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Mail: P.O. BOX 13167  
AUSTIN, TEXAS 78711-3167

### Texas State Securities Board

ROBERT BELT  
MEMBER

MELISSA TYROCH  
MEMBER

Phone: (512) 305-8300  
Facsimile: (512) 305-8310

208 E. 10th Street, 5th Floor  
Austin, Texas 78701-2407  
www.ssb.texas.gov

EJIKE E OKPA II  
MEMBER

IN THE MATTER OF §  
TRUE BULLION LLC DBA GOLD SILVER §  
INTERNATIONAL EXCHANGE DBA GSI EXCHANGE §  
LLC AND ANTHONY ALLEN ANDERSON §

Order No. ENF-21-CDO-1844

#### True Bullion LLC dba Gold Silver International Exchange dba GSI Exchange LLC

Service by certified mail, return receipt requested, addressed to (1) 4440 PGA Boulevard, #600, Palm Beach Gardens, Florida 33410; (2) 26635 West Agoura Road, #220, Calabasas, California 91302; (3) 3838 Oak Lawn Avenue, Dallas, Texas 75219; (4) its Registered Agent for Service of Process in Delaware, Harvard Business Services, Incorporated, 16192 Coastal Highway, Lewes, Delaware 19958; (5) its Registered Agent for Service of Process in California, Anthony Allen Anderson, 26635 West Agoura Road, #220, Calabasas, California 91302; and (6) its Registered Agent for Service of Process in Florida, Anthony Allen Anderson, 4440 PGA Boulevard, #600, Palm Beach Gardens, Florida 33410.

#### Anthony Allen Anderson

Service by certified mail, return receipt requested, addressed to (1) 4440 PGA Boulevard, #600, Palm Beach Gardens, Florida 33410; (2) 26635 West Agoura Road, #220, Calabasas, California 91302; and (3) 3838 Oak Lawn Avenue, Dallas, Texas 75219.

This is your OFFICIAL NOTICE of the issuance by the Securities Commissioner of the State of Texas ("Securities Commissioner") of an EMERGENCY CEASE AND DESIST ORDER pursuant to Section 23-2 of The Securities Act, Tex. Rev. Civ. Stat. Ann. arts. 581-1-581-45 (the "Securities Act").

The Enforcement Division of the Texas State Securities Board (the "Enforcement Division") has presented evidence sufficient for the Securities Commissioner to find:

#### FINDINGS OF FACT

1. True Bullion LLC dba Gold Silver International Exchange dba GSI Exchange LLC ("Respondent GSI Exchange") may be served by certified mail, return receipt requested, addressed (1) 4440 PGA Boulevard, #600, Palm Beach Gardens, Florida 33410; (2) 26635 West Agoura Road, #220, Calabasas, California 91302; (3) 3838 Oak Lawn Avenue, Dallas, Texas 75219; (4) its Registered Agent for Service of Process in Delaware, Harvard Business Services, Incorporated, 16192 Coastal Highway, Lewes, Delaware 19958; 5) its Registered Agent for Service of Process in California, Anthony Allen Anderson, 26635 West Agoura Road, #220, Calabasas, California 91302; and (6) its Registered Agent for Service of Process

in Florida, Anthony Allen Anderson, 4440 PGA Boulevard, #600, Palm Beach Gardens, Florida 33410.

2. Anthony Allen Anderson ("**Respondent Anderson**") is the Owner, Chief Executive Officer, Manager, Senior Partner and sole employee of Respondent GSI Exchange, as well as the Agent for Service of Process in California and Florida. He may be served by certified mail, return receipt requested, addressed to (1) 4440 PGA Boulevard, #600, Palm Beach Gardens, Florida 33410; (2) 26635 West Agoura Road, #220, Calabasas, California 91302; and (3) 3838 Oak Lawn Avenue, Dallas, Texas 75219.

### SUMMARY

3. Respondents GSI Exchange and Anderson are engaging in an illegal nationwide advisory scheme involving more than 450 investors and more than \$32 million of investor funds.
4. As part of the illegal nationwide advisory scheme, Respondents GSI and Anderson are advising investors to liquidate securities and use the proceeds to purchase precious metals.
5. Respondents are gouging investors, charging a fraudulent spread of as much as 30 percent or more on the front-end of the transactions.
6. As a result, trust records reflect investors have lost as much as 39% of their principal investment.
7. The Securities Commissioner is entering this emergency cease and desist order to protect the public from immediate and irreparable harm.

### RESPONDENT GSI EXCHANGE

8. On or about August 18, 2014, Respondent GSI Exchange organized as a limited liability company with the State of Delaware, Department of State, Division of Corporations.
9. On or about September 5, 2014, Respondent GSI Exchange filed an Application to Register a Foreign or Domestic Limited Liability Company with the California Secretary of State.
10. On or about March 5, 2018, Respondent GSI Exchange represented to the California Secretary of State that it was a "Coin Stamp Retailer."
11. The California Franchise Tax Board forfeited Respondent GSI Exchange for failure to meet tax requirements. Respondent GSI Exchange is no longer authorized to do business as a domestic or foreign limited liability company with the California Secretary of State.

12. On or about August 14, 2019, Respondent GSI Exchange announced it was opening its first regional office in Dallas, Texas.
13. Respondent GSI Exchange did not file or organize as a domestic or foreign limited liability company with the Texas Secretary of State. Respondent GSI Exchange is not authorized to do business as a domestic or foreign limited liability company with the Texas Secretary of State.

#### THE ILLEGAL ADVISORY SCHEME

14. Respondents are soliciting senior citizens and other persons residing in Texas and throughout the country.
15. Respondents are encouraging these potential investors to provide personal information, including financial information describing securities purchased from dealers and/or managed by investment advisers.
16. Respondents are representing these securities are not safe investments and maintaining ownership of these securities subjects the investors to significant risks of loss.
17. Respondents are then encouraging potential investors to protect their investments by liquidating their securities and using the proceeds to purchase precious metals through self-directed individual retirement accounts at STRATA Trust Company ("**STRATA Trust**").
18. They are claiming the investments in precious metals are reliable investments that will protect wealth regardless of market fluctuations, inflation, and the devaluation of the dollar.
19. As part of the scheme, Respondents are assisting potential investors in liquidating their securities and transferring funds for the purchase of precious metals. The assistance includes, but is not limited to, contacting dealers and investment advisers, and directing the liquidation of holdings and the sale of securities.
20. Respondents have already attracted more than 450 clients from 44 states, and their transactions involve more than \$32 million.

#### INVESTOR EXAMPLE: RH

21. On or about July 20, 2020, an investor identified by his or her initials as R.H. purchased 413 gold coins from Respondent GSI Exchange for approximately \$647.20 per gold coin.
22. On or about the same day, Respondent GSI Exchange purchased the 413 gold coins from a coin wholesaler for approximately \$503.00 per gold coin, a difference of around 25% of the amount paid per gold coin by the investor.

23. STRATA Trust records reflect the market value of the gold coins was only \$473.03 per coin on December 31, 2020, a difference of around 27% of the amount paid per gold coin by the investor.

#### INVESTOR EXAMPLE: W.C. PART I

24. On or about July 23, 2020, an investor identified by his or her initials as W.C. purchased 186 gold coins from Respondent GSI Exchange for approximately \$704.05 per coin.
25. On or about the same day, Respondent GSI Exchange purchased the 186 gold coins from a coin wholesaler for approximately \$521.50 per gold coin, a difference of around 25% of the amount paid per gold coin by the investor.
26. STRATA Trust records reflect the market value of the coins was only \$473.03 per gold coin on December 31, 2020, a difference of around 33% of the amount paid per gold coin by the investor.

#### INVESTOR EXAMPLE: W.C. PART II

27. On or about July 23, 2020, W.C. also purchased 100 gold coins from Respondent GSI Exchange for approximately \$707.21 per gold coin.
28. On or about the same day, Respondent GSI Exchange also purchased the 100 gold coins from a coin wholesaler for approximately \$516.90 per gold coin, a difference of around 25% of the amount paid per gold coin by the investor.
29. STRATA Trust records reflect the market value of the gold coins was only \$473.03 per coin on December 31, 2020, a difference of around 33% of the amount paid per gold coin by the investor.

#### INVESTOR EXAMPLE: W.C. PART III

30. On or about July 23, 2020, W.C. purchased 979 silver coins from Respondent GSI Exchange for approximately \$52.08 per silver coin.
31. On or about the same day, Respondent GSI Exchange purchased the 979 silver coins from a coin wholesaler for approximately \$37.54 per silver coin, a difference of around 25% of the amount paid per silver coin by the investor.
32. STRATA Trust records reflect the market value of the silver coins was only \$39.48 per coin on December 31, 2020, a difference of around 25% of the amount paid per silver coin by the investor.

### INVESTOR EXAMPLE: B.R. PART I

33. On or about March 4, 2020, an investor identified by his or her initials as B.R. purchased 250 gold coins from Respondent GSI Exchange for approximately \$612.12 per gold coin.
34. On or about the same day, Respondent GSI Exchange purchased the 250 gold coins from a coin wholesaler for approximately \$452.88 per, a difference of around 25% of the amount paid per gold coin by the investor.
35. On or about July 19, 2020, B.R. passed away. At the time of B.R.'s death, STRATA Trust records reflect the market value of the gold coins was only \$448.38 per gold coin, a difference of around 27% of the amount paid per gold coin by the investor.

### INVESTOR EXAMPLE: B.R. PART II

36. On or about March 4, 2020, B.R. also purchased 3,847 silver coins from Respondent GSI Exchange for approximately \$39.50 per silver coin.
37. On or about the same day, Respondent GSI Exchange purchased the 3,847 silver coins from a coin wholesaler for approximately \$29.48 per, a difference of around 25% of the amount paid per silver coin by the investor.
38. At the time of B.R.'s death, STRATA Trust records reflect the market value of the silver coins was only \$27.82 per silver coin, a difference of around 30% of the amount paid per silver coin by the investor.

### THE WAIVERS

39. Respondents are requiring investors to represent and warrant they possess the necessary knowledge, experience and financial resources to choose to purchase coins or other metals from Respondent GSI Exchange without reliance on any statement or information from Respondent GSI Exchange.
40. Respondents are also requiring investors to waive express and implied warranties and limit legal recourse for the potential investors.

### THE WARNING AND INITIAL REQUEST TO CEASE AND DESIST

41. In February 2021, the Enforcement Division informed Respondents that Respondents may be acting as investment advisers and/or investment adviser representatives.
42. The Enforcement Division also informed Respondents they may be violating Sections 12 and 12-1, relating to the registration and notice-filing requirements of the Securities Act.

43. The Enforcement Division therefore requested Respondents immediately cease and desist from engaging in any acts or practices that may violate Sections 12 and 12-1 of the Securities Act.
44. Respondents failed to agree to cease and desist from engaging in the acts or practices that may violate Sections 12 and 12-1 of the Securities Act and continued to perpetrate the advisory scheme set forth herein.

### THE SUBPOENA

45. In February 2021, the Texas Securities Commissioner issued a subpoena that was served on Respondent GSI Exchange.
46. The subpoena demanded the production of records and indicated it was issued as part of an investigation to detect and prevent violations of the Securities Act.
47. After being served with the subpoena, Respondents GSI Exchange and Anderson continued to perpetrate the advisory scheme set forth herein.

### THE CONCEALMENT AND OBSTRUCTION OF THE INVESTIGATION

48. After Respondents GSI Exchange and Anderson received the initial request to cease and desist and the subpoena, the Enforcement Division began contacting investors.
49. At the time, Respondents GSI Exchange and Anderson did not tell investors it was subpoenaed as part of an investigation to detect and prevent violations of the Securities Act, and it did not disclose its correspondence with the Enforcement Division.
50. Instead, Respondents GSI Exchange and Anderson falsely claimed the Enforcement Division was contacting investors for wholly unrelated reasons.
51. They explained the Enforcement Division was contacting them because “of a Gold and Silver supply-chain breakdown that hit many dealers that have not delivered metals to clients in the allotted 30-day period” and that the “Texas State Securities Board is just checking to make sure all clients’ orders are filled.”
52. They also encouraged investors to “respond with a simple **‘I’m pleased with GSI’**” to Joe Rotunda, the Director of the Enforcement Division.
53. Respondents GSI Exchange and Anderson continued to solicit these clients, telling them “Gold and Silver are in short supply, and we should all load up now before they become unobtainable!”

## REGISTRATION VIOLATIONS

54. Respondent GSI Exchange is acting as an investment adviser because Respondent GSI Exchange is a person who, for compensation, is engaging in the business of advising another, either directly or through publications or writings, with respect to the value of securities or to the advisability of investing in, purchasing, or selling securities.
55. Respondent GSI Exchange has not been registered or notice-filed as an investment adviser with the Securities Commissioner pursuant to Sections 12 and 12-1 of the Securities Act at any time material hereto.
56. Respondent Anderson is acting as an investment adviser representative because he is a person who, for compensation, is employed, appointed, or authorized by Respondent GSI Exchange to solicit clients for Respondent GSI Exchange and he, on behalf of Respondent GSI Exchange, is providing investment advice to Respondent GSI Exchange's clients.
57. Respondent Anderson has not been registered or notice-filed as an investment adviser representative with the Securities Commissioner pursuant to Section 12 and 12-1 or the Securities Act at any time material hereto.

## FRAUD AND DECEIT AND THE SPREAD

58. Respondents GSI Exchange and Anderson are or are about to, in connection with the rendering of investment advice, intentionally fail to disclose the magnitude of the difference between the purchase price charged by Respondent GSI Exchange and the purchase price charged by its coin wholesaler.
59. The scheme described herein also constitutes a device or other artifice to obtain an underwriting or promotion fee or profit, selling or managing commission or profit, so gross or exorbitant as to be unconscionable.

## FRAUD AND BUSINESS REPUTE, QUALIFICATIONS, AND SUCCESS

60. Respondents GSI Exchange and Anderson are and/or are about to, in connection with the rendering of investment advice, intentionally fail to disclose the following material facts about their experience with financial services and products:
  - A. Their business repute, qualifications and experience in advising another, either directly or through publications or writings, with respect to the value of securities or to the advisability of investing in, purchasing, or selling securities;
  - B. Their business repute, qualifications and experience in forecasting economic conditions, such as the likelihood of recessions and the possibility of inflation, as well as predicting the exchange rate of the dollar;

- C. Their business repute, qualifications and experience in determining the impact on the value of securities resulting from changes in economic conditions, recessions, inflation, and changes in the exchange rate of the dollar;
- D. Their business repute, qualifications and experience in determining whether securities and other investments constitute suitable products; and
- E. Their success in generating profits for clients after they liquidate securities and then purchase precious metals.

#### FRAUD AND DECEIT AND THE WAIVERS

- 61. Respondents GSI Exchange and Anderson are advising and/or are about to advise potential investors to invest in precious metals without regard to their age, occupation, experience or background. As such, Respondents GSI Exchange and Anderson are and/or are about to, in connection with the rendering of investment advice, misrepresent relevant facts because they are also requiring potential investors to represent and warrant they possess the necessary knowledge, experience and financial resources to choose to purchase precious metals from Respondent GSI Exchange without reliance on any statement of information from Respondent GSI Exchange.
- 62. Respondent GSI Exchange and Anderson are requiring and/or are about to require investors to waive express and implied warranties and to agree to limit their legal recourse. These statements are materially misleading or otherwise likely to deceive the public because Section 33.L of the Securities Act provides that a condition, stipulation, or provision binding a purchaser of services rendered by an investment adviser or investment adviser representative to waive compliance with a provision of the Securities Act or a rule or requirement under the Securities Act, including provisions relating to civil liability of the rendering of unregistered investment advisory services, is void.

#### FRAUD AND THE CONCEALMENT AND OBSTRUCTION OF THE STATE INVESTIGATION

- 63. Respondents GSI Exchange and Anderson are and/or are about to, in connection with the rendering of investment advice, intentionally fail to disclose the following material facts:
  - A. The Enforcement Division requested Respondents GSI Exchange and Anderson immediately cease and desist from engaging in any acts or practices that may violate Sections 12 and 12-1 of the Securities Act,
  - B. That Respondents GSI Exchange and Anderson failed to agree to cease and desist from engaging in the acts or practices that may violate Sections 12 and 12-1 of the Securities Act and continued to perpetrate the advisory scheme set forth herein.



64. Respondents GSI Exchange and Anderson are and/or are about to, in connection with the rendering of investment advice, intentionally fail to disclose the following material facts:
- A. The Texas Securities Commissioner issued a subpoena that was served on Respondent GSI Exchange;
  - B. The subpoena demanded the production of records and indicated it was issued as part of an investigation to detect and prevent violations of the Securities Act; and
  - C. Respondents GSI Exchange and Anderson continued to perpetrate the advisor scheme set forth herein.
65. Respondents GSI Exchange and Anderson are and/or are about to, in connection with the rendering of investment advice, intentionally fail to disclose the following material facts:
- A. Respondents GSI Exchange and Anderson misrepresented to investors the Enforcement Division was contacting the investors because “of a Gold and Silver supply-chain breakdown that hit many dealers that have not delivered metals to clients in the allotted 30-day period” and that the “Texas State Securities Board is just checking to make sure all clients’ orders are filled;” and
  - B. Respondents GSI Exchange and Anderson knew the Enforcement Division was investigating to detect and prevent violations of the Securities Act.

### **CONCLUSIONS OF LAW**

1. Respondent GSI Exchange is acting as an investment adviser as that term is defined in Section 4.N of the Securities Act.
2. Respondent GSI Exchange is violating Sections 12 and/or 12-1 of the Securities Act by rendering services as an investment adviser in Texas without being registered or notice-filed as an investment adviser.
3. Respondent Anderson is acting as an investment adviser representative as that term is defined in Section 4.P of the Securities Act.
4. Respondent Anderson is violating Section 12 and/or 12-1 of the Securities Act by rendering services as an investment adviser representative in Texas without being registered or notice-filed as an investment adviser representative.
5. Respondents GSI Exchange and Anderson are engaging or are about to engage in fraud in connection with the rendering of investment advice.
6. Respondents have made an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

7. Respondents GSI Exchange and Anderson are engaging in conduct, acts and practices that threaten immediate and irreparable public harm.
8. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 23-2 of the Securities Act.

### **ORDER**

1. It is therefore ORDERED that Respondent GSI Exchange immediately CEASE AND DESIST from acting as an investment adviser in Texas until it is registered or notice-filed with the Securities Commissioner pursuant to Sections 12 and/or 12-1 of the Securities Act or it is acting pursuant to an exemption under the Securities Act.
2. It is further ORDERED that Respondent Anderson immediately CEASE AND DESIST from acting as an investment adviser representative in Texas until he is registered or notice-filed with the Securities Commissioner pursuant to Sections 12 and/or 12-1 of the Securities Act or he is acting pursuant to an exemption under the Securities Act.
3. It is further ORDERED that Respondents GSI Exchange and Anderson immediately CEASE AND DESIST from making an offer containing a statement that is materially misleading or otherwise likely to deceive the public.
4. It is further ORDERED that Respondents GSI Exchange, and Anderson immediately CEASE AND DESIST from engaging in any fraud in connection with the rendering of investment advice in Texas.

### **NOTICE**

Pursuant to Section 23-2 of the Securities Act, you may request a hearing before the 31st day after the date you were served with this Order. The request for a hearing must be in writing, directed to the Securities Commissioner, and state the grounds for the request to set aside or modify the Order. Failure to request a hearing will result in the Order becoming final and non-appealable.

You are advised under Section 29.D of the Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 23-2 of the Texas Securities Act is a criminal offense punishable by a fine of not more than \$10,000, or imprisonment in the penitentiary for two to ten years, or by both such fine and imprisonment.

SIGNED AND ENTERED by the Securities Commissioner this 22<sup>nd</sup> day of July, 2021.



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TRAVIS J. ILES  
Securities Commissioner