

**ADMINISTRATIVE PROCEEDING
BEFORE THE
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

IN THE MATTER OF:

**True Bullion, LLC d/b/a Gold Silver
International Exchange d/b/a GSI Exchange;
and Anthony Allen Anderson,**

Respondents.

**CONSENT ORDER
Matter No. 20211397**

I. PRELIMINARY STATEMENT

WHEREAS, pursuant to the authority granted to the Securities Commissioner of South Carolina (the “Securities Commissioner”) under the South Carolina Uniform Securities Act of 2005, S.C. Code Ann. § 35-1-101, *et seq.*, and the regulations and rules promulgated thereunder (collectively, the “Act”), and delegated to the Securities Division of the Office of the Attorney General of the State of South Carolina (the “Division”) by the Securities Commissioner, the Division, in coordination with the States of Alabama, Arkansas, Texas, and other states (collectively, the “Participating States”), conducted an investigation into the securities-related activities of True Bullion, LLC d/b/a Gold Silver International Exchange d/b/a GSI Exchange (“True Bullion, LLC” or “GSI”), and Anthony Allen Anderson (“Anderson”) (collectively, the “Respondents”);

WHEREAS, 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;

WHEREAS, True Bullion, LLC has transacted business as Gold Silver International Exchange and GSI Exchange;

WHEREAS, Anderson is a resident of the State of Florida and is a Senior Partner of GSI;

WHEREAS, three of the Participating States entered Cease and Desist Orders against the Respondents, specifically (i) Alabama on July 21, 2021 (Ala. No. CD-2021-0009); (ii) Texas on July 22, 2021 (Tx. No. ENF-21-CDO-1844); and (iii) Arkansas on February 9, 2022 (Ark. No. S-21-0009) (collectively, the “C&D Orders”);

WHEREAS, the Respondents have cooperated in the inquiries and have agreed to resolve this matter with the Participating States;

WHEREAS, certain Participating States have entered into Consent Orders with the Respondents;

WHEREAS, the Respondents, without admitting or denying the Findings of Fact and Conclusions of Law contained herein, voluntarily consent to the entry of this Consent Order (the “Consent Order”), which is deemed effective upon execution by the Securities Commissioner (the “Effective Date”);

WHEREAS, the Respondents admit the jurisdiction of the Securities Commissioner to enter this Consent Order; and

WHEREAS, The Respondents elect to waive permanently any right to a hearing and appeal under S.C. Code Ann. § 35-1-609 with respect to this Consent Order.

NOW THEREFORE, the Securities Commissioner, as administrator of the Act, hereby enters this Consent Order:

II. JURISDICTION

1. The Securities Commissioner has jurisdiction over this matter pursuant to S.C. Code Ann. § 35-1-601(a).

III. FINDINGS OF FACT

1. On or about August 18, 2014, GSI was organized as a limited liability company with the state of Delaware, Department of State, Division of Corporations.

2. Since its organization, the Respondents have sold precious metals to at least thirteen (13) residents in South Carolina.

3. The Respondents have never been registered with the Division as either a broker-dealer, broker-dealer agent, investment adviser, or investment adviser representative.

4. The C&D Orders allege, in summary, the following:

- a. 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 in the C&D Orders, solicited senior citizens and other persons in the Participating States to purchase precious metals.
- b. GSI advertised to prospective precious-metals customers through its publicly available website, gsiexchange.com, and through cold calls and targeted mail.
- c. GSI advised prospective and current customers in the Participating States to protect their investments by liquidating certain securities holdings and using the proceeds to open self-directed individual retirement accounts (“SDIRAs”) to purchase precious metals from or purchase and take direct possession of precious metals from GSI.
- d. 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.
- e. While advising customers in the Participating States, GSI did not disclose risks inherent in liquidating securities to purchase precious metals, but instead, it 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.

- f. When communicating with customers, GSI (i) overstated the amount of risk involved with continuing to hold securities in traditional investment accounts; (ii) failed to disclose the amount of a mark-up or “spread” that GSI would charge customers; (iii) failed to disclose the risks involved with purchasing GSI’s offerings; and (iv) failed to disclose the fact that GSI and its employees were not registered to transact business in the Participating States as an investment adviser or as investment adviser representatives.
 - g. Through the above-referenced activity, GSI attracted more than 450 clients from 44 states, and their transactions involved more than \$32 million.
5. The Respondents have claimed a number of defenses and exemptions particular to each of the Participating States’ relevant securities laws.
6. As part of the resolution of this matter, the Respondents have submitted a comprehensive compliance plan and proposal (the “Compliance Plan”) to the Participating States, which is designed to ensure that the 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 securities laws. In determining to issue this Consent Order, the Division considered the Respondents’ agreement to offer rescission to customers and implement the Compliance Plan, and their provision of substantial and timely cooperation to the Participating States.

IV. UNDERTAKINGS

1. The Respondents undertake and agree to the implementation of the Compliance Plan outlined below.
2. The Respondents undertake and agree to offer refunds to certain customers (collectively the “Eligible Customers” and individually, an “Eligible Customer”).

3. GSI undertakes and agrees that it shall offer refunds to the Eligible Customers under the following terms:

- a. The Eligible Customers shall be those current GSI customers who were, at the time of purchase, a resident of the State of South Carolina 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 the 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.
- c. GSI will notify the 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 “First Notice”). The First Notice (i) shall reference that GSI was the subject of Cease and Desist Orders and has entered into Consent Orders with certain of the Participating States; (ii) may reference that GSI maintains it has not violated the state securities laws, but has agreed to resolve the matter without admitting or denying the allegations; (iii) shall reference that as part of the settlement, GSI agreed to give all customers who purchased gold or silver from GSI prior to July 22, 2021, the option of (a) returning the metals purchased from GSI, sign a release, and get a full refund of the original price, or (b) maintaining their current account with GSI; (iv) shall provide the Eligible Customers the purchase(s) amounts and dates and the current value of the total holdings; (v) provide a reasonable deadline for the Eligible Customers to respond, which shall be no less than 60 days from the original mailing date of the First Notice; and (vi) provide other instructions as necessary.
- d. GSI will send the First Notice to the Eligible Customers within 30 calendar days of the Effective Date and will send a second notice letter (the “Second Notice”) to the Eligible Customers who do not respond to the First Notice approximately 30 calendar days after the First Notice is mailed.
- e. GSI will allow the Eligible Customers the option to receive a refund by responding to the First Notice or the Second Notice in writing addressed to a designated physical or electronic mail address for GSI. Both the First Notice and the Second Notice will set forth a deadline for the Eligible Customers to respond and elect to receive a refund and return the purchased precious metal (the “Expiration Date”).

- f. GSI will pay refunds, as calculated herein, to the Eligible Purchasers within 90 calendar days after the Expiration Date.
 - g. Prior to the execution of this Consent Order, GSI will provide to the Division the following: (i) the names, email addresses, and physical addresses of the Eligible Customers in the State of South Carolina; (ii) the date precious metals were purchased; (iii) the purchase price of the precious metals; and (iv) the current liquidation value of the precious metals of the Eligible Customers within the State of South Carolina.
 - h. Within 30 days of a request by the Division, GSI will provide to the Division copies of any and all written communications with the Eligible Customers in the State of South Carolina, a list of the 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 records reflecting the payment of refunds to the Eligible Customers.
 - i. The Respondents or any successor, affiliate, control person, agent, servant, and employee of a Respondent shall not influence Eligible Customers to either accept or reject an offer of refund under the terms of this Consent Order.
 - j. The Division agrees that it will only advise Eligible Customers of the forthcoming notices from GSI and the importance of making an election, but it will not advise an Eligible Customer to either accept or reject an offer of refund.
13. GSI undertakes and agrees that any Eligible Customer whom it was unable to notify may request a refund within six months of the Expiration Date.

V. CONCLUSIONS OF LAW

- 1. It is unlawful for a person to transact business in South Carolina as an investment adviser or investment adviser representative unless the person is registered or exempt from registration under S.C. Code Ann. §§ 35-1-401 and 35-1-403.
- 2. To the extent that the Respondents transacted business in South Carolina as an unregistered investment adviser and unregistered investment adviser representative, the Respondents violated the Act.

3. It is unlawful for any person who receives consideration for advising a person as to the value of securities and/or commodities 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, pursuant to S.C. Code Ann. §§ 35-1-501, 35-1-502, and 35-1-505.

4. To the extent the Respondents have engaged in such conduct described above within the State of South Carolina, the Respondents' conduct is in violation of the Act.

5. Under the circumstances, this Consent Order is appropriate and in the public interest.

VI. ORDER

NOW THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, and with the Respondents' consent to the entry of this Consent Order, **IT IS HEREBY ORDERED** that:

- a. Each of the Respondents and every successor, affiliate, control person, agent, servant, and employee of each of the Respondents, and every entity owned, operated, or indirectly or directly controlled by, or on behalf of each of the Respondents, shall **CEASE AND DESIST** from transacting business in this State in violation of the Act;
- b. The Respondents agree to the undertakings detailed in Section IV, above.
- c. Upon execution by the Securities Commissioner, this Consent Order resolves Matter Number 20211397 as to the Respondents; however, the Division maintains jurisdiction to pursue violations arising by any Respondent's failure to comply with the terms and conditions of this Consent Order.

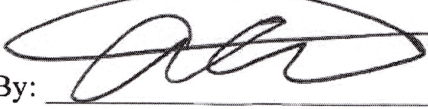
- d. This Consent Order should not be interpreted to waive any (i) private cause of action that may have accrued to investors as a result of activities detailed herein, or (ii) other causes of action that may result from activities of the Respondents not detailed in this Consent Order.
- e. This Consent Order is entered into solely for the purpose of resolving the Division's inquiry and is not intended to be used for any other purpose.
- f. Nothing herein shall be construed as having altered GSI's obligation to comply with all applicable federal, state, and local statutes, rules, and regulations.
- g. 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. "Covered Persons" means GSI and its current or former officers, directors, members, managers, employees, or other persons that could otherwise be disqualified because of this Order.
- h. 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 alleged fault or omission of Respondents in any civil, criminal, arbitration, or administrative proceeding in or before any court, administrative agency, or other tribunal.

- i. This Order is not intended to state or imply willful, reckless, or fraudulent conduct by the Respondents, or their affiliates, directors, officers, employees, associated persons, or agents.
- j. If, after this Order is executed, the Respondents fail to comply with any of the terms set forth herein, or any representation by the Respondents herein is discovered to be materially incorrect or misleading, the Division may take any action permitted under South Carolina law, including but not limited to reinstituting the actions and investigations referenced in this Order.
- k. As part of this Consent Order, the Respondents agree that they: (i) will not take any action or make or permit to be made any public statement denying, directly or indirectly, any allegation in this Consent Order or creating the impression that this Consent Order is without factual basis; and (ii) will not make or permit to be made any public statement to the effect that the Respondents do not admit the allegations of this Consent Order, or that this Consent Order contains no admission of the allegations, without also stating that the Respondents do not deny the allegations. If the Respondents breach any of the terms of this Consent Order, the Securities Commissioner may vacate this Consent Order. Nothing in this paragraph affects the Respondents' testimonial obligations or rights to take differing legal or factual positions in litigation or other legal proceedings.

ENTERED, this the 6 day of June, 2024.

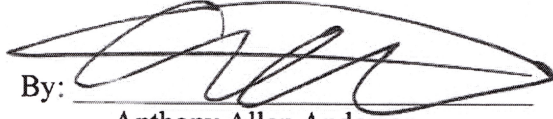
By: Alan Wilson
ALAN WILSON
Securities Commissioner
State of South Carolina

Respondent True Bullion, LLC d/b/a Gold Silver International Exchange d/b/a GSI Exchange consents to the terms of the above Consent Order:

By: 
Anthony Allen Anderson

Date: 5/23/24

Respondent Anthony Allen Anderson consents to the terms of the above Consent Order:

By: 
Anthony Allen Anderson

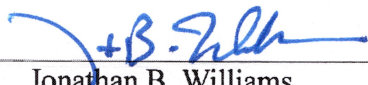
Date: 5/23/24

Reviewed by Counsel for the Respondents and approved as to the form by:

By: /s/ Charles M. Fleischmann
Charles Fleischmann

Date: 5/23/24

The Securities Division of the Office of the Attorney General consents to the terms of the above Consent Order

By: 
Jonathan B. Williams
Assistant Deputy Attorney General

Date: 6/4/2024