any state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands, or under the rules or regulations of any securities or commodities regulator or self-regulatory organization, including, without limitation, any disqualification from relying upon the state or federal registration exemptions or safe harbor provisions. (“Disqualification Laws”). This Order is not intended to be considered as a disqualifying event according to these Disqualification Laws. “Covered Persons” means Respondent GSI and its current or former officers, directors, members, managers, employees, or other persons that could otherwise be disqualified as a result of this Consent Order. This Consent Order is not intended to serve as a ground(s) for denial of or renewal of any license or registration to Respondents.
11. Except in an action by the Commissioner to enforce the obligations in this Consent Order, this Consent Order is not intended to be deemed or used as (a) an admission of, or evidence of, the validity of any alleged wrongdoing, liability, or lack of any wrongdoing or liability; or (b) an admission of, or evidence of, any such alleged fault or omission of Respondents in any civil, criminal, arbitration, or administrative proceeding in any court, administrative agency, or other tribunal.
12. This Order is not intended to state or imply willful, reckless, or fraudulent conduct by Respondents, or their affiliates, directors, officers, employees, associated persons, or agents.

NOW THEREFORE, the Commissioner enters the following:

1. The Findings of Fact, Conclusions of Law and Consent Order set forth above, be and are hereby entered;

2. If, after this Consent Order is entered, Respondents fail to comply with any of the terms set forth herein, or any representation by Respondents herein is discovered to be materially incorrect or misleading or if this Consent Order should be vacated or rescinded by the Commissioner, the Commissioner may take any action permitted under state law, including but not limited to reinstating the actions and investigations referenced in this Consent Order.
3. This Consent Order shall become final when entered.

So ordered at Hartford, Connecticut

this 23rd day of February 2024.

_____/s/_____
Jorge L. Perez
Banking Commissioner

CONSENT TO ENTRY OF ORDER

I, Anthony Allen Anderson, state, individually and on behalf of True Bullion, LLC, that I have read the foregoing Consent Order; that I know and fully understand its contents; that I am authorized to execute this Consent Order on behalf of True Bullion, LLC; that True Bullion, LLC agrees freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that True Bullion, LLC voluntarily consents to the entry of this Consent Order, expressly waiving any right to a hearing on the matters described herein.

True Bullion, LLC

By: _____/s/_____

Anthony Allen Anderson
Managing Member

State of: Texas

County of: Harris

On this the 21st day of February, 2024, before me, the undersigned officer, personally appeared Anthony Allen Anderson, who acknowledged himself to be the Managing Member of True Bullion, LLC, a limited liability company, and that he, as such Managing Member, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as Managing Member.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public
Date Commission Expires: 04/28/2027

CONSENT TO ENTRY OF ORDER

I, Anthony Allen Anderson, state that I have read the foregoing Consent Order; that I know and fully understand its contents; that I agree freely and without threat or coercion of any kind to comply with the terms and conditions stated herein; and that I consent to the entry of this Consent Order.

_____/s/_____
Anthony Allen Anderson

State of: Texas
County of: Harris

On this the 21st day of February 2024, before me, the undersigned officer, personally appeared Anthony Allen Anderson, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

In witness whereof I hereunto set my hand.

_____/s/_____
Notary Public
Date Commission Expires: 04/28/2027