

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF MARYLAND**

IN THE MATTER OF: *

TRUE BULLION, LLC * Securities Docket No. 2022-0104
d/b/a GOLD SILVER
INTERNATIONAL EXCHANGE d/b/a *
GSI EXCHANGE *

and *

ANTHONY ALLEN ANDERSON *

Respondents.

* * * * *

CONSENT ORDER

WHEREAS, the Securities Division of the Office of the Maryland Attorney General (the “Division”), pursuant to the authority granted in section 11-801 of the Maryland Securities Act, Corporations and Associations Article, Title 11, Annotated Code of Maryland (2014 Repl. Vol. and 2022 Supp.) (the “Act” or “Securities Act”), undertook an investigation into the securities and investment advisory-related activities of Respondents True Bullion, LLC d/b/a Gold Silver International Exchange d/b/a GSI Exchange (“GSI”) and Anthony Allen Anderson (“Anderson”); and

WHEREAS, that investigation was undertaken with other state securities regulators as part of a North American Securities Administrators Association (“NASAA”) Working Group (the “Participating States”), which together have conducted an investigation into the securities and investment advisory activities of Respondents between August 8, 2014 and July 22, 2021 (“Relevant Period”); and

WHEREAS, on the basis of that investigation the Maryland Securities Commissioner (the “Commissioner”) found grounds to conclude that Respondents have engaged in acts or practices constituting violations of the registration and antifraud provisions of the Act; and

WHEREAS, three of the other states that have conducted inquiries – Alabama, Texas, and Arkansas – have entered into settlements to resolve Cease and Desist Orders (“C&D Orders”) against Respondents; and

WHEREAS, Respondents have cooperated in the inquiries and have reached an agreement with the Commissioner and the Participating States to resolve the inquiries; and

WHEREAS, Respondents expressly consent to the Commissioner’s jurisdiction in this matter and to the terms of this Consent Order; and

WHEREAS, Respondents waive their rights to a hearing and any rights they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Consent Order; and

WHEREAS, solely for the purpose of terminating the investigation and in settlement of the issues contained in this Order, without holding a hearing in this matter and without trial or adjudication of any issue of fact or law, and without admitting or denying the Findings of Fact and Conclusions of Law contained herein, Respondents consent to the entry of this Order; and

WHEREAS, the Commissioner has determined that it is in the public interest to issue this Consent Order;

NOW, THEREFORE, THE COMMISSIONER FINDS, CONCLUDES, AND ORDERS:

I. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to section 11-801 of the Securities Act.

II. FINDINGS OF FACT

2. On or about August 8, 2014, GSI was organized as a limited liability company with the state of Delaware, Department of State, Division of Corporations. GSI has 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. GSI has transacted business as GSI Exchange, Gold Silver International Exchange, and True Bullion, LLC.

3. GSI is an independent retailer of precious metals, including, but not limited to, gold and silver bars, rounds, and coins, and during the Relevant Period, solicited senior citizens and other persons in Maryland to purchase precious metals.

4. Anthony Allen Anderson is an individual who is a Senior Partner of GSI.

5. Respondents have not been registered as either a broker-dealer, agent, investment adviser, or investment adviser representative in Maryland.

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

7. GSI advised prospective and current customers in Maryland 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 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.

8. While advising customers in Maryland, GSI did not disclose 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.

9. When communicating with customers, GSI overstated the amount of risk involved with 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 in Maryland as an investment adviser or as investment adviser representatives.

10. Through the above-referenced activity during the Relevant Period, GSI attracted more than 450 clients from 44 states, and their transactions involved more than \$32 million. In Maryland, GSI attracted at least nine clients that invested more than \$400,000.

III. CONCLUSIONS OF LAW

11. During the Relevant Period, Respondent GSI operated as unregistered investment advisers in violation of section 11-401 of the Securities Act.

12. During the Relevant Period, Respondent Anderson operated as an unregistered investment adviser representative in violation of section 11-401 of the Securities Act.

13. During the Relevant Period, Respondent GSI employed unregistered investment adviser representatives in violation of section 11-402 of the Securities Act.

14. During the Relevant Period, Respondents made untrue statements of material fact and omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in violation of section 11-301 of the Securities Act.

IV. SANCTIONS

NOW, THEREFORE, IT IS HEREBY ORDERED, and Respondents expressly consent and agree:

15. Respondents shall permanently cease and desist from violating sections 11-301, 11-401, and 11-402 of the Securities Act.

16. Respondents GSI shall offer Eligible Customers refunds under the following terms consistent with the NASAA Working Group Settlement with Participating States:

- a. GSI will offer Eligible Customers the opportunity to receive a return of their original purchase price in exchange for returning their precious metals to GSI in their original condition. These refunds are consistent with rescission pursuant to section 11-702 of the Securities Act.
- b. Eligible Customers shall be those current GSI customers who were, at the time of purchase, a resident of Maryland who purchased precious metals from GSI prior to July 22, 2021.
- c. Respondent GSI will take reasonable steps to identify a current physical and electronic mail address of all Eligible 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.

- d. Respondent GSI will notify Eligible Customers of the opportunity to elect to receive a refund, separate from any unrelated files or documents, by certified mail addressed to a current physical address and by electronic mail to a current email address. The notice shall take substantially the same form as the notice and form for customer signature set out in Exhibit A, incorporated herein by reference.
- e. Respondent GSI will send the notice to the Eligible Customers of Maryland within 30 calendar days of the signature date of this Order (the “Effective Date”) and will send a second letter approximately 30 calendar days after the first letter is sent.
- f. Respondent GSI will allow Eligible Customers the option to receive a refund by responding to the letter in writing addressed to a designated physical or electronic mail address for Respondent GSI.
- g. Eligible Customers shall have 60 days from the receipt of the initial letter and 30 days from the date of receipt of the second letter (the “Expiration Date”) to elect to receive a refund.
- h. Respondent GSI will pay refunds, as calculated herein, to Eligible Customers within 90 calendar days after the Expiration Date.
- i. Respondent GSI will provide to Maryland, prior to the execution of this Order, the names, email addresses, and physical addresses of Eligible Customers in Maryland, as well as the date metals were purchased, the purchase price of those metals and the current Liquidation Value of the metals of all identified Eligible Customers within Maryland.

- j. Within 30 calendar days of a request by Maryland, Respondent GSI will provide to Maryland (i) copies of any and all written communications with Eligible Customers in Maryland, (ii) a list of Eligible Customers who elected to receive a refund, who elected not to receive a refund, who did not respond, and who could not be reached, and (iii) records reflecting the payment of refunds to Eligible Customers.

17. If Respondents fail to make timely payments as required under this Consent Order, and payments are delinquent for more than sixty (60) days, the Securities Division of the Office of the Attorney General may refer collection of the monies due under this Consent Order to the Central Collections Unit (“CCU”) of the State of Maryland. If a referral is made, any fee assessed by CCU shall be in addition to, and not offset, the balance of the refunds owed.

18. Respondents shall not claim, assert or apply for a tax deduction or tax credit with regard to any state, federal, or local tax for the refunds that Respondents shall pay pursuant to this Order.

19. Respondents shall comply fully with the Securities Act and the regulations promulgated thereunder.

20. Respondents shall cooperate fully and expeditiously with the Division in this Order, and in any current or future investigation related to the subject matter of this Order. As part of such cooperation, Respondents shall comply, to the full extent of their abilities, promptly and truthfully with any inquiries or requests for information including but not limited to, requests for production of documents and authentication of documents, shall provide assistance at any trial, proceeding, or investigation related to the subject matter of this Order, including but not limited to, requests for testimony, depositions, and/or interviews. Should the Division file any additional action(s)

related to the subject matter of this Order, Respondents are directed to appear in the forum in which such action(s) is pending, or in a suitable forum agreed to by the parties, to provide deposition, hearing, and/or trial testimony should such testimony be necessary.

21. Respondents shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, this Order.

V. CONSEQUENCES OF VIOLATING CONSENT ORDER

22. If Respondents fail to comply with any term of this Order, or any representation by Respondents herein is discovered to be materially incorrect or misleading, the Commissioner may institute administrative or judicial proceedings against Respondents to enforce this Order and/or to sanction Respondents for violating an Order of the Commissioner, and may take any other action authorized under the Securities Act or under any other applicable law, including the issuance of fines or penalties as provided by the Securities Act. In any such proceeding, the Division may also seek other sanctions for the violations that initiated this matter. For the purpose of determining those sanctions, the Findings of Fact and Conclusions of Law set forth in this Order shall be deemed admitted, and may be introduced into evidence against Respondents.

23. Respondents agree that for the purposes of exceptions to discharge set forth in Sections 523, 1141(d)(6), and 1192 of the Bankruptcy Code, 11 U.S.C. §§ 523; 1141(d)(6); 1192, the findings in this Consent Order are true and admitted and any debt for disgorgement, prejudgment interest, civil penalty, or any other amounts due by Respondents under this Consent Order or any other judgment, order, consent order, decree, or settlement agreement entered in connection with this proceeding, is a debt for violation of state securities laws, including but not limited to securities fraud, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19), and Section 523(a)(2) of the Bankruptcy Code, 11 U.S.C. §523(a)(2), and

incorporated by reference under Section 1192 of the Bankruptcy Code, 11 U.S.C § 1192. Respondents acknowledge that the refunds to be paid under this Consent Order are not dischargeable in bankruptcy.

VI. MODIFICATION OF CONSENT ORDER

24. The terms of this Consent Order may only be vacated or modified by a subsequent order issued by the Commissioner, by agreement with Respondents, except as to any non-substantive matters.

VII. JURISDICTION RETAINED, CONSTRUCTION, AND DEFAULT

25. Jurisdiction shall be retained by the Commissioner for such further orders and directions as may be necessary or appropriate for the construction or enforcement of this Order.

26. In the event that judicial intervention in this matter is sought by the Commissioner or Respondents, subject matter jurisdiction will lie in the Circuit Court for Baltimore City pursuant to Section 11-702 of the Securities Act. The Circuit Court for Baltimore City will have personal jurisdiction over Respondents pursuant to section 6-103(b) of the Courts and Judicial Proceedings Article, Title 6, Annotated Code of Maryland (2013 Repl. Vol. and 2016 Supp.). Venue will be properly in that Court pursuant to sections 6-201(a) and 6-202(11) of that Article.

27. This 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. "Covered Persons" means Respondent GSI or any of its affiliates and their current or former officers, directors, employees, or other persons that could otherwise be disqualified as a result of the Orders.

28. This Order shall be binding upon Respondent GSI, its parent and affiliates, and their respective successors and assigns with respect to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

29. This Order shall be binding upon Respondent Anderson with respect to the provisions above and all future obligations, responsibilities, undertakings, commitments, limitations, restrictions, events, and conditions.

SO ORDERED:

**Commissioner's Signature on File
w/Original Documents**

Date: September 19, 2024

Melanie Senter Lubin
Securities Commissioner

CONSENTED TO:

True Bullion, LLC d/b/a Gold Silver International Exchange d/b/a GSI Exchange

Anthony Allen Anderson

By: Anthony Allen Anderson

Title:
