

ATTORNEY GENERAL OF THE STATE OF NEW YORK
INVESTOR PROTECTION BUREAU

In the Matter of

Assurance No. 20-041

**Inquiry by LETITIA JAMES,
Attorney General of the State of New York, of**

Gold Bullion International, LLC and GoldSilver, LLC,

Respondents.

ASSURANCE OF DISCONTINUANCE

The Office of the Attorney General of the State of New York (“OAG”) commenced an inquiry into certain unregistered commodity broker-dealer activity of Gold Bullion International, LLC and GoldSilver, LLC (“Respondents”). This Assurance of Discontinuance (“Assurance”) contains the findings of the OAG’s inquiry and the relief agreed to by the OAG and Respondents (collectively, the “Parties”).

OAG’s FINDINGS

1. Gold Bullion International, LLC (“GBI”) and GoldSilver, LLC (“GS”) are New York limited liability companies. At all relevant times, GS and GBI occupied offices at 750 3rd Avenue, Suite 702, New York, NY, 10017.
2. GBI registered with OAG as a commodity broker-dealer on February 9, 2017 and subsequently renewed its registration. GBI’s registration expired without renewal on February 9, 2019.

3. GS registered with OAG as a commodity broker-dealer on April 14, 2017 and subsequently renewed its registration. GS' registration expired without renewal on April 14, 2019.

4. GBI and GS submitted new commodity broker-dealer registration applications on or about June 12, 2019.

5. Upon inquiry by OAG, Respondents voluntarily reported that between February 10, 2019 and June 12, 2019 for GBI and between April 15, 2019 and June 12, 2019 for GS (collectively the "Time Period") they bought and sold commodities on behalf of others.

6. OAG finds that Respondents' conduct during the Time Period constituted commodity broker-dealer activity within the meaning of General Business Law ("GBL") Section 359-e(14)(a)(iii).

7. GBL § 359-e(14) along with New York Codes, Rules and Regulations, Title 13, Part 13 ("13 NYCRR 13") require that commodity broker-dealers file and timely renew registration statements.

8. OAG finds that Respondents violated the registration requirements of GBL § 359-e(14) and 13 NYCRR 13 during the Time Period.

9. Respondents admit the OAG's Findings, paragraphs (1)-(5) above. Respondents neither admit nor deny OAG's Findings, paragraphs (6)-(8) above.

10. The OAG finds the relief and agreements contained in this Assurance appropriate and in the public interest. THEREFORE, the OAG is willing to accept this Assurance pursuant to Executive Law § 63(15), in lieu of commencing a statutory proceeding for violations of GBL § 359-e(14) and 13 NYCRR 13 based on the conduct described above during the Time Period.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Parties:

RELIEF

11. General Injunction: Respondents shall not engage, or attempt to engage, in conduct in violation of any New York State commodity broker-dealer registration laws, rules or regulations, including but not limited to GBL § 359-e(14) and 13 NYCRR 13, and expressly agrees and acknowledges that any such conduct would be a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 10, *supra*, in addition to any other appropriate investigation, action, or proceeding.

12. Programmatic Relief:

- a. Respondents shall implement written policies and procedures that will ensure timely registration with New York State.
- b. Acceptance of this Assurance by the OAG is not an approval or endorsement by OAG of any of Respondents' policies, practices or procedures, and the Respondents shall make no representation to the contrary.
- c. Respondents expressly agree and acknowledge that a default in the performance of any obligation under this paragraph is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 10, *supra*, in addition to any other appropriate investigation, action, or proceeding, and that evidence that the Assurance has been violated shall constitute prima facie proof of the statutory violations described in paragraph 8 above, pursuant to Executive Law § 63(15).

13. Monetary Relief Amount: Respondents shall pay to the State of New York one hundred thousand dollars (\$100,000) (the “Monetary Relief Amount”). Payment of the Monetary Relief Amount shall be made in full within 30 days of the execution of this Assurance by the Parties. The Payment shall be made by wire transfer payable to the “State of New York” pursuant to wire instructions provided by OAG and shall reference Assurance No. 20-041.

MISCELLANEOUS

Subsequent Proceedings:

14. Respondents expressly agree and acknowledge that the OAG may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance, for violations of the Assurance, or if the Assurance is voided pursuant to paragraph 22, and agree and acknowledge that in such event:

- a. any statute of limitations or other time-related defenses are tolled from and after the effective date of this Assurance;
- b. the OAG may use statements, documents or other materials produced or provided by the Respondents prior to or after the effective date of this Assurance, except statements, documents or other materials produced or provided for settlement purposes and marked accordingly;
- c. any civil action or proceeding must be adjudicated by the courts of the State of New York, and Respondents irrevocably and unconditionally waive any objection based upon personal jurisdiction, inconvenient forum, or venue;
- d. evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the statutory violations described in paragraph 8 above, pursuant to Executive Law § 63(15).

15. If a court of competent jurisdiction determines that the Respondents have violated the Assurance, the Respondents shall pay to the OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

Effects of Assurance:

16. This Assurance is not intended for use by any third party in any other proceeding.

17. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of the Respondents. Respondents shall include in any such successor, assignment or transfer agreement a provision that binds the successor, assignee or transferee to the terms of the Assurance. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the OAG.

18. Nothing contained herein shall be construed as to deprive any person of any private right under the law.

19. Nothing in this Assurance is intended to form the basis for any disqualification from registration as a commodity broker-dealer, broker-dealer, investment adviser, or issuer under the laws, rules or regulations of the State of New York; the laws of any other state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands; the rules or regulations of any commodities or securities regulator or self-regulatory organization; or under the federal commodities or securities laws.

20. Any failure by the OAG to insist upon the strict performance by Respondents of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions hereof, and the OAG, notwithstanding that failure, shall have the right thereafter to insist upon

the strict performance of any and all of the provisions of this Assurance to be performed by the Respondents.

Communications:

21. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 20-041, and shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery; express courier; or electronic mail at an address designated in writing by the recipient, followed by postage prepaid mail, and shall be addressed as follows:

If to the Respondents, to:

Michael Loew
General Counsel and Chief Compliance Officer
Gold Bullion International, LLC
750 3rd Avenue, Suite 702
New York, NY, 10017

, or in his absence, to the person holding the title of

General Counsel and/or Chief Compliance Officer

If to the OAG, to:

Kenneth J. Haim
Registration Section Director
Assistant Attorney General
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, NY 10005

, or in his absence, to the person holding the title of

Chief, Investor Protection Bureau.

Representations and Warranties:

22. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to the OAG by the Respondents and their counsel and the OAG's own factual inquiry as set forth paragraphs (1)-(8) above. The Respondents represent and warrant that neither they nor their counsel have made any material representations to the OAG that are inaccurate or misleading. If any material representations by Respondents or their counsel are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.

23. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by the Respondents in agreeing to this Assurance.

24. The Respondents represent and warrant, through the signatures below, that the terms and conditions of this Assurance are duly approved. GBI further represents and warrants that GBI, by Marc C. Scher, as the signatory to this Assurance, is a duly authorized officer acting at the direction of the Board of Managers of GBI. GS further represents and warrants that GS, by Marc. C. Scher, as the signatory to this Assurance, is a duly authorized officer acting at the direction of the sole member of GS.

General Principles:

25. Unless a term limit for compliance is otherwise specified within this Assurance, the Respondents' obligations under this Assurance are enduring. Nothing in this Assurance shall relieve Respondents of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

26. Respondents agree not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in the Assurance or creating the impression that the Assurance is without legal or factual basis.

27. Nothing contained herein shall be construed to limit the remedies available to the OAG in the event that the Respondents, or either of them, violate the Assurance after its effective date.

28. This Assurance may not be amended except by an instrument in writing signed on behalf of the Parties.

29. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held to be invalid, illegal, or unenforceable in any respect, in the sole discretion of the OAG, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

30. Respondents acknowledge that they have entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.

31. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

32. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

33. This Assurance may be executed in multiple counterparts by the parties hereto. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are not signatories to the original or the same counterpart. Each counterpart shall be deemed an original to this Assurance, all of which shall constitute one agreement to be valid as of the effective date of this Assurance. For purposes of this Assurance,

copies of signatures shall be treated the same as originals. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Assurance and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

34. The effective date of this Assurance shall be May 29, 2020.

LETITIA JAMES
Attorney General of the State of New York
28 Liberty Street
New York, NY 10005

By: *Kenneth J. Haim*
Kenneth J. Haim, Esq.
Registration Section Director
Assistant Attorney General
Investor Protection Bureau

Date: July 2, 2020

GOLD BULLION INTERNATIONAL, LLC

By: Marc C Scher
Marc C. Scher
President

STATE OF New York)
COUNTY OF Suffolk) ss.:

On the 2nd day of July in the year 2020 before me personally came Marc C. Scher to me known, who, being by me duly sworn, did depose and say that he resides in New York, New York; that he is the President of Gold Bullion International, LLC, the corporation described in and which executed the above instrument; that he know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the board of managers of said corporation, and that he signed his name thereto by like authority

Sworn to before me this
2nd day of July, 2020

Michael Loew (Westchester County)
NOTARY PUBLIC



GOLDSILVER, LLC

By: Marc C Scher
Marc C. Scher
President

STATE OF New York)
COUNTY OF Suffolk) ss.:

On the 2nd day of July in the year 2020 before me personally came Marc C. Scher to me known, who, being by me duly sworn, did depose and say that he resides in New York, New York; that he is the President of GoldSilver, LLC, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the sole member of said corporation, and that he signed his names thereto by like authority.

Sworn to before me this 2nd day of July, 2020

Michael Loew (Westchester County)
NOTARY PUBLIC

MICHAEL LOEW
Notary Public - State of New York
NO. 02106217352
Qualified in New York County
My Commission Expires 2/1/2022

