



5. Since its organization, Respondents have sold precious metals to at least eight residents in the Commonwealth of Kentucky.
6. Respondents have not been registered in Kentucky as either a broker-dealer, broker-dealer agent, investment adviser, investment adviser representative (“Registration(s)”). Upon fulfilling and maintaining the terms of this Consent Order, the Department does not contend that Respondents will need to register so long as they do not engage in current or future securities activity.
7. This Consent Order (the “Order”) is entered into by True Bullion, LLC and Anthony Allen Anderson (collectively, “Respondents”) and the Department 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 Securities Act of Kentucky (the “Act”), and the regulations promulgated thereunder. Respondents have cooperated in the inquiries and have agreed to resolve the matter with Alabama, Arkansas, Texas, Kentucky and other states (the “Participating States”).
8. The Participating States alleged that GSI violated relevant securities and/or commodities laws in those states. Respondents have claimed a number of defenses and exemptions particular to each of the Participating States’ relevant laws.
9. As part of the resolution of this matter, Respondents have submitted a comprehensive Compliance Plan and proposal to the Participating States, which is 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 the Participating States’ relevant laws. In determining to issue this Consent Order, Kentucky considered Respondents’ agreement to offer rescission and implement the Compliance Plan, and their provision of substantial and timely cooperation to the Participating States.

## STATUTORY AUTHORITY

10. KRS 292.320 states, in pertinent part,
- (1) It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly:
    - (a) To employ any device, scheme, or artifice to defraud;
    - (b) 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; or
    - (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.
  - (2) It is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise:
    - (a) To employ any device, scheme, or artifice to defraud the other person; or
    - (b) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person.
11. KRS 292.330 states,
- (8) It is unlawful for any person to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment adviser or is exempt from registration under subsection (9) of this section.
  - ...
  - (11) It is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this chapter as an investment adviser representative or is exempt from registration under subsection (12) of this section.
12. KRS 292.470 states, in pertinent part,
- Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of this chapter or any rule or order under this chapter, the commissioner may in his or her discretion bring any or all of the following remedies:
- ...
- (3) Issue a final order, after notice and an opportunity for a hearing, containing findings of fact and conclusions of law, directing any person or persons found to have engaged in, or about to be engaged in, activity that constitutes a violation of this chapter or any rule or order under this chapter:

...

(a) To perform any other reasonable mandates directed by the commissioner pursuant to an appropriate remedy fashioned by the commissioner and reasonably calculated to carry out the provisions of this chapter; ...

#### **CONCLUSIONS OF LAW**

13. Pursuant to KRS 292.500(1), the Department has jurisdiction over this matter. Respondents were conducting business in the Commonwealth of Kentucky during the time relevant to this Order and the Department investigated whether Respondent's conduct fell within the Kentucky's securities statutes and regulations.

14. To the extent that Respondents made untrue statements of material fact and/or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, they contravened KRS 292.320.

15. To the extent that Respondents transacted business in Kentucky as an investment adviser and investment adviser representative without being registered pursuant to the statute and neither Respondent qualifying for an appropriate exemption from registration, they contravened KRS 292.330.

16. Implementation of the Compliance Plan, along with the refunds to be offered under this *Consent Order* in lieu of a fine or penalty, will serve as a tool to prevent potential future violations of Kentucky's securities statutes and regulations.

17. The Department finds the following relief is appropriate and in the public interest.

#### **AGREEMENT AND ORDER**

18. To resolve this matter without litigation or other adversarial proceedings, the Department and Respondents agree to compromise and settle all claims arising from the above-referenced factual background in accordance with the terms set forth herein.

19. In the interest of economically and efficiently resolving the violations described herein, it

is hereby **AGREED** and **ORDERED**:

20. Kentucky will not require Respondents to register pursuant to the Securities Act of Kentucky contingent upon Respondents committing no new violations of the Act and Respondents abiding by GSI's representations regarding the current nature of its operations, as set forth in the Compliance Plan submitted to the Participating States.

21. This Order concludes the inquiry by the Department and any other possible related action that could be brought or remedy sought under its securities statutes and regulations as it relates to the substance of the Statement of Facts and Conclusions of Law herein, provided however, that the Department maintains jurisdiction to pursue violations arising by Respondents' failure to comply with the terms and conditions of this Order.

22. Respondents, without admitting or denying the Statement of Facts and Conclusions of Law contained herein, voluntarily consent to the entry of this Order. This Order is entered into solely for the purpose of resolving the investigations and is not intended to be used for any other purpose. Respondents have entered into substantially similar consent orders with other Participating States that were effective September 15, 2023.

23. To the extent the consent orders of other states require substantially the same plan of restitution as this *Consent Order*, but utilize September 15<sup>th</sup> as a key date to implement steps in the agreed upon plan, Respondents agree to take those steps to comply with this Consent Order beginning on December 15, 2023.

24. The Department shall not take other adverse action against Respondents related to the matters and conduct at issue in this Order, provided that the Department may pursue claims arising from Respondents' failure to comply with the terms and conditions of this Order or from conduct not resolved herein, and further may take any action permitted by paragraph 35 of this Order.

25. Respondents shall not violate the Securities Act of Kentucky during any future transactions. Moreover, nothing herein shall be construed as having altered GSI's obligation to comply with all applicable federal states, and local statutes, rules, and regulations.

26. GSI shall offer Eligible Customers refunds under the following terms:

a. Eligible Customers shall be those current GSI customers who were, at the time of purchase, a resident of Kentucky who purchased precious metals from GSI prior to July 22, 2021.

b. GSI will take reasonable steps to identify a current physical and electronic mail address of all Eligible Purchasers 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.

c. GSI will notify Eligible Purchasers 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.

d. Respondent GSI will send the letter to the Eligible Purchasers in Kentucky within thirty (30) calendar days of the Effective Date and will send a second letter approximately thirty (30) calendar days after the first letter is sent.

e. Respondent GSI will allow Eligible Purchasers 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 within sixty (60) calendar days of receipt of the first letter (the

“Expiration Date”).

- f. GSI will pay refunds, as calculated herein, to Eligible Purchasers within 90 calendar days after the Expiration Date.
  - g. GSI will provide to the Department, within thirty (30) days of the execution of this Order, the names, email addresses, and physical addresses of Eligible Purchasers in Kentucky, 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 Purchasers within Kentucky. Within 30 days of a request by the Department, GSI will provide to the Department copies of any and all written communications with Eligible Purchasers in Kentucky, a list of Eligible Purchasers who elected to receive a refund, who elected not to receive a refund, who did not respond, and who could not be reached, and records reflecting the payment of refunds to Eligible Purchasers.
  - h. Respondents, the Department, and their respective personnel shall not influence an Eligible Purchaser to either accept or reject an offer of refund under the terms of this Order, provided that the Department’s advising Eligible Purchasers of the forthcoming notice from GSI and the importance of making an election shall not be considered an effort to influence an Eligible Purchaser within the meaning of this subparagraph.
27. Any GSI customer that GSI was unable to notify may request a refund within six (6) months of the Expiration Date.
28. This 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 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 GSI and its current or former officers, directors, members, managers, employees, or other persons that could otherwise be disqualified as a result of this Order.

29. This Order is not intended to serve as a ground(s) for denial of or renewal of any license or registration to Respondents.

30. This Order is not intended to be deemed or used as (a) an admission of, or evidence of, the validity of any alleged 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.

31. 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.

32. Respondents, through execution of this Order, voluntarily waive the right to a hearing, appeal, and judicial review of this Order under the Securities Act of Kentucky and KRS 13B.

33. If, after this settlement is executed, 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 the Department may take any action permitted under state law, including but not limited to reinstating the actions and investigations referenced in this Consent Order.

34. Respondents enter into this Order voluntarily and represent that no threats, offers, promises, or inducements of any kind have been made by the Participating States or their officers,

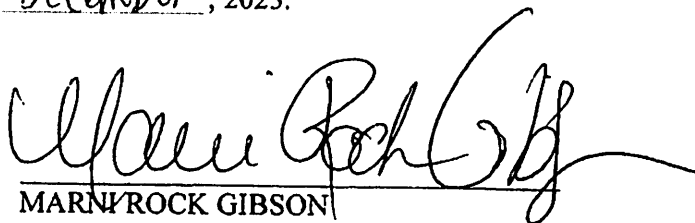


employees, agents, or representatives to induce Respondents to enter into this Order.

35. By signing below, the parties acknowledge they have read the foregoing Consent Order, fully understand its contents, and that they are authorized to enter into and execute this Consent Order and legally bind their respective parties; and

36. This Consent Order shall constitute the Final Order in this matter.

**SO ORDERED** on this the 27<sup>th</sup> day of December, 2023.

  
MARNI ROCK GIBSON  
ACTING COMMISSIONER

**Consented to:**

*On behalf of the Department of Financial Institutions,*

This 21 day of December, 2023

*Chad Harlan*

\_\_\_\_\_  
Director, Division of Securities  
Department of Financial Institutions

**and**

*On behalf of GSI Exchange and Anthony Allen Anderson,*

This 13 day of December, 2023

*AA*

\_\_\_\_\_  
Authorized Representative on behalf of  
GSI Exchange and Anthony Allen Anderson