

ACCEPTED
312-25-16274
4/4/2025 1:04:06 pm
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Kevin Garza, CLERK

FILED
312-25-16274
4/4/2025 12:57 PM
STATE OFFICE OF
ADMINISTRATIVE HEARINGS
Kevin Garza, CLERK

TRAVIS J. ILES
SECURITIES COMMISSIONER



E. WALLY KINNEY
CHAIR

CRISTI RAMÓN OCHOA
DEPUTY SECURITIES COMMISSIONER

ROBERT BELT
MEMBER

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

Texas State Securities Board

MELISSA TYROCH
MEMBER

EJIKE E. OKPA II
MEMBER

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

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

DAVID B. MONTGOMERY
MEMBER

SOAH DOCKET NO. 312-25-16274

TEXAS STATE SECURITIES BOARD,	§	BEFORE THE
Petitioner,	§	
	§	
v.	§	
	§	
THE APERTUM FOUNDATION AND JOSIP HEIT	§	
	§	
	§	
Respondents.	§	
	§	
		ADMINISTRATIVE HEARINGS

NOTICE OF HEARING

This is your OFFICIAL NOTICE that a hearing will be held before an Administrative Law Judge (an “ALJ”) at the State Office of Administrative Hearings (“SOAH”) beginning at 09:00 AM (CT) each day on April 8-9, 2025, and, if a third day is needed, April 11, 2025. The Enforcement Division is setting this contested case to determine whether to issue a proposal for decision that affirms, modifies, or sets aside Emergency Cease and Desist Order No. ENF-25-CDO-1889 (“Order 1889”).

The hearing will be held pursuant to Section 4007.104 of The Securities Act, Tex. Gov’t Code Ann. §§ 4001.001-4008.105 (the “Securities Act”), the Rules and Regulations of the State Securities Board, 7 Tex. Admin. Code §§ 101.1-139.27 (2023) (Tex. State Sec. Bd.) (the “Board Rules”), the Administrative Procedure Act, Tex. Gov’t Code Ann. §§ 2001.001-2001.903 (the “Administrative Procedure Act”), and the Rules of Practice and Procedure of the State Office of Administrative Hearings, 1 Tex. Admin. Code Chapter 155 (2023) (State Ofc. of Admin. Hearings) (the “SOAH Rules”).

BACKGROUND

- On November 16, 2023, the Texas State Securities Board entered Emergency Cease and Desist Order ENF-23-CDO-1879 (“Order 1879”) against Josip Heit, Dirc Zahlmann, Bruce Innes Wylde Hughes and other parties allegedly affiliated therewith. This enforcement action accused them of violating the Securities Act, engaging in fraud in connection with the offer of securities in Texas and threatening immediate and irreparable public harm.

2. Order 1879 is final as it relates to Dirc Zahlmann and Bruce Innes Wylde Hughes. Josip Heit and various corporate respondents to Order 1879 challenged the enforcement action, and a hearing date before an ALJ at SOAH is scheduled to convene via Zoom videoconference on August 11-14, 2025.¹
3. In September 2024, the Texas State Securities Board negotiated a settlement of the challenge to Order 1879 filed by Josip Heit, GSB Gold Standard Corporation AG and various parties allegedly affiliated. The settlement was memorialized in a term sheet, and it required Josip Heit and the other respondents, in part, to refund deposits less withdrawals to clients residing in Texas.
4. In November 2024, not long after the execution of the term sheet, Josip Heit, Dirc Zahlmann and Bruce Innes Wylde Hughes announced they were moving forward with the launch of the Apertum blockchain. They also announced plans to migrate GS Partners, a respondent named in the Order 1879 and an issuer of the securities described therein, and other platforms to the Apertum blockchain to avoid regulation and enforcement actions by the Texas State Securities Board and other regulators from the United States.
5. In February 2025, Josip Heit, Dirc Zahlmann and Bruce Innes Wylde Hughes launched the Apertum blockchain and thereafter began offering investments tied to the Apertum blockchain to investors residing outside of the United States and Canada. They also deployed a Apertum token, represented as APTM, the native token for the Apertum blockchain.
6. In March 2025, respondents launched APTM on the cryptocurrency exchange P2B, and residents of the United States can purchase APTM. Following this launch, respondents announced plans to list APTM on a second cryptocurrency exchange in March 2025, as well as an additional 13 cryptocurrency exchanges by the end of 2025.
7. The Texas State Securities Board filed its enforcement action on March 20, 2025, when the Securities Commissioner of the State of Texas (the "Securities Commissioner") entered Order 1889 against (1) The Apertum Foundation ("Respondent Apertum Foundation"), (2) Josip Heit ("Respondent Heit"), (3) Bruce Innes Wylde Hughes, (4) Dirc Zahlmann, and (5) Dennis Christopher Loos.²
8. Order 1889 concluded as a matter of law that APTM is regulated as a security by the Securities Act.
9. Order 1889 also concluded as a matter of law that respondents are (1) violating Section 4003.001 of the Securities Act by offering securities in Texas at a time when the products are not registered with or permitted by the Securities Commissioner, (2) violating Section 4004.051 by offering said securities in Texas

¹ SSB Exhibit A, attached hereto and incorporated herein as if set forth fully herein.

² SSB Exhibit B, attached hereto and incorporated herein as if set forth fully herein.

when respondents are not registered per Section 4004.051 of the Securities Act, (3) engaging in fraud in connection with the offer of securities and (4) making offers containing statements that are materially misleading or otherwise likely to deceive the public.

10. Pursuant to Section 4007.104 of the Securities Act, all respondents named in Order 1889 were afforded the opportunity to challenge Order 1889 by requesting a hearing before the 31st day after the date of service. As set forth in Section 4007.104 and as explained in Order 1889, they were required to request the hearing by filing a timely writing with the Securities Commissioner that set forth the grounds for relief.
11. Hughes, Zahlmann, and Loos have not filed a timely request for a hearing. Order 1889 as of the date of this Notice of Hearing.³
12. Respondent Apertum Foundation and Respondent Heit filed a timely request for a hearing on April 1, 2025.⁴
13. Shortly thereafter, the Texas State Securities Board notified Respondent Apertum Foundation and Respondent Heit that it planned to file a Notice of Hearing and set a contested case with the State Office of Administrative Hearings.

HEARING DATE REQUIREMENTS
UNDER SECTION 4007.104(d) OF THE SECURITIES ACT

14. Pursuant to Section 4007.104(d) of the Securities Act, the hearing must be held not later than the 10th day after the date the Securities Commissioner receives the request for a hearing unless the parties agree to a later hearing date.⁵
15. The Enforcement Division of the Texas State Securities Board began contacting counsel for Respondents Apertum Foundation and Heit on April 1, 2025, the same day the Securities Commissioner received their request for a hearing. Respondents counsel met with Mr. Heintz, Ms. McCourt and other agency personnel on April 3, 2025. Following this meeting, the Enforcement Division notified Respondents' counsel that the agency was willing to discuss setting a hearing date within 30 days, but, if the parties could not agree to hearing dates within that time frame, the agency would proceed under Section 4007.104(d) of

³ Bruce Innes Wylde Hughes and Dirc Zahlmann have not requested a hearing to challenge Order 1889. Accordingly, Hughes and Zahlmann are not parties to this contested case and the relief requested by the Texas State Securities Board and the Respondents, unless or until they file a timely request for hearing in accordance with Section 4007.104 of the Securities Act.

⁴ SSB Exhibit C.

⁵ Section 4007.104(d) provides, "On receiving a request for a hearing, the commissioner shall serve notice of the time and place of the hearing by personal delivery or registered or certified mail, return receipt requested. The hearing must be held not later than the 10th day after the date the commissioner receives the request for a hearing *unless the parties agree to a later hearing date*. At the hearing, the commissioner has the burden of proof and must present evidence in support of the emergency order." (emphasis added).

the Securities Act and set a hearing to take place within the 10-day statutory requirement in light of respondents' continued violations of the Securities Act. Respondents declined to set a hearing date within 30 days.

16. As reflected in Respondents' request for a hearing and subsequent communications with Respondents' counsel, Respondents Apertum Foundation and Heit are requesting that the hearing be held after the hearing on Order 1879 set for August 2025, well outside the ten-day requirement.
17. The Enforcement Division cannot agree to hold the hearing outside the mandatory 10-day window because:
 - A. Quinn Emanuel Urquhart & Sullivan, LLP has already been representing Respondent Heit before the Texas State Securities Board for more than a year.
 - B. The Texas State Securities Board began providing Quinn Emanuel with voluminous evidence in January 2024 and continued to share considerable evidence through February 2025.
 - C. Beginning as early as November 2024, the Enforcement Division began exploring this matter with Quinn Emanuel and it began providing significant evidence to counsel at that time,
 - D. As demonstrated by the statement published in official social media channels for Apertum, Respondents will not comply with the order and will continue to conduct business as usual.⁶
 - E. Respondents' business involves promoting Apertum as an investment and listing it on exchanges where APTM can be sold to North American clients, including Texans.
 - F. Respondents' business, at least in terms of recruiting investors, has been highly successful with daily trading volumes exceeding \$1,000,000.00.
 - G. Respondents have already announced listings for APTM on three cryptocurrency exchanges, including LBK Exchange Limited dba LBank, a company with offices in Colorado and California and is registered as a money services business with the Financial Crimes Enforcement Network (FinCEN). Additionally, they have announced plans to list the token on as many as 15 exchanges by the close of the calendar year. According to Respondents, these exchanges may include large exchanges with considerable active monthly users that permit US residents, including Texans, to buy tokens. They include Coinbase, Binance, Kraken and

⁶ SSB Exhibits D and E.

others.⁷

- H. The Securities Commissioner has twice found that Respondent Heit threatens immediate and irreparable harm to the public. Based on the forgoing, including Respondents' refusal to comply with Order 1889, any delay in setting a hearing on this matter may cause widespread immediate and irreparable harm to Texans – in addition to as many as 1,600 Texans believed to have already sent money to entities controlled by Respondent Heit in prior schemes.
- I. Respondents' Counsel is already well informed of the facts of the case and have drawn conclusions based on the facts as exhibited in a press release published by Quinn Emanuel on April 3, 2025.⁸

THE RESPONDENTS

18. Respondent Apertum Foundation purportedly oversees the governance, research, protocol upgrades, and ecosystem development for the Apertum blockchain. Its owners, officers, directors, employees, and members are unknown.⁹
19. Respondent Heit served as Chairman of the Board of GSB Gold Standard Corporation AG until November 22, 2024, when he purportedly resigned and relocated to an undisclosed country. He currently owns the majority of shares issued by GSB Gold Standard Corporation AG, serves as the Chairman of the Board of GSB Group, and serves as a Strategy Advisor for Respondent Apertum Holding.
20. The Enforcement Division is serving the parties as indicated in the Certificate of Service, which is attached hereto and incorporated herein as if set forth fully herein.

THE PRAYER FOR RELIEF

21. As set forth herein, this hearing is set in response to the Apertum Foundation and Josip Heit (collectively the "Respondents") filing a timely request for a hearing to challenge Order 1889.

⁷ SSB Exhibit F. Apertum DAO1's Roadmap 2025 includes the following exchanges: Binance, UPbit, Huobi (HTX), Exx, HitBTC, OKEx, Kraken, Polonex, Coinbase, BTXX, WEX, KuCoin, EXMO, bitFlyer, Gemini, CoinEgg, BitStamp, GDAX, Bit-Z, BITFINEX, Bits Blockchain, and BITTHUMB.

⁸ SSB Exhibit G.

⁹ The Enforcement Division may present evidence showing that, although the parties are referring to the foundation as the Apertum Foundation, Respondent Heit and others named in Order 1889 are also referring to an organization known as Apertum Holding or Apertum Holding Limited, a Brazilian entity acting from Rua Malta da Silva Maia, 66 CD Vilas Side Residences CS6, Lauro de Freitas 42706-740.

22. The Enforcement Division is setting this contested case at SOAH to determine whether to issue a proposal for decision for an order that affirms, modifies, or sets aside the Emergency Order 1889.

THE HEARING

23. The hearing will commence at 9:00 AM (CT) each day on April 8-9, 2025, and, if a third day is needed, April 11, 2025. SOAH will conduct the hearing via Zoom, a video conferencing platform for meetings held through the internet. SOAH will provide instructions for accessing the hearing via Zoom.
24. At the hearing, the Respondents will be afforded the opportunity to present testimony and evidence relevant to this contested case. The Enforcement Division plans to present testimony and other evidence in support of Order 1889 and the prayers set forth herein, including evidence secured through the investigation of the Respondents that was relied upon for the entry of Order 1889 and was provided to counsel for the Respondents on April 3, 2025.

LEGAL NOTIFICATION

25. Legal authority and jurisdiction for this matter exist under Sections 4007.104 and 4007.108 of the Securities Act, Section 2003.021(b) of the Texas Government Code and Rule 155.51 of the SOAH Rules.
- 26. IF YOU FAIL TO ATTEND THE FACTUAL ALLEGATIONS IN THIS NOTICE COULD BE DEEMED ADMITTED, AND THE SECURITIES COMMISSIONER MAY DISPOSE OF THIS CASE WITHOUT A HEARING AND MAY GRANT THE RELIEF SOUGHT IN THIS NOTICE.**
- 27. PARTIES THAT ARE NOT REPRESENTED BY AN ATTORNEY MAY OBTAIN INFORMATION REGARDING CONTESTED CASE HEARINGS ON THE PUBLIC WEBSITE OF THE STATE OFFICE OF ADMINISTRATIVE HEARINGS AT WWW.SOAH.TEXAS.GOV, OR IN PRINTED FORMAT UPON REQUEST TO SOAH.**
28. Respondents may access the Securities Act and the Board Rules through the website of the Texas State Securities Board at www.texas.gov. Respondents may also access the SOAH Rules through the website of the State Office of Administrative Hearings at www.soah.texas.gov and the Administrative Procedure Act through Texas Legislature Online at statutes.capitol.texas.gov.
29. The Securities Act authorizes the Texas State Securities Board to pursue administrative, civil, or criminal enforcement cases. The Securities Act and Board Rules also authorize the Texas State Securities Board to share information with and refer cases to other governmental agencies with administrative, civil, or criminal jurisdiction. These other governmental agencies include, without limitation, state and federal regulatory agencies, law enforcement agencies, and prosecutors' offices. Therefore, any information provided, filed, or otherwise

supplied by Respondents may be shared with these other government agencies and/or used in other cases. Whether the Texas State Securities Board makes its files available to other governmental agencies or refers cases to other government agencies is confidential pursuant to Section 4007.056 of the Securities Act.

30. Pursuant to Board Rule 105.13, the Enforcement Division is now respectfully requesting and will continue to respectfully request the State Office of Administrative Hearings order that all costs charged to the Texas State Securities Board by any court reporting service be assessed against the Respondents.

CONTACT AND FILING INFORMATION

31. The Enforcement Division is represented by Jeremy Heintz, Assistant Director, Enforcement Division, and Kristen McCourt, Enforcement Attorney, Enforcement Division. Mr. Heintz's State Bar Card Number is 24074390, his work address is 208 E. 10th Street, 5th Floor, Austin, Texas 78701, his telephone number is 512-305-8392, his facsimile number is 512-305-8398 and his email address is jheintz@ssb.texas.gov. Ms. McCourt's State Bar Card Number is 24138151, her work address is 1919 North Loop West, Suite 300, Houston, Texas 77008, her telephone number is 713-426-0336, her facsimile number is 713-426-6965, and her email address is kmccourt@ssb.texas.gov.
32. The Docketing Office for SOAH is located at 300 W. 15th Street, Austin, Texas 78701, and it may be contacted by telephone at 512-475-3445 and by facsimile at 512-475-4994. SOAH's website is accessible at soah.texas.gov, and it contains additional information and guidance that may assist parties named as respondents in contested cases.
33. SOAH may conduct the hearing via audio or video conferencing. The audio and video conferencing platforms are secure, free meetings held telephonically or through the internet. The State Office of Administrative Hearings will provide instructions for all hearings held telephonically or through a video conferencing platform.
34. Persons with disabilities who need special accommodations at the hearing, whether held at the State Office of Administrative Hearings or through an audio or video conferencing platform, should contact the Docketing Department of the State Office of Administrative Hearings at 512-475-4993 at least one week prior to the hearing.
35. Pursuant to Board Rule 105.8, all documents filed by any party, other than business records and transcripts, must be contemporaneously served upon Cheryn Netz Howard, General Counsel and Securities Commissioner's Representative. Ms. Netz Howard's address is 208 E. 10th Street, 5th Floor, Austin, Texas 78701, her telephone number is 512-305-8300, her facsimile number is 512-305-8336, and her email address is cnetzhoward@ssb.texas.gov.

Signed on this, the 4th day of April 2025

/s/ Joseph Rotunda

Joseph Rotunda
Division Director, Enforcement Division
Texas Bar No. 24029808
Texas State Securities Board
208 E. 10th Street, 5th Floor
Austin, Texas 78701
T: 512-305-8392
F: 512-355-0404
E: jrotunda@ssb.texas.gov

CERTIFICATE OF SERVICE

I hereby certify that on this, the 4th day of April 2025, true and correct copies of this Notice of Hearing, as well as the exhibits referenced herein, are being served on the following parties through the means set forth below:

1. CHERYN NETZ HOWARD, General Counsel for the Texas State Securities Board and the Securities Commissioner's Representative, by electronic mail addressed to cnetzhoward@ssb.texas.gov.
2. RESPONDENT APERTUM FOUNDATION by email addressed to Avi Perry, its counsel before the Texas State Securities Board, and as follows:
 - A. Registered mail addressed to the Apertum Foundation at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - B. Registered mail addressed the Apertum Foundation at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - C. Registered mail addressed the Apertum Foundation at Königsallee 61, 40215, Düsseldorf, Germany,
 - D. Registered mail addressed the Apertum Foundation at 30 Hans Place, SW1X 0JY London, United Kingdom.
 - E. Registered mail addressed the Apertum Foundation at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania.
 - F. Email addressed to Avi Perry, counsel for Josip Heit in connection with Order 1879, at aviperry@quinnemanuel.com, and
 - G. Certified mail, return receipt requested, addressed to Avi Perry at Quinn Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor, Washington, D.C. 20005.
3. RESPONDENT HEIT by email addressed to Avi Perry, by email addressed to Avi Perry, his counsel before the Texas State Securities Board, and as follows:
 - A. Registered mail addressed to Josip Heit at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - B. Registered mail addressed to Josip Heit at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - C. Registered mail addressed to Josip Heit at Königsallee 61, 40215, Düsseldorf, Germany,

- D. Registered mail addressed to Josip Heit at 30 Hans Place, SW1X 0JY London, United Kingdom,
- E. Registered mail addressed to Josip Heit at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania.
- F. Email addressed to Avi Perry, counsel for Josip Heit in connection with Order 1879, at aviperry@quinnemanuel.com, and
- G. Certified mail, return receipt requested, addressed to Avi Perry at Quinn Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor, Washington, D.C. 20005.

Signed on this, the 4th day of April 2025

/s/ Joseph Rotunda

Joseph Rotunda
Division Director, Enforcement Division
Texas Bar No. 24029808
Texas State Securities Board
208 E. 10th Street, 5th Floor
Austin, Texas 78701
T: 512-305-8392
F: 512-355-0404
E: jrotunda@ssb.texas.gov

BACKGROUND

1. In October 2023, the Enforcement Division of the Texas State Securities Board (the “Enforcement Division”) and various state and provincial securities regulatory agencies (the “working group”) began collaboratively investigating offers and sales of securities in and from their jurisdictions by GSB Gold Standard Bank LTD dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners and GSP (“Respondent GS Partners”) and its unregistered commissioned sales agents.
2. In November 2023, the Texas State Securities Board and certain members of the working group began filing enforcement actions against Respondent Heit, Respondent GSB Gold Standard Corporation AG and/or various parties allegedly affiliated therewith.
3. The Texas State Securities Board filed its enforcement action on November 16, 2023, when the Securities Commissioner of the State of Texas (the “Securities Commissioner”) entered Order 1879 against (1) Respondent GSB Gold Standard Corporation AG, (2) Respondent GS Partners, (3) GSB Gold Standard Banking Corporation PLC (“Respondent GSB Gold Standard Banking Corporation”), (4) GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay (“Respondent GSB Gold Standard Pay KB”), (5) GSB Gold Standard Pay LTD, sometimes acting under the brand name GSDeFi (“Respondent GSB Gold Standard Pay LTD”), (6) GSB Gold Standard Trade (“Respondent GSB Gold Standard Trade”), (7) Swiss Valorem Bank LTD, (8) Respondent Heit, (9) Bruce Innes Wylde Hughes, (10) Dirc Zahlmann and (11) Aline Lima.¹
4. Order 1879 concluded as a matter of law that various products offered by respondents were regulated as securities by the Securities Act. These products include a staking pool for a proprietary token set in a metaverse and instruments known as Elemental Certificates and Success Series Certificates.
5. Order 1879 also concluded as a matter of law that respondents were (1) violating Section 4003.001 of the Securities Act by offering securities in Texas at a time when the products were not registered with or permitted by the Securities Commissioner, (2) violating Section 4004.051 by offering said securities in Texas when respondents were not registered per Section 4004.051 of the Securities Act, (3) engaging fraud in connection with the offer of securities and (4) making offers containing statements that were materially misleading or otherwise likely to deceive the public.
6. Pursuant to Section 4007.104 of the Securities Act, all respondents named in Order 1879 were afforded the opportunity to challenge Order 1879 by requesting a hearing before the 31st day after the date of service. As set forth in Section

¹ SSB Exhibit 1, attached hereto and incorporated herein as if set forth fully herein.

4007.104 and as explained in Order 1879, they were required to request the hearing by filing a timely writing with the Securities Commissioner that set forth the grounds for relief.

7. Swiss Valorem Bank LTD, Bruce Innes Wylde Hughes, Dirc Zahlmann and Aline Lima did not file a timely request for a hearing. Order 1879 is therefore final and not subject to appeal as it relates to these respondents.²
8. A timely request for a hearing was filed by (1) Respondent GSB Gold Standard Corporation AG, (2) Respondent GS Partners, (3) Respondent GSB Gold Standard Banking Corporation (4) Respondent GSB Gold Standard Pay KB, (5) Respondent GSB Gold Standard Pay LTD, (6) Respondent GSB Gold Standard Trade, and (7) Respondent Heit.³
9. The Enforcement Division and a group of agencies that filed enforcement actions thereafter negotiated a settlement with respondents named in this Notice of Hearing and other entities understood to be controlled by Respondent Heit (collectively "GSB Germany"). GSB Germany includes the respondents named in this notice of hearing.
10. The settlement was memorialized in a term sheet⁴ and all state and provincial securities regulatory agencies, regardless of whether they previously filed enforcement actions, were afforded the opportunity to join on the same or substantively similar terms (agencies electing to join are "Participating Agencies").
11. As set forth in the term sheet, the settlement generally requires Respondent Heit and GSB Germany to, among other things, (1) provide each Participating Agency with all information provided by residents of their states or provinces when creating accounts with GSB Germany, including Know Your Customer or KYC information, (2) provide each Participating Agency with transactional information, including the type and amounts of digital assets received from, distributed to and still owed to residents of their state or province, (3) permit clients residing in the state, province or territory of each Participating Agency to file a timely claim for compensation, generally valued at deposits less withdrawals, (4) retain AlixPartners LP as the claims administrator, with the authority to receive claims and verify compensation during a period not to exceed 90 days known as the claims process, and (5) at the conclusion of the claims process, pay compensation to clients that filed claims

² Swiss Valorem Bank LTD, Bruce Innes Wylde Hughes, Dirc Zahlmann and Aline Lima are not parties to this contested case and the relief requested by the Texas State Securities Board and the NOH Respondents does not in any way impact the finality of Order 1879 as it relates to Swiss Valorem Bank LTD, Bruce Innes Wylde Hughes, Dirc Zahlmann and Aline Lima.

³ SSB Exhibit 2, attached hereto and incorporated herein as if set forth fully herein. Jorge Marquez and the Warren Law Group were representing the parties requesting a hearing at the time of their request. Following their request for the hearing. Mr. Marquez and the Warren Law Group stopped representing the parties and counsel identified herein began representing the parties. As indicated in SSB Exhibit 2, the Enforcement Division worked with counsel to ensure they filed a timely challenge to preserve their clients' right to a hearing on the merits.

⁴ SSB Exhibit 3, attached hereto and incorporated herein as if set forth fully herein.

verified by AlixPartners LP.

12. The term sheet also generally requires Participating Agencies to (1) at the conclusion of the claims process, enter a consent order on a no-admit, no-deny basis accusing Josip Heit and GSB Germany of offering securities without first complying with all legal requirements or exemptions for offers or sales, and (2) withdraw, redact or amend a prior order, process, press release or public statement that alleged Josip Heit and/or GSB Germany engaged in fraudulent acts or dishonest or unethical practices.
13. The Texas State Securities Board executed the term sheet on September 9, 2024.
14. Following the execution of the term sheet, the Enforcement Division began uncovering violations of the term sheet by Respondent Heit and GSB Germany, and it accused Respondent Heit and GSB Germany intentionally, willfully or knowingly withholding and/or misrepresenting information used for and relied upon in the term sheet.
15. The Enforcement Division began notifying Respondent Heit and GSB Germany about their failure to comply with the term sheet and affording them the opportunity to cure the violations pursuant to Paragraph 16 of the term sheet.
16. Although they were provided notice, Respondent Heit and GSB Germany failed to cure many of the violations of the term sheet, including key provisions that obligated Respondent Heit and GSB Germany to take steps to ensure the successful return of all deposits, less withdrawals, through the claims process.
17. On February 20, 2025, the Texas State Securities Board notified Respondent Heit and GSB Germany that it planned to file a Notice of Hearing and set a contested case with the State Office of Administrative Hearings.⁵

THE RESPONDENTS

18. Respondent GSB Gold Standard Corporation AG fka GCC Gazella Corporate Capital GmbH and GSB Gold Standard Banking Corporation is a German stock company assigned HRB No. 271910 and supervised by the District Court in Berlin (Charlottenburg). Ulf Lammers owns 40,000 shares, Kristina Heit owns 40,000 shares and serves as Chairperson of its Supervisory Board, Respondent Heit owns 8,870,000 shares and served as Chairman of the Board until on or about November 22, 2024, and Rustam Shoyket has served as its Chairman of the Board since November 22, 2024.
19. Respondent GS Partners was registered with the Comoros Union and assigned Company Number HY00520034 through Moheli Corporate Services Limited, the exclusive licensed registered agent of Mwali (Moheli) International Services Authority, Registrar of Companies. Sometime after the entry of Order 1879, while controlled by Respondent GSB Gold Standard Corporation AG, Respondent GS

⁵ SSB Exhibit 4, attached hereto and incorporated herein as if set forth fully herein.

Partners' registration with the Comoros Union became inactive and based on information and belief Respondent GS Partners dissolved.

20. Respondent GSB Gold Standard Banking Corporation was described by Respondent GS Partners as the Board and/or Chairman of the Board for Respondent GSB Gold Standard Corporation AG. It also served as the General Partner for Respondent GSB Gold Standard Pay KB.
21. Respondent GSB Gold Standard Pay KB was organized as a Limited Partnership with Bolagsverket, the Swedish Companies Registrar, and assigned Number 969793-3522 on June 3, 2020. Respondent GSB Gold Standard Pay KB was controlled by Respondent Heit as limited partner and Respondent GSB Gold Standard Banking Corporation as general partner, with signatory power resting solely with the general partner. On or about November 14, 2024, it was declared bankrupt and Johan Falkman began acting as its official receiver.
22. Respondent GSB Gold Standard Pay LTD was organized as a legal entity in Kazakhstan on or about July 30, 2020, assigned BIN No. 200740027325, and controlled by Frantsev Roman Alexeevich. Sometime after the entry of Order 1879, the Bureau of National Statistics, Agency for Strategic Planning and Reforms for the Republic of Kazakhstan, removed Respondent GSB Gold Standard Pay LTD from its database of registered companies, and, based on information and belief, Respondent GSB Gold Standard Pay LTD was dissolved.
23. Respondent GSB Gold Standard Trade was a virtual platform that enabled the storing, transferring, obtaining and exchanging of digital assets operated under Respondent GSB Gold Standard Pay LTD with Respondent GSB Gold Standard Pay KB providing cryptocurrency storage services. Although Respondent GSB Gold Standard Pay LTD is no longer registered in the Republic of Kazakhstan and Respondent GSB Gold Standard Pay KB declared bankruptcy, the webpage for Respondent GSB Gold Standard Trade remains active.
24. Respondent Heit served as Chairman of the Board of Respondent GSB Gold Standard Corporation and controlled the entities identified herein at all times material to the conduct alleged in Order 1879 until on or about November 22, 2025, when he resigned and announced his relocation to an undisclosed country.
25. The Enforcement Division is serving the parties as indicated in the Certificate of Service, which is attached hereto and incorporated herein as if set forth fully herein.

THE PRAYER FOR RELIEF

26. As set forth herein, this hearing is set in response to Respondents GSB Gold Standard Corporation, GS Partners GSB Gold Standard Banking, GSB Gold Standard Pay KB, GSB Gold Standard Pay LTD, GSB Gold Standard Trade, and Heit (collectively the "NOH Respondents") filing a timely request for a hearing to challenge Order 1879.

27. The Enforcement Division is setting this contested case at SOAH to determine (1) whether to issue a proposal for decision for an order that affirms, modifies, or sets aside the Emergency Order, and (2) whether to issue a proposal for decision that, as part of the order affirming, modifying, or setting aside the Order 1879, also orders the NOH Respondents to pay a refund to all Texas residents who deposited assets or sent fiat currency to the NOH Respondents on or after September 1, 2019.

THE HEARING

28. The hearing will commence at 9:00 AM (CT) each day on April 14-17, 2025. SOAH will conduct the hearing via Zoom, a video conferencing platform for meetings held through the internet. SOAH will provide instructions for accessing the hearing via Zoom.
29. At the hearing, the NOH Respondents will be afforded the opportunity to present testimony and evidence relevant to this contested case. The Enforcement Division plans to present testimony and other evidence in support of Order 1879 and the prayers set forth herein, including evidence secured through the investigation of the NOH Respondents that was relied upon for the entry of Order 1879 that has already been provided to counsel for the NOH Respondents.
30. The Enforcement Division may offer additional evidence to prove that, following the entry of Order 1879, the NOH Respondents began operating as GS Digital Partners LLC dba GS Pro and GS Pro Network ("GS Pro"), an entity organized in the country of Georgia and assigned Identification Code 405472180. Although GS Pro was part of GSB Germany and controlled by Respondent Heit, its corporate records show it has been managed by Luka Beruashvili, a resident of Tbilisi. Clients, including Texas residents, were able to log into accounts through gspro.network, the website for GS Pro, using their login credentials from gspartners.global, the website for Respondent GS Partners. GS Pro eventually blocked North American users, including Texas residents, from accessing the platform.

LEGAL NOTIFICAITONS

31. Legal authority and jurisdiction for this matter exist under Sections 4007.104 and 4007.108 of the Securities Act, Section 2003.021(b) of the Texas Government Code and Rule 155.51 of the SOAH Rules.
32. **IF YOU DO NOT FILE A WRITTEN ANSWER OR OTHER WRITTEN RESPONSIVE PLEADING TO THIS NOTICE OF HEARING ON OR BEFORE THE 20TH DAY AFTER THE DATE ON WHICH THIS NOTICE WAS MAILED TO YOU OR PERSONALLY SERVED ON YOU, THE FACTUAL ALLEGATIONS IN THIS NOTICE COULD BE DEEMED ADMITTED, AND THE SECURITIES COMMISSIONER MAY DISPOSE OF THIS CASE WITHOUT A HEARING AND MAY GRANT THE RELIEF SOUGHT IN THIS NOTICE. THE RESPONSE MUST**

BE FILED IN AUSTIN, TEXAS, WITH THE SECURITIES COMMISSIONER AND THE STATE OFFICE OF ADMINISTRATIVE HEARINGS, AND ALSO SERVED ON THE STAFF OF THE STATE SECURITIES BOARD. IF YOU FAIL TO ATTEND THE HEARING, EVEN IF A WRITTEN ANSWER OR OTHER RESPONSIVE PLEADING HAS BEEN FILED AND SERVED, THE FACTUAL ALLEGATIONS IN THIS NOTICE COULD BE DEEMED ADMITTED, AND THE SECURITIES COMMISSIONER MAY DISPOSE OF THIS CASE WITHOUT A HEARING AND MAY GRANT THE RELIEF SOUGHT IN THIS NOTICE.

33. **PARTIES THAT ARE NOT REPRESENTED BY AN ATTORNEY MAY OBTAIN INFORMATION REGARDING CONTESTED CASE HEARINGS ON THE PUBLIC WEBSITE OF THE STATE OFFICE OF ADMINSTRATIVE HEARINGS AT WWW.SOAH.TEXAS.GOV, OR IN PRINTED FORMAT UPON REQUEST TO SOAH.**
34. Respondents may access the Securities Act and the Board Rules through the website of the Texas State Securities Board at www.texas.gov. Respondents may also access the SOAH Rules through the website of the State Office of Administrative Hearings at www.soah.texas.gov and the Administrative Procedure Act through Texas Legislature Online at statutes.capitol.texas.gov.
35. The Securities Act authorizes the Texas State Securities Board to pursue administrative, civil, or criminal enforcement cases. The Securities Act and Board Rules also authorize the Texas State Securities Board to share information with and refer cases to other governmental agencies with administrative, civil, or criminal jurisdiction. These other governmental agencies include, without limitation, state and federal regulatory agencies, law enforcement agencies, and prosecutors' offices. Therefore, any information provided, filed, or otherwise supplied by Respondents may be shared with these other government agencies and/or used in other cases. Whether the Texas State Securities Board makes its files available to other governmental agencies or refers cases to other government agencies is confidential pursuant to Section 4007.056 of the Securities Act.
36. Pursuant to Board Rule 105.13, the Enforcement Division is now respectfully requesting and will continue to respectfully request the State Office of Administrative Hearings order that all costs charged to the Texas State Securities Board by any court reporting service be assessed against Respondents.

CONTACT AND FILING INFORMATION

37. The Enforcement Division is represented by Jeramy Heintz, Assistant Director, Enforcement Division, and Kristen McCourt, Enforcement Attorney, Enforcement Division. Mr. Heintz's State Bard Card Number is 24074390, his work address is 208 E. 10th Street, 5th Floor, Austin, Texas 78701, his telephone number is 512-305-8392, his facsimile number is 512-305-8398 and his email address is jheintz@ssb.texas.gov. Ms. McCourt's State Bar Card Number is 24138151, her work address is 1919 North Loop West, Suite 300, Houston, Texas 77008, her telephone number is 713-426-0336, her facsimile number is 713-426-6965, and

her email address is kmccourt@ssb.texas.gov.

38. The Docketing Office for SOAH is located at 300 W. 15th Street, Austin, Texas 78701, and it may be contacted by telephone at 512-475-3445 and by facsimile at 512-475-4994. SOAH's website is accessible at soah.texas.gov, and it contains additional information and guidance that may assist parties named as respondents in contested cases.
39. SOAH may conduct the hearing via audio or video conferencing. The audio and video conferencing platforms are secure, free meetings held telephonically or through the internet. The State Office of Administrative Hearings will provide instructions for all hearings held telephonically or through a video conferencing platform.
40. Persons with disabilities who need special accommodations at the hearing, whether held at the State Office of Administrative Hearings or through an audio or video conferencing platform, should contact the Docketing Department of the State Office of Administrative Hearings at 512-475-4993 at least one week prior to the hearing.
41. Pursuant to Board Rule 105.8, all documents filed by any party, other than business records and transcripts, must be contemporaneously served upon Cheryn Netz, General Counsel and Securities Commissioner's Representative. Ms. Netz's address is 208 E. 10th Street, 5th Floor, Austin, Texas 78701, her telephone number is 512-305-8300, her facsimile number is 512-305-8336, and her email address is cnetz@ssb.texas.gov.

Signed on this, the 11th day of March 2025

By: /s Joseph Rotunda

Joseph Rotunda
Division Director, Enforcement Division
Texas Bar No. 24029808
Texas State Securities Board
208 E. 10th Street, 5th Floor
Austin, Texas 78701
T: 512-305-8392
F: 512-355-0404
E: jrotunda@ssb.texas.gov

CERTIFICATE OF SERVICE

I hereby certify that on this, the 10th day of March, 2025, true and correct copies of this Notice of Hearing, as well as the exhibits referenced herein, are being served on the following parties through the means set forth below:

1. CHERYN NETZ, General Counsel for the Texas State Securities Board and the Securities Commissioner's Representative, by electronic mail addressed to cnetz@ssb.texas.gov.
2. RESPONDENT GOLD STANDARD CORPORATION AG by email addressed to Avi Perry, its counsel before the Texas State Securities Board, and as follows:
 - A. Certified mail, return receipt requested, addressed to Avi Perry at Quinn Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor, Washington, D.C. 20005,
 - B. Registered mail addressed to Respondent GSB Gold Standard Corporation AG at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - C. Registered mail addressed to Rustam Shoyket, Chairman of the Board, GSB Gold Standard Corporation AG, at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - D. Registered mail addressed to Respondent GSB Gold Standard Corporation AG at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - E. Registered mail addressed to Respondent GSB Gold Standard Corporation AG at Königsallee 61, 40215, Düsseldorf, Germany,
 - F. Registered mail addressed to Respondent GSB Gold Standard Corporation AG c/o Respondent GS Partners c/o Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KMM, Comoros,
 - G. Registered mail addressed to Respondent GSB Gold Standard Corporation AG c/o Respondent Gold Standard Pay LTD and Respondent GSB Gold Standard Trade at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - H. Registered mail addressed to Respondent GSB Gold Standard Corporation AG c/o Respondent Gold Standard Pay LTD c/o Stavkin Sergey Pavlovich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - I. Registered mail addressed to Respondent GSB Gold Standard Corporation AG c/o Respondent Gold Standard Pay LTD c/o Frantsev Roman Aleevich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,

- J. Registered mail addressed to Respondent GSB Gold Standard Corporation AG c/o Respondent GSB Gold Standard Pay KB at Box 1638, Stockholm, SE-AB 116 74, Sweden,
 - K. Registered mail addressed to Respondent GSB Gold Standard Corporation AG c/o Respondent GSB Gold Standard Banking Corporation at Grosse Bleichen 35, 20354, Hamburg, Tyskland,
 - L. Registered mail addressed to Respondent GSB Gold Standard Corporation AG c/o Respondent Heit at 30 Hans Place, SW1X 0JY London, and
 - M. Registered mail addressed to Respondent GSB Gold Standard Corporation AG c/o Respondent Heit at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania.
3. RESPONDENT GS PARTNERS by email addressed to Avi Perry, its counsel before the Texas State Securities Board, and as follows:
- A. Certified mail, return receipt requested, addressed to Avi Perry at Quinn Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor, Washington, D.C. 20005,
 - B. Registered mail addressed to Respondent GS Partners c/o Respondent GSB Gold Standard Corporation AG at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - C. Registered mail addressed to Respondent GS Partners c/o Rustam Shoyket, Chairman of the Board, GSB Gold Standard Corporation AG, at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - D. Registered mail addressed to Respondent GS Partners c/o Respondent GSB Gold Standard Corporation AG at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - E. Registered mail addressed to Respondent GS Partners c/o Respondent GSB Gold Standard Corporation AG at Königsallee 61, 40215, Düsseldorf, Germany,
 - F. Registered mail addressed to Respondent GS Partners c/o Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KMM, Comoros,
 - G. Registered mail addressed to Respondent GS Partners c/o Respondent Gold Standard Pay LTD and Respondent GSB Gold Standard Trade at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - H. Registered mail addressed to Respondent GS Partners c/o Respondent Gold Standard Pay LTD c/o Stavkin Sergey Pavlovich at K. Amanzholov

Street, No.174, Uralsk, 090000, Kazakhstan,

- I. Registered mail addressed to Respondent GS Partners c/o Respondent Gold Standard Pay LTD c/o Frantsev Roman Aleevich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - J. Registered mail addressed to Respondent GS Partners c/o Respondent GSB Gold Standard Pay KB at Box 1638, Stockholm, SE-AB 116 74, Sweden,
 - K. Registered mail addressed to Respondent GS Partners c/o Respondent GSB Gold Standard Banking Corporation at Grosse Bleichen 35, 20354, Hamburg, Tyskland,
 - L. Registered mail addressed to Respondent GS Partners c/o Respondent Heit at 30 Hans Place, SW1X 0JY London, and
 - M. Registered mail addressed to Respondent GS Partners c/o Respondent Heit at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania.
4. RESPONDENT GSB GOLD STANDARD BANKING CORPORATION by email addressed to Avi Perry, its counsel before the Texas State Securities Board, and as follows:
- A. Certified mail, return receipt requested, addressed to Avi Perry at Quinn Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor, Washington, D.C. 20005,
 - B. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o GSB Gold Standard Corporation AG at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - C. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Rustam Shoyket, Chairman of the Board, GSB Gold Standard Corporation AG, at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - D. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent GSB Gold Standard Corporation AG at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - E. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent GSB Gold Standard Corporation AG at Königsallee 61, 40215, Düsseldorf, Germany,
 - F. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent GS Partners c/o Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KMM, Comoros,

- G. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent Gold Standard Pay LTD and Respondent GSB Gold Standard Trade at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - H. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent Gold Standard Pay LTD c/o Stavkin Sergey Pavlovich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - I. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent Gold Standard Pay LTD c/o Frantsev Roman Aleevich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - J. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent GSB Gold Standard Pay KB at Box 1638, Stockholm, SE-AB 116 74, Sweden,
 - K. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation at HRB161409, Grosse Bleichen 35, 20354, Hamburg, Tyskland,
 - L. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent Heit at 30 Hans Place, SW1X 0JY London, and
 - M. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent Heit at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania.
5. RESPONDENT GSB GOLD STANDARD PAY KB by email addressed to Avi Perry, its counsel before the Texas State Securities Board, and as follows:
- A. Certified mail, return receipt requested, addressed to Avi Perry at Quinn Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor, Washington, D.C. 20005,
 - B. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o GSB Gold Standard Corporation AG at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - C. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o Rustam Shoyket, Chairman of the Board, GSB Gold Standard Corporation AG, at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - D. Registered mail addressed to Respondent GSB Gold Standard Banking Corporation c/o Respondent GSB Gold Standard Corporation AG at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,

- E. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o Respondent GSB Gold Standard Corporation AG at Königsallee 61, 40215, Düsseldorf, Germany,
 - F. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o Respondent GS Partners c/o Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KMM, Comoros,
 - G. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o Respondent Gold Standard Pay LTD and Respondent GSB Gold Standard Trade at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - H. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o Respondent Gold Standard Pay LTD c/o Stavkin Sergey Pavlovich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - I. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o Respondent Gold Standard Pay LTD c/o Frantsev Roman Aleevich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - J. Registered mail addressed to Respondent GSB Gold Standard Pay KB at Box 1638, Stockholm, SE-AB 116 74, Sweden,
 - K. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o Respondent GSB Gold Standard Banking Corporation at Grosse Bleichen 35, 20354, Hamburg, Tyskland,
 - L. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o Respondent Heit at 30 Hans Place, SW1X 0JY London,
 - M. Registered mail addressed to Respondent GSB Gold Standard Pay KB c/o Respondent Heit at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania, and
 - N. Registered mail addressed to Johan Falkman c/o Konrad Advokater AB, Box 2051, 750 02 Uppsala, Sweden.
6. RESPONDENT GSB GOLD STANDARD PAY LTD by email addressed to Avi Perry, its counsel before the Texas State Securities Board, and as follows:
- A. Certified mail, return receipt requested, addressed to Avi Perry at Quinn Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor, Washington, D.C. 20005,
 - B. Registered mail addressed to Respondent GSB Gold Standard Pay LTD c/o GSB Gold Standard Corporation AG at Willy-Brandt-Platz 2, Berlin, 12529, Germany,

- C. Registered mail addressed to Respondent GSB Gold Standard Pay LTD c/o Rustam Shoyket, Chairman of the Board, GSB Gold Standard Corporation AG, at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - D. Registered mail addressed to Respondent GSB Gold Standard Pay LTD c/o Respondent GSB Gold Standard Corporation AG at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - E. Registered mail addressed to Respondent GSB Gold Standard Pay LTD c/o Respondent GSB Gold Standard Corporation AG at Königsallee 61, 40215, Düsseldorf, Germany,
 - F. Registered mail addressed to Respondent GSB Gold Standard Pay LTD c/o Respondent GS Partners c/o Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KMM, Comoros,
 - G. Registered mail addressed to Respondent Gold Standard Pay LTD at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - H. Registered mail addressed to Respondent Gold Standard Pay LTD c/o Stavkin Sergey Pavlovich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - I. Registered mail addressed to Respondent Gold Standard Pay LTD c/o Frantsev Roman Aleevich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - J. Registered mail addressed to Respondent GSB Gold Standard Pay LTD c/o Respondent GSB Gold Standard Pay KB at Box 1638, Stockholm, SE-AB 116 74, Sweden,
 - K. Registered mail addressed to Respondent GSB Gold Standard Pay LTD c/o Respondent GSB Gold Standard Banking Corporation at Grosse Bleichen 35, 20354, Hamburg, Tyskland,
 - L. Registered mail addressed to Respondent GSB Gold Standard Pay LTD c/o Respondent Heit at 30 Hans Place, SW1X 0JY London,
 - M. Registered mail addressed to Respondent GSB Gold Standard Pay LTD c/o Respondent Heit at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania,
7. RESPONDENT GSB GOLD STANDARD TRADE by email addressed to Avi Perry, its counsel before the Texas State Securities Board, and as follows:
- A. Certified mail, return receipt requested, addressed to Avi Perry at Quinn

Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor,
Washington, D.C. 20005,

- B. Registered mail addressed to Respondent GSB Gold Standard Trade c/o GSB Gold Standard Corporation AG at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
- C. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Rustam Shoyket, Chairman of the Board, GSB Gold Standard Corporation AG, at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
- D. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Respondent GSB Gold Standard Corporation AG at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
- E. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Respondent GSB Gold Standard Corporation AG at Königsallee 61, 40215, Düsseldorf, Germany,
- F. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Respondent GS Partners c/o Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KMM, Comoros,
- G. Registered mail addressed to Respondent GSB Gold Standard Trade at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
- H. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Stavkin Sergey Pavlovich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
- I. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Frantsev Roman Aleevich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
- J. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Respondent GSB Gold Standard Pay KB at Box 1638, Stockholm, SE-AB 116 74, Sweden,
- K. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Respondent GSB Gold Standard Banking Corporation at Grosse Bleichen 35, 20354, Hamburg, Tyskland,
- L. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Respondent Heit at 30 Hans Place, SW1X 0JY London, and
- M. Registered mail addressed to Respondent GSB Gold Standard Trade c/o Respondent Heit at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193,

Romania.

8. RESPONDENT HEIT by email addressed to Avi Perry, by email addressed to Avi Perry, his counsel before the Texas State Securities Board, and as follows:
 - A. Certified mail, return receipt requested, addressed to Avi Perry at Quinn Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor, Washington, D.C. 20005,
 - B. Registered mail addressed to Respondent Heit c/o GSB Gold Standard Corporation AG at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - C. Registered mail addressed to Respondent Heit c/o Rustam Shoyket, Chairman of the Board, GSB Gold Standard Corporation AG, at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - D. Registered mail addressed to Respondent Heit c/o Respondent GSB Gold Standard Corporation AG at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - E. Registered mail addressed to Respondent Heit c/o Respondent GSB Gold Standard Corporation AG at Königsallee 61, 40215, Düsseldorf, Germany,
 - F. Registered mail addressed to Respondent Heit c/o Respondent GS Partners c/o Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KMM, Comoros,
 - G. Registered mail addressed to Respondent Heit c/o Respondent GSB Gold Standard Trade at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - H. Registered mail addressed to Respondent Heit c/o Stavkin Sergey Pavlovich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - I. Registered mail addressed to Respondent Heit c/o Frantsev Roman Aleevich at K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan,
 - J. Registered mail addressed to Respondent Heit c/o Respondent GSB Gold Standard Pay KB at Box 1638, Stockholm, SE-AB 116 74, Sweden,
 - K. Registered mail addressed to Respondent Heit c/o Respondent GSB Gold Standard Banking Corporation at Grosse Bleichen 35, 20354, Hamburg, Tyskland,
 - L. Registered mail addressed to Respondent Heit at 30 Hans Place, SW1X 0JY London, and
 - M. Registered mail addressed to Respondent Heit at Str Alexandru Cel Bun Nr

22, Galati, Galati, 800193, Romania.

Signed on this, the 11th day of March 2025

By: /s Joseph Rotunda

Joseph Rotunda
Division Director, Enforcement Division
Texas Bar No. 24029808
Texas State Securities Board
208 E. 10th Street, 5th Floor
Austin, Texas 78701
T: 512-305-8392
F: 512-355-0404
E: jrotunda@ssb.texas.gov

TRAVIS J. ILES
SECURITIES COMMISSIONER



E. WALLY KINNEY
CHAIR

CLINTON EDGAR
DEPUTY SECURITIES COMMISSIONER

ROBERT BELT
MEMBER

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

Texas State Securities Board

MELISSA TYROCH
MEMBER

EJIKE E OKPA II
MEMBER

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

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

DAVID B. MONTGOMERY
MEMBER

IN THE MATTER OF §
GSB GOLD STANDARD BANK LTD DBA §
GS SMART FINANCE, GOLD STANDARD §
PARTNERS, GSPARTNERS, GS §
PARTNERS AND GSP; GSB GOLD §
STANDARD BANKING CORPORATION §
PLC; GSB GOLD STANDARD §
CORPORATION AG; GSB GOLD §
STANDARD PAY KOMMANDITBOLAG §
AKA GSB GOLD STANDARD PAY; GSB §
GOLD STANDARD PAY LTD ACTING §
UNDER THE BRAND NAME GSDEFI; GSB §
GOLD STANDARD TRADE; SWISS §
VALOREM BANK LTD; JOSIP DORTMUND §
HEIT; BRUCE INNES WYLDE HUGHES; §
ALINE LIMA AND DIRC ZAHLMANN §

Order No. ENF-23-CDO-1879

EMERGENCY CEASE AND DESIST ORDER

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 4007.104 of The Securities Act, Tex. Gov't Code Ann. §§ 4001.001-4008.105 (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 that:

SUMMARY

1. GSB Gold Standard Group, also known as GSB Group ("GSB Group"), is an international coalition of affiliated entities controlled by Josip Dortmund Heit. They have been and are broadly perpetrating various fraudulent investment schemes that are threatening immediate and irreparable public harm.
2. These investment schemes are often marketed as a unique opportunity to earn lucrative profits and secure generational wealth through blockchain technology, a metaverse, liquidity and staking pools, a tokenized skyscraper and digital assets purportedly convertible to physical gold.

3. Their schemes are being driven by a global confederation of commissioned multilevel marketers, and GSB Group has been using athletes such as boxer Floyd Mayweather and footballer Roberto Carlos to promote its brand.
4. GSB Gold Standard Bank LTD, a member of GSB Group, is now offering gamified certificates tied to digital assets that purportedly pay lucrative returns. After purchasing the certificates, clients must continue to invest additional principal to unlock different streams of income and increase the value of the product.
5. It recently experienced significant trading losses that negatively impacted many members. GSB Gold Standard Bank LTD thereafter implemented a “market protection system” that, among other things, diverts assets to an undisclosed entity and increases fees paid by clients to convert profits from internal illiquid tokens to liquid external tokens.
6. Canadian securities regulations warned the public, and various other parties have expressed concerns about the legitimacy of GSB Group and Josip Dortmund Heit. GSB Group and Josip Dortmund Heit have, however, taken steps to silence the dissemination of negative information by “criminals” and have been threatening financial sanctions against sales agents. A member of GSB Group has also filed domestic lawsuits against parties that allegedly claimed one or more members of GSB Group are running a Ponzi scheme.
7. Securities regulators from the United States and Canada identified the ongoing threat presented by GSB Group and organized a working group to collectively investigate its operations.
8. The Securities Commissioner, in coordination with other regulatory agencies that are part of the working group, is now entering this Emergency Cease and Desist Order to stop the respondents from inflicting immediate and irreparable public harm.

THE RESPONDENTS

9. GSB Group includes (1) GSB Gold Standard Bank LTD dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners and GSP, (2) GSB Gold Standard Banking Corporation PLC, (3) GSB Gold Standard Corporation AG, (4) GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay, (5) GSB Gold Standard Pay LTD acting under the brand name GSDeFi, (6) GSB Gold Standard Trade and (7) Swiss Valorem Bank LTD.
10. GSB Gold Standard Bank LTD dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners and GSP (“Respondent GSP”) purportedly acts as a decentralized, digital, online bank. It is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold

Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme, (8) Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania, a last known address for Respondent Heit, (9) registered mail addressed to Respondent Heit at GSB Gold Standard B Corporation at 12 Helmet Row, London, England EC1V3QJ, (10) registered mail addressed to Respondent Heit at GSB Premier Exchange Corporation LTD at 12 Helmet Row, London, England EC1V3QJ, (11) registered mail addressed to Respondent Heit at GSB Asset Financial LTD at 12 Helmet Row, London, England EC1V3QJ, (12) registered mail addressed to Respondent Heit at GSB Gold Standard PLC at 12 Helmet Row, London, England EC1V3QJ, (13) registered mail addressed to Respondent Heit at White Rock Materials Limited at 12 Helmet Row, London, England EC1V3QJ, (14) registered mail addressed to Respondent Heit at GSB Money LTD at 31 Upper Park, Loughton, England IG10 4QY, (15) registered mail addressed to AM Remberg 182 B, 44269 Dortmund, Germany, (16) registered mail addressed to Respondent Heit at Große Bleichen 35, 20354 Hamburg, Germany, the address for GSB Gold Standard Banking Corporation AG, and (17) registered mail addressed to Respondent Heit at Respondent GS Corporation AG at Königsallee 61, 40215 Düsseldorf, Germany.

11. GSB Gold Standard Banking Corporation PLC (“Respondent GS Banking Corporation PLC”) serves as the Board and/or Chairman of the Board for Respondent GSP. It is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an

attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme, (8) Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania, a last known address for Respondent Heit, (9) registered mail addressed to Respondent Heit at GSB Gold Standard B Corporation at 12 Helmet Row, London, England EC1V3QJ, (10) registered mail addressed to Respondent Heit at GSB Premier Exchange Corporation LTD at 12 Helmet Row, London, England EC1V3QJ, (11) registered mail addressed to Respondent Heit at GSB Asset Financial LTD at 12 Helmet Row, London, England EC1V3QJ, (12) registered mail addressed to Respondent Heit at GSB Gold Standard PLC at 12 Helmet Row, London, England EC1V3QJ, (13) registered mail addressed to Respondent Heit at White Rock Materials Limited at 12 Helmet Row, London, England EC1V3QJ, (14) registered mail addressed to Respondent Heit at GSB Money LTD at 31 Upper Park, Loughton, England IG10 4QY, (15) registered mail addressed to AM Remberg 182 B, 44269 Dortmund, Germany, (16) registered mail addressed to Respondent Heit at Große Bleichen 35, 20354 Hamburg, Germany, the address for GSB Gold Standard Banking Corporation AG, and (17) registered mail addressed to Respondent Heit at Respondent GS Corporation AG at Königsallee 61, 40215 Düsseldorf, Germany.

12. GSB Gold Standard Corporation AG, formerly known as GCC Gazella Corporate Capital GmbH and GSB Gold Standard Banking Corporation AG (“Respondent GS Corporation AG”), is the owner of Respondent GSP and is providing services that rely on its own blockchain, including a decentralized cryptocurrency referred to as G999. It is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in

litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme, (8) Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania, a last known address for Respondent Heit, (9) registered mail addressed to Respondent Heit at GSB Gold Standard B Corporation at 12 Helmet Row, London, England EC1V3QJ, (10) registered mail addressed to Respondent Heit at GSB Premier Exchange Corporation LTD at 12 Helmet Row, London, England EC1V3QJ, (11) registered mail addressed to Respondent Heit at GSB Asset Financial LTD at 12 Helmet Row, London, England EC1V3QJ, (12) registered mail addressed to Respondent Heit at GSB Gold Standard PLC at 12 Helmet Row, London, England EC1V3QJ, (13) registered mail addressed to Respondent Heit at White Rock Materials Limited at 12 Helmet Row, London, England EC1V3QJ, (14) registered mail addressed to Respondent Heit at GSB Money LTD at 31 Upper Park, Loughton, England IG10 4QY, (15) registered mail addressed to AM Remberg 182 B, 44269 Dortmund, Germany, (16) registered mail addressed to Respondent Heit at Große Bleichen 35, 20354 Hamburg, Germany, the address for GSB Gold Standard Banking Corporation AG, and (17) registered mail addressed to Respondent Heit at Respondent GS Corporation AG at Königsallee 61, 40215 Düsseldorf, Germany.

13. GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay KB (“Respondent GS Pay KB”) provides screening and transaction monitoring for GSB Group and digital crypto storage solutions for Respondent GS Trade. It is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme, (8) Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania, a last known address for Respondent Heit, (9) registered mail addressed to Respondent Heit at GSB Gold Standard B Corporation at 12 Helmet Row, London, England EC1V3QJ, (10) registered mail addressed to Respondent Heit at GSB Premier Exchange Corporation LTD at 12 Helmet Row, London, England EC1V3QJ, (11) registered mail addressed to Respondent Heit at GSB Asset

Financial LTD at 12 Helmet Row, London, England EC1V3QJ, (12) registered mail addressed to Respondent Heit at GSB Gold Standard PLC at 12 Helmet Row, London, England EC1V3QJ, (13) registered mail addressed to Respondent Heit at White Rock Materials Limited at 12 Helmet Row, London, England EC1V3QJ, (14) registered mail addressed to Respondent Heit at GSB Money LTD at 31 Upper Park, Loughton, England IG10 4QY, (15) registered mail addressed to AM Remberg 182 B, 44269 Dortmund, Germany, (16) registered mail addressed to Respondent Heit at Große Bleichen 35, 20354 Hamburg, Germany, the address for GSB Gold Standard Banking Corporation AG, and (17) registered mail addressed to Respondent Heit at Respondent GS Corporation AG at Königsallee 61, 40215 Düsseldorf, Germany.

14. GSB Gold Standard Pay LTD, acting under the brand name GSDeFi (“Respondent GS Pay LTD”), operates g999main.net and various services through Respondent GS Trade. It is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme, (8) Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania, a last known address for Respondent Heit, (9) registered mail addressed to Respondent Heit at GSB Gold Standard B Corporation at 12 Helmet Row, London, England EC1V3QJ, (10) registered mail addressed to Respondent Heit at GSB Premier Exchange Corporation LTD at 12 Helmet Row, London, England EC1V3QJ, (11) registered mail addressed to Respondent Heit at GSB Asset Financial LTD at 12 Helmet Row, London, England EC1V3QJ, (12) registered mail addressed to Respondent Heit at GSB Gold Standard PLC at 12 Helmet Row, London, England EC1V3QJ, (13) registered mail addressed to Respondent Heit at White Rock Materials Limited at 12 Helmet Row, London, England EC1V3QJ, (14) registered mail addressed to Respondent Heit at GSB Money LTD at 31 Upper Park, Loughton, England IG10 4QY, (15) registered mail addressed to AM Remberg 182 B, 44269 Dortmund, Germany, (16) registered mail addressed to Respondent Heit at Große Bleichen 35, 20354 Hamburg, Germany, the address

for GSB Gold Standard Banking Corporation AG, and (17) registered mail addressed to Respondent Heit at Respondent GS Corporation AG at Königsallee 61, 40215 Düsseldorf, Germany.

15. GSB Gold Standard Trade (“Respondent GS Trade”) is a virtual platform that enables storing, transferring, obtaining and exchanging digital assets, including G999 Coin. It is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme, (8) Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania, a last known address for Respondent Heit, (9) registered mail addressed to Respondent Heit at GSB Gold Standard B Corporation at 12 Helmet Row, London, England EC1V3QJ, (10) registered mail addressed to Respondent Heit at GSB Premier Exchange Corporation LTD at 12 Helmet Row, London, England EC1V3QJ, (11) registered mail addressed to Respondent Heit at GSB Asset Financial LTD at 12 Helmet Row, London, England EC1V3QJ, (12) registered mail addressed to Respondent Heit at GSB Gold Standard PLC at 12 Helmet Row, London, England EC1V3QJ, (13) registered mail addressed to Respondent Heit at White Rock Materials Limited at 12 Helmet Row, London, England EC1V3QJ, (14) registered mail addressed to Respondent Heit at GSB Money LTD at 31 Upper Park, Loughton, England IG10 4QY, (15) registered mail addressed to AM Remberg 182 B, 44269 Dortmund, Germany, (16) registered mail addressed to Respondent Heit at Große Bleichen 35, 20354 Hamburg, Germany, the address for GSB Gold Standard Banking Corporation AG, and (17) registered mail addressed to Respondent Heit at Respondent GS Corporation AG at Königsallee 61, 40215 Düsseldorf, Germany.
16. Swiss Valorem Bank LTD (“Respondent Swiss Valorem”) administers the Online Introducing Partnership Program that grants access to gspartners.global, the platform for purchasing the securities described herein. It is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed

Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme, (8) Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania, a last known address for Respondent Heit, (9) registered mail addressed to Respondent Heit at GSB Gold Standard B Corporation at 12 Helmet Row, London, England EC1V3QJ, (10) registered mail addressed to Respondent Heit at GSB Premier Exchange Corporation LTD at 12 Helmet Row, London, England EC1V3QJ, (11) registered mail addressed to Respondent Heit at GSB Asset Financial LTD at 12 Helmet Row, London, England EC1V3QJ, (12) registered mail addressed to Respondent Heit at GSB Gold Standard PLC at 12 Helmet Row, London, England EC1V3QJ, (13) registered mail addressed to Respondent Heit at White Rock Materials Limited at 12 Helmet Row, London, England EC1V3QJ, (14) registered mail addressed to Respondent Heit at GSB Money LTD at 31 Upper Park, Loughton, England IG10 4QY, (15) registered mail addressed to AM Remberg 182 B, 44269 Dortmund, Germany, (16) registered mail addressed to Respondent Heit at Große Bleichen 35, 20354 Hamburg, Germany, the address for GSB Gold Standard Banking Corporation AG, and (17) registered mail addressed to Respondent Heit at Respondent GS Corporation AG at Königsallee 61, 40215 Düsseldorf, Germany.

17. Josip Dortmund Heit ("Respondent Heit") is a founder and the Chairman of Board of GSB Group and an owner and Chairman of the Board of Respondent GS Corporation AG. He is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for

Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme, (8) Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania, a last known address for Respondent Heit, (9) registered mail addressed to Respondent Heit at GSB Gold Standard B Corporation at 12 Helmet Row, London, England EC1V3QJ, (10) registered mail addressed to Respondent Heit at GSB Premier Exchange Corporation LTD at 12 Helmet Row, London, England EC1V3QJ, (11) registered mail addressed to Respondent Heit at GSB Asset Financial LTD at 12 Helmet Row, London, England EC1V3QJ, (12) registered mail addressed to Respondent Heit at GSB Gold Standard PLC at 12 Helmet Row, London, England EC1V3QJ, (13) registered mail addressed to Respondent Heit at White Rock Materials Limited at 12 Helmet Row, London, England EC1V3QJ, (14) registered mail addressed to Respondent Heit at GSB Money LTD at 31 Upper Park, Loughton, England IG10 4QY, (15) registered mail addressed to AM Remberg 182 B, 44269 Dortmund, Germany, (16) registered mail addressed to Respondent Heit at Große Bleichen 35, 20354 Hamburg, Germany, the address for GSB Gold Standard Banking Corporation AG, and (17) registered mail addressed to Respondent Heit at Respondent GS Corporation AG at Königsallee 61, 40215 Düsseldorf, Germany.

18. Dirc Zahlmann, also known as the “MetaLion” and as a “MetaConsultant” (“Respondent Zahlmann”), is the Founder and CEO of Zahlmann Consulting, an international consulting firm operating in Switzerland, the United States, the United Kingdom and Malaysia. He is also a co-owner and “high executive” of GSB Group and has served as a Board Member, the Chief Operating Officer and the Head of Mergers and Acquisitions of GSB Group. He is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in

litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, and (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme, (8) registered mail addressed to Respondent Zahlmann at Zahlmann Consulting Europe Ltd. at 1 Berkeley Street, Mayfair, London, UK, and 20-22 Wenlock Road, London, N1 7GU, (9) registered mail addressed to Respondent Zahlmann at Zahlmann Consulting Europe Ltd. at 20-22 Wenlock Road, London, N1 7GU, (10) registered mail addressed to Respondent Zahlmann at Zahlmann Consulting International GmbH at Steinacherstrasse 2a, 9327 Tubach, Switzerland, (11) registered mail addressed to Respondent Zahlmann at Zahlman Consulting at L3-2-21B, Pelangi Promenade, Jalan Pekan Baru 36, 41050 Klang, Selangor Darul Ehsan, Malaysia, (12) certified mail, return receipt requested, addressed to Respondent Zahlmann at Zahlmann Consulting LLC at One World Trade Center, Suite 8500, New York, NY 10007 and (13) certified mail, return receipt requested, addressed to Respondent Zahlmann and Zahlmann Consulting LLC c/o The Company Corporation, its registered agent for service of process, at 251 Little Falls Drive, Wilmington, Delaware 19808.

19. Bruce Innes Wylde Hughes (“Respondent Hughes”) is the Corporate Trainer for GSB Group and is described by Respondent Heit as a “high executive.” He is being served by (1) (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, and (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme.
20. Aline Lima (“Respondent Lima”) is the Partner Relationship Manager, serves as an Advisory Member of GSBDSwiss, a partner of Respondent Swiss Valorem, and

is described by Respondent Heit as a “high executive.” She is being served by (1) registered mail addressed to Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates, a last known address for GSB Gold, (2) registered mail addressed to K. Amanzholov Street, No.174, Uralsk, 090000, Kazakhstan, a last known address associated with the corporate office of Respondent Gold Standard Pay, (3) registered mail addressed to Königsallee 61, 40215, Düsseldorf, Germany, a last known address associated with Respondent GS Corporation AG, (4) registered mail addressed to Moheli Corporate Services, Ltd., at P.B. 1257, Bonovo Road, Fomboni, Mwali, KM-M, Comoros, the firm providing incorporation services for Respondent GSP, (5) registered mail addressed to Box 1638, Stockholm, SE-AB 116 74, Sweden, a last known address associated with Respondent GS Pay LTD, (6) certified mail, return receipt requested, addressed to Daniel T. Podhaskie, Warren Law Group LLP, 14 Penn Plaza, 9th Floor, New York, NY 10129, an attorney representing Respondent GS Corporation AG in litigation tied to a party that purportedly labeled its business as a fraud and Ponzi scheme, and (7) certified mail, return receipt requested, addressed to Emily Green Hill and Eugene Joseph Rossi from Carlton Fields, PA, 1025 Thomas Jefferson Street NW, Suite 400 West, Washington, DC 20007, and John C. Maloney, Jr., from Zuber Lawler LLP, One Penn Plaza, Suite 4430, New York, NY 10119, attorneys representing Respondent GS Corporation AG in litigation against a different defendant that purportedly labeled its business as a fraud and Ponzi scheme.

THE ORGANIZATION OF RESPONDENT GS CORPORATION AG AND THE ORGANIZATION OF GSB GROUP

21. GCC Gazella Corporate Capital GmbH (“GCC Gazella”) was organized as a limited liability company and operated from Königsallee 61, 40215 Dusseldorf, Germany. It was involved in the manufacture, import, export and distribution of chemicals, plastics, plant protection products, and dyes.
22. Respondent Heit was an owner and a principal of GCC Gazella. Kristina Heit was also an owner of GCC Gazella and filed annual financial statements on behalf of the company.
23. GCC Gazella later changed its corporate form and changed its name to GSB Gold Standard Banking Corporation AG.
24. Respondent Heit, Kristina Heit, Ulf Lammers and Andrey Labuzdko were owners of GSB Gold Standard Banking Corporation AG. Kristina Heit served as the Clerk of GSB Gold Standard Banking Corporation AG and the Chairman of its Supervisory Board. Ulf Lammers and Andrey Labuzdko served as members of the Supervisory Board.
25. In 2021, GSB Gold Standard Banking Corporation AG changed its name to GSB Gold Standard Corporation AG.

26. Although its corporate records continued to show it was involved in the manufacture, import, export and distribution of chemicals, plastics, plant protection products, and dye, Respondent GS Corporation AG is claiming its operations actually involved the following:
- A. In 2013, Respondent GS Corporation AG was established in Germany, and it originally focused on “connecting gold and precious metal producing [sic] refiners with suppliers and gold bullion deals...”
 - B. In 2014, Respondent GS Corporation AG hired “more than 50 IT and Blockchain experts (operating on 3 continents and more than 10 countries) to create in workgroups that, what GSB is today – a Powerhouse.”
 - C. In 2015, Respondent GS Corporation AG claims “[t]he blockchain technology [was] implemented, dealers, refineries [sic], mining enterprises and the first institutional gold buyers and sellers were connected.”
 - D. In 2017, it “decided not to engage in the consulting, advise or onboarding process for individual and corporate clients.” Instead, Respondent GS Corporation AG purportedly opened “the platform for the financial, already licensed, market participants who strictly follow the AML and KYC requirements their regulators impose on them.”
 - E. In 2020, a “Swedish Project got finalised [sic,] meaning “GSB Gold Standard Pay KB became a regulated Trust Management Company... with the Swedish Companies Registration Office.” Respondent GS also “became the newest member of the GSB Group” and GSB Gold Standard Pay Ltd. was registered in Kazakhstan to “conduct crypto currency services to the public.”
27. Notwithstanding the forgoing, Respondent GS Corporation AG and other parties acting as part of GSB Group have not been focused on the manufacture, import, export and distribution of chemicals, plastics, plant protection products, and dye. As described herein, they are engaging in numerous investment schemes tied to digital assets, a metaverse and a skyscraper.

PUBLIC ADVERTISEMENTS,
MULTILEVEL MARKETING, AND THE OFFER OF INVESTMENTS

28. Respondents GSP, GS Banking Corporation PLC, GS Corporation AG, GS Pay KB, GS Pay LTD, GS Trade, Swiss Valorem, Heit, Zahlmann, Hughes and Lima (collectively the “Respondents”) are part of a group of affiliated parties known as GSB Group.
29. Respondents have been collectively promoting GSB Group, investments, themselves, and their businesses through online media, including the following internet websites and social media accounts:

- A. The internet websites include dirczahlmann.com, g999main.net, gsb.gold, gspartners.global, gspeventssweeden.com, gstrade.exchange, josipheit.com, metaconsultant.net, swissvalorembank.com and zahlmann.com,
 - B. The Instagram accounts include @brucehughes_official, @dirc.metalion, @dirczahlmann, @zahlmann.dirc, @g999blockchain, @josipht and @lydian.world,
 - C. The LinkedIn accounts include @zahlmann and @zahlmann-consulting,
 - D. The X accounts, formerly referred to as Twitter accounts, include @g999blockchain, @josip_heit and @zahlmannconsult,
 - E. The Facebook accounts include @bruce.i.hughes, @d.zahlmann, @dirc.zahlmannlion, @g999blockchain, @gspartners, and @zahlmann consulting,
 - F. The YouTube channels include @gsdigitalpartnerstrainerch2984, @g999main, @gsbgoldstandardcorporate237, @thetrainer-qw7il, @dirczahlmann-derumsatzgara6831 and @zahlmannconsulting,
 - G. The Telegram accounts and channels include +6C2Vh-qB53Y0MzQ0, +cOonPhLSqqRINmNk, @G999commUNITY, @lydianworld, @metalion academy and @zahlmann, and
 - H. The Discord servers include @CK532ec.
30. Respondents GSP, Heit, Zahlmann, Hughes and Lima are also hosting and/or participating in videoconferences and recorded videos that promote the operations of GSB Group, encourage prospective investors to purchase investments from Respondent GSP, and train marketers to sell investments as agents of Respondent GSP.
 31. Respondent GSP has also developed and implemented a multilevel marketing scheme to compensate existing clients when they recruit new investors. It is touting the payment of lavish commissions and the ability to earn sales-based compensation from up to seven different income streams, pools, and sources.
 32. Respondent GSP has also been hosting various corporate events, including events that have already been held at the Coca Cola Arena in Dubai, a facility with a capacity of 17,000 people, and the Dubai Opera, a facility with 2,000 seats located in the Opera District in Downtown Dubai. They have also been encouraging clients to secure one of 3,500 tickets for *Come to Cape Town*, a “global community event” that begins on November 18, 2023, at the Cape Town International Convention Centre 2 in Cape Town, South Africa.
 33. Furthermore, Respondent GSP has been claiming that various athletes have also endorsed, promoted or otherwise supported the investments, the operations of

GSB Group, and/or Lydian World. These athletes include boxer Floyd Mayweather and footballers Roberto Carlos, Mario Yepes, David Trezeguet, Michel Salgado, and Lucas Radebe.

REGISTERING ACCOUNTS TO ACCESS THE GSP PLATFORM AND PURCHASE INVESTMENTS

34. Respondent GSP is selling investments through an online platform referred to as a “backoffice” or “dashboard” (the “GSP Platform”) accessible from either gspartners.global (the “GSP Website”) or swissvalorembank.com (the “Swiss Valorem Website”).
35. Prospective investors must create a customer account or a member account, also referred to as a partner account, through either the GSP Website or the Swiss Valorem Website.
36. Users creating customer and member accounts must agree to (1) a document containing general terms and conditions, (2) a member agreement and (3) an electronic signature agreement, and they must represent they have read and understood (4) an income disclaimer statement, (5) a document containing policies and procedures, (6) a privacy policy, (7) a compensation plan and, as applicable, (8) a business entity registration form.
37. Users can upgrade their accounts from customer accounts to member accounts by completing a KYC process and paying a fee of 33 USDT. They must also commit to continuing to pay a fee of 33 USDT each month.
38. Both customers and members can purchase investments through the GSP Platform. However, only members are afforded access to a blockchain academy, the opportunity to mint a limited edition NFT purportedly valued at 28 USDT, the right to participate in promotions, and the ability to earn compensation as a multilevel marketer.

THE AGREEMENTS, THE CODE OF ETHICS, AND THE CORRECTIVE MEASURES

39. As described in herein, users registering customer and member accounts must consent to various agreements, and the terms of these agreements collectively provide as follows:
 - A. The terms describe the registration of accounts as applications for “legal authorization to become a GSP business owner and enter into a contract with Gold Standard Bank,”
 - B. The terms explain users are not employees, agents, or legal representatives, and instead are classified as self-employed independent contractors that are operating their own independent businesses and are buying and selling products through their own accounts,

- C. The terms contain a covenant not to compete that prevents users, during the term of their agreements and for one year thereafter, from recruiting any member or customer for any other network marketing business unless that member or customer was personally sponsored by them, and
 - D. The terms require users to agree they will not participate in “any class action proceeding against GSP,” agree they will bring all claims arising under the agreements within one year of the date of the alleged underlying conduct and agree to “waiv[e] all claims that any other statutes of limitations apply.”
- 40. These agreements also contain a Code of Ethics that requires “independent partners” to practice ethical behavior, conduct themselves and their businesses in a legal and financially sound manner and provide support and encouragement to their retail customers.
 - 41. The Code of Ethics also prohibits independent partners from making “discouraging or disparaging claims toward other GSP Partners” and requires them to “ensure that in all GSP business dealings [they] will refrain from engaging in negative language” and “refrain from making any type of slanderous statements.”
 - 42. The Code of Ethics is supported by other procedures, including a requirement that partners “not disparage, demean, or make negative remarks about or towards GSP, other GSP Partners, GSP’s services, the Compensation plan, or GSP’s owners, board members, directors, officers or employees.”
 - 43. A disciplinary process permits sanctions and “corrective measures” for violations of agreements and common law duties such as the duty of loyalty, and the disciplinary process may be pursued whenever any party engages in acts or omissions that may damage reputation or goodwill. The sanctions and corrective measures create a spectrum of consequences, including the issuance of a written warning or admonition, the imposition of a fine, the loss of rights to one or more bonus or commission payouts, and the institution of legal proceedings for monetary or equitable relief.

THE TOKENIZED SKYSCRAPER OFFERING
AND THE LOSSES INCURRED BY INVESTORS

- 44. Respondent GSP recently engaged in an offering of digital assets where each digital asset represented fractional ownership of a unit in a skyscraper.
- 45. Respondent GSP, then acting as GS Partners, GS Smart Finance and GS Wealth, referred to the skyscraper as both “G999 Exclusive Living Business Bay” and “G999 Tower.” Respondent GSP described G999 Tower as a 36-story “glorious skyscraper situated in the middle of... Dubai” that was “inspired by the winds of the desert, and radiates majesty as it shines under the burning sun.”

46. G999 Tower was purportedly designed to be a mixed-use building with commercial, residential, and hotel units. Respondent GSP purportedly acquired the right to resell these units for a period of twelve months.
47. Respondent GSP began reselling these units through an investment scheme predicated upon XLT Vouchers. XLT Vouchers are digital assets that represented ownership of one square inch of a unit in G999 Tower, and purchasers of XLT Vouchers were supposed to passively share in income generated from the leasing of units.
48. Respondent GSP developed and implemented a plan for distributing the XLT Vouchers that consisted of three distinct phases:
 - A. The first phase began on September 19, 2021, and was scheduled to conclude on December 19, 2021, although Respondent GSP reserved the right to extend the first phase by an additional three months if it did not raise 70 million USDT by selling XLT Vouchers for 9.63 USDT per voucher.
 - B. The second phase was supposed to begin upon the completion of Phase 1 and was scheduled to last three months. During the second phase, investors were supposed to be able to acquire XLT Vouchers for 12.52 USDT per voucher and the goal was to raise 60 million USDT.
 - C. The third phase was supposed to begin upon the completion of the second phase. During the third phase, investors were supposed to be able to acquire XLT Vouchers for 15.68 USDT per voucher and the goal was to raise 45 million USDT.
49. During the first phase, Respondent GSP began promoting its XLERATE Incentive to encourage purchasers of XLT Vouchers to “lock” their XLT Vouchers for 42 months. Owners participating in the XLERATE Incentive were supposed to be compensated for locking their XLT Vouchers, and this compensation included the conveyance of additional XLT Vouchers.
50. Regardless of whether they participated in the XLERATE Incentive, investors acquiring enough XLT Vouchers to represent 100% of the square footage of a specific unit on a specific floor were purportedly able to register their units under their names with the Dubai Land Department.
51. Respondent GSP told investors that acquired XLT Vouchers representing less than 100% of the square footage of a unit that they were able to exchange vouchers for XLT Tokens, with one voucher representing one XLT Token, and thereafter trade the XLT Tokens in secondary peer-to-peer decentralized markets.
52. XLT Token refers to Xclusive Living Tower, a digital asset described in greater detail as follows:
 - A. XLT Token is a BEP-20 token deployed on the Binance blockchain,

- B. The contract address for XLT Token is 0xFf07e4171d754b8DD201ED32243F1bA1A32e2e77, and it was created on February 7, 2022, by 0x80748DE8fEd59C3267625951863dFa631ff35e80 at the transaction hash 0x807ce6efe5301b6f51e9008d99f39f8fb52142e5d0aa6217fbcd82438d2124d4, and
 - C. The maximum circulating supply is 610,001 XLT Tokens, and these tokens are currently held by 1,677 wallets.
- 53. XLT Tokens are highly illiquid assets that are not commonly traded through global cryptocurrency exchanges. Instead investors typically swap XLT Token for more liquid assets or other popular assets through a decentralized exchange.
 - 54. Notwithstanding the forgoing, Respondent GSP touted the profitability associated with owning XLT Tokens, and it claimed it “believes there is no limit to the upside for XLT token holders...”
 - 55. Although Respondent GSP began offering XLT Vouchers during the first of three phases of distribution, it failed to sell sufficient XLT Vouchers to complete the first phase and never transitioned to the second and third phases.
 - 56. Respondent GSP eventually converted all XLT Vouchers owned by investors to XLT Tokens.
 - 57. Following the conversion of XLT Vouchers to XLT Tokens, investors that purchased XLT Vouchers for 9.63 USDT during the first phase of the offering will experience substantial losses if they try to swap the assets. As of 9:23 a.m. c.t. on November 8, 2023, XLT Tokens were trading on Pancake Swap for only 0.0000049 USDT.

THE LYDIAN WORLD METAVERSE AND LYS TOKEN

- 58. Respondent GSP has been promoting a metaverse referred to as Lydian World and Lydian.World. It is describing this metaverse as follows:

Lydian.World is unique virtual world, designed to evolve with the latest technologies and trends in order to give our growing community the ability to take part in, and benefit from, assisted copy trading activity, digital artwork creation and marketing, transparent digital banking reward mechanisms, digital asset authentication and distribution, and much much more.
- 59. Lydian World is closely associated with LydianStater (LYS), a digital asset deployed on the Binance blockchain. LYS is described in more detail as follows:
 - A. The contract for LYS is 0xD5F66F1DF008Aeb8F782f9781794682c87eE2689, and the contract was created on December 14,

2021, by 0xA20b9FAd4FCDCFDBeC3fa607a4840acc3C05D9F5 at transaction hash 0x116dbfa16b90ec3ce0a7d3f38556bfd040c29c95cac35b8251305f6bf22260cd.

- B. The maximum total supply of LYS is 88,888,888, it has been transferred in 26,447 transactions and, as of November 8, 2023, is being held by 2,322 wallets.
 - C. Owners can obtain LYS by swapping USDT or other assets using Respondent GS Trade or on decentralized exchanges such as PancakeSwap. As of approximately 2:55 p.m. c.t. on November 8, 2023, LYS was being traded for around 1.8 USDT per LYS.
60. Lydian World provides over 18 million square meters of virtual land and owners of LYS can purchase a plot of virtual land in Lydian World using LYS.
61. After using LYS to purchase virtual land in Lydian World, users can then build a virtual building on the virtual land, and then open a virtual business using the virtual building as a virtual storefront, and even rent the virtual building to other users – assuming the virtual building’s design is approved by a virtual city town hall.
62. Owners of LYS can also stake LYS in Lydian World and purportedly receive profits as follows:
- A. LYS staking returns a yield that varies by month during the first year and, assuming clients stake their LYS for the entirety of the first year, their APY is 14.8% during the first year,
 - B. LYS staking returns a yield that varies by month during the second year and, assuming clients stake their LYS for the entirety of the second year, their APY is 14.8% during the second year, and
 - C. LYS staking returns a yield that varies by month during the third year and, assuming clients stake their LYS for the entirety of the third year, their APY is 18.8% during the third year.
63. Owners of LYS that paid 33 USDT and upgraded their membership with Respondent GSP are able to acquire an NFT. These members, and others that acquire additional NFTs, can use these NFTs in Lydian World to increase staking rewards as follows:
- A. Investors can load one NFT, and up to 12 NFTs, in the staking pool,
 - B. NFTs loaded in the staking pools increase the rewards in the final month of the second and third years of staking by 0.33% APY per NFT, and

- C. Investors loading the maximum number of NFTs into the staking pool receive 18.8% of 14.8% APY during the second year and 22.8% APY instead of 18.8% in the third year.
64. Investors receive 90% of the rewards earned from staking LYS. The remaining 10% of staking rewards are distributed to the virtual country in Lydian World where the user registered their KYC.
65. Investors staking LYS can unstake their tokens at any time but must pay a penalty if they unstake before the third year. The penalty is 14.8% of the deposited LYS in the first year, 18.8% of the deposited LYS in the second year and 22.8% of the deposited LYS in the third year. 10% of penalties are distributed to the virtual country in Lydian World where the user registered their KYC.
66. Notwithstanding the forgoing, in truth and in fact, LYS and LYS staking pools are not associated with public smart contracts that permit owners to stake LYS and receive the represented APY, use an NFT to receive additional APY or incur penalties for early withdrawals.

THE CERTIFICATES

67. After creating a customer or member account, prospective investors may use their credentials to access the GSP Platform. After accessing the GSP Platform, and consistent with their status as a customer or member, investors may mint NFTs, obtain event tickets, manage multilevel marketing matrixes, access Lydian World, attend courses at a blockchain academy, and purchase various products.
68. These products include Elemental Certificates, also referred to as the Elemental MetaCertificates, and Success Series Certificates, also referred to as the Success Series MetaCertificates.
69. Respondent GSP is using the following terminology to describe the Elemental and Success Series Certificates:
- A. The Elemental and Success Series Certificates show the "Price" denominated in USDT followed by the icon representing USDT. They also show the "Max Potential Payout" denominated in USDT followed by icons representing USDT and one or more other digital assets. The products also use the phrases such as "Value in USDT" and "USDT Bonus Value."
- B. Investors purchase Elemental or Success Series Certificates by transferring digital assets, and then "load" their products by transferring additional digital assets.
- C. Investors can "load" principal into their Elemental or Success Series Certificates until the value of their principal meets or exceeds certain thresholds. Elemental Certificates generally use a single threshold, often referred to as a "main load." Investors that purchase certificates and "load"

principal equal to or in excess of the main load have “fully loaded” a main load.

- D. Success Series Certificates can incorporate two tiers of thresholds, and these thresholds are referred to as “main load 1” and “main load 2.” Investors that load additional principal equal to or in excess of Main Load 1 have “fully loaded main load 1” and investors that load additional principal equal to or in excess of main load 2 have “fully loaded main load 1” and “fully loaded main load 2.”
70. Investors that fully load a main load, fully load main load 1 or fully load main load 2 unlock income streams and increase the value of the certificate as follows:
- A. The purported value of an Elemental or Success Series Certificates may be increased by a certain value, often referred to as a “bonus” or “bonus value,”
 - B. Investors may be entitled to receive monthly payments, sometimes referred to as the “monthly payback programme on load” or simply “on load,”
 - C. Investors may be entitled to receive weekly payments, sometimes referred to as the “weekly payback programme on price” or “on price of certificate,” and
 - D. Investors may be entitled to some utility from the product when loading principal tied to supplements and gaming blockfolios.
71. Respondent GSP frequently incentivizes the loading of additional principal through various promotions. These promotions may increase the value of a certificate or unlock weekly or monthly income streams.
72. Each Elemental or Success Series Certificate is associated with six different “blockfolios” that represent specific industries or sectors. Investors loading Elemental or Success Series Certificates must first elect one or more of six “blockfolios.” The elected blockfolios determine the value of the main load, main load 1, main load 2 and/or promotional load, as well as the terms of the bonus, monthly payments, and weekly payments.

THE ELEMENTAL CERTIFICATES

73. Respondents have been offering products referred to as Elemental Certificates that include the Terra, Light, Water, Wind, Nature, Fire, Heart, Space and Prana MetaCertificates.
74. Investors have been able to purchase a Terra Elemental Certificate for 150 USDT and receive a maximum potential payout of 10,579 USDT as follows:

- A. The main loads for the fintech, renewables, real estate, metaportfolio, supplements and gaming blockfolios for the Terra Elemental Certificate are 200 USDT.
 - B. Investors that satisfy the main load increase the price of the certificate by 700 USDT for the fintech blockfolio, 800 USDT for the renewables blockfolio, 600 USDT for the real estate blockfolio, 400 USDT for the metaportfolio blockfolio, 800 USDT for the supplements blockfolio and 800 USDT for the gaming blockfolio.
 - C. After satisfying the main load, for a term of 52 weeks, investors are entitled to 5% of the price per week for the fintech blockfolio, 4% of the price per week for the renewables blockfolio, 3.5% of the price per week for the real estate blockfolio, 2.5% of the price per week for the metaportfolio blockfolio, 3% of the price per week for the supplements blockfolio and 4% of the price per week for the gaming blockfolio.
 - D. After satisfying the main load, investors are also entitled to 1.5% of the load per month for a term of 24 months for the fintech blockfolio, 1.5% of the load per month for a term of 30 months for the renewables blockfolio, and 1.5% of the load per month for a term of 36 months for the real estate blockfolio, and a dynamic percentage of the load paid on a quarterly basis over a term of 18 months for the metaportfolio blockfolio.
 - E. The promotional loads for its fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Terra Elemental Certificate is 400 USDT.
 - F. Investors that satisfy the promotional load increase the price of the certificate by 4,000 USDT for the fintech and gaming blockfolios and 2,000 USDT for the renewables, real estate, metaportfolio, and supplements blockfolio.
 - G. Investors are only entitled to the promotional bonus if they attend an event specified by Respondent GSP; they are entitled to 50% of the promotional bonuses if they fail to attend the event.
75. Investors have been able to purchase a Light Elemental Certificate for 250 USDT and receive a maximum potential payout of 26,447.5 USDT as follows:
- A. The main loads for the fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Light Elemental Certificate are 500 USDT.
 - B. Investors that satisfy the main load increase the price of the certificate by 1,750 USDT for the fintech blockfolio, 2,000 USDT for the renewables blockfolio, 1,500 USDT for the real estate blockfolio, 1,000 USDT for the

metaportfolio blockfolio, 2,000 USDT for the supplements blockfolio, and 2,000 USDT for the gaming blockfolio.

- C. After satisfying the main load, for a term of 52 weeks, investors are entitled to 5% of the price per week for the fintech blockfolio, 4% of the price per week for the renewables blockfolio, 3.5% of the price per week for the real estate blockfolio, 2.5% of the price per week for the metaportfolio blockfolio, 3% of the price per week for the supplements blockfolio, and 4% of the price per week for the gaming blockfolio.
 - D. After satisfying the main load, investors are also entitled to 1.5% of the load per month for a term of 24 months for the fintech blockfolio, 1.5% of the load per month for a term of 30 months for the renewables blockfolio, and 1.5% of the load per month for a term of 36 months for the real estate blockfolio, and a dynamic percentage of the load paid on a quarterly basis over term of 18 months for the metaportfolio blockfolio.
 - E. The promotional loads for its fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Light Elemental Certificate is 1,000 USDT.
 - F. Investors that satisfy the promotional load increase the price of the certificate by 10,000 USDT for the fintech and gaming blockfolios and 5,000 USDT for the renewables, real estate, metaportfolio, and supplements blockfolio.
 - G. Investors are only entitled to the promotional bonus if they attend an event specified by Respondent GSP; they are entitled to 50% of the promotional bonuses if they fail to attend the event.
76. Investors have been able to purchase a Water Elemental Certificate for 1,000 USDT and receive a maximum potential payout of 105,790 USDT as follows:
- A. The main loads for the fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Water Elemental Certificate are 2,000 USDT.
 - B. Investors that satisfy the main load increase the price of the certificate by 7,000 USDT for the fintech blockfolio, 8,000 USDT for the renewables blockfolio, 6,000 USDT for the real estate blockfolio, 4,000 USDT for the metaportfolio blockfolio, 8,000 USDT for the supplements blockfolio, and 8,000 USDT for the gaming blockfolio.
 - C. After satisfying the main load, for a term of 52 weeks, investors are entitled to 5% of the price per week for the fintech blockfolio, 4% of the price per week for the renewables blockfolio, 3.5% of the price per week for the real estate blockfolio, 2.5% of the price per week for the metaportfolio blockfolio,

3% of the price per week for the supplements blockfolio, and 4% of the price per week for the gaming blockfolio.

- D. After satisfying the main load, investors are also entitled to 1.5% of the load per month for a term of 24 months for the fintech blockfolio , 1.5% of the load per month for a term of 30 months for the renewables blockfolio, and 1.5% of the load per month for a term of 36 months for the real estate blockfolio, and a dynamic percentage of the load paid on a quarterly basis over term of 18 months for the metaportfolio blockfolio.
 - E. The promotional loads for its fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Water Elemental Certificate is 4,000 USDT.
 - F. Investors that satisfy the promotional load increase the price of the certificate by 20,000 USDT for the fintech and gaming blockfolios and 40,000 USDT for the renewables, real estate, metaportfolio, and supplements blockfolio.
 - G. Investors are only entitled to the promotional bonus if they attend an event specified by Respondent GSP; they are entitled to 50% of the promotional bonuses if they fail to attend the event.
77. Investors have been able to purchase a Wind Elemental Certificate for 2,500 USDT and receive a maximum potential payout of 264,475 USDT as follows:
- A. The main loads for the fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Wind Elemental Certificate are 5,000 USDT.
 - B. Investors that satisfy the main load increase the price of the certificate by 17,500 USDT for the fintech blockfolio, 20,000 USDT for the renewables blockfolio, 15,000 USDT USDT for the real estate blockfolio, 10,000 USDT for the metaportfolio blockfolio, 20,000 USDT for the supplements blockfolio, and 20,000 USDT for the gaming blockfolio.
 - C. After satisfying the main load, for a term of 52 weeks, investors are entitled to 5% of the price per week for the fintech blockfolio, 4% of the price per week for the renewables blockfolio, 3.5% of the price per week for the real estate blockfolio, 2.5% of the price per week for the metaportfolio blockfolio, 3% of the price per week for the supplements blockfolio, and 4% of the price per week for the gaming blockfolio.
 - D. After satisfying the main load, investors are also entitled to 1.5% of the load per month for a term of 24 months for the fintech blockfolio, 1.5% of the load per month for a term of 30 months for the renewables blockfolio, and 1.5% of the load per month for a term of 36 months for the real estate blockfolio,

and a dynamic percentage of the load paid on a quarterly basis over term of 18 months for the metaportfolio blockfolio.

- E. The promotional loads for its fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Wind Elemental Certificate is 10,000 USDT.
 - F. Investors that satisfy the promotional load increase the price of the certificate by 100,000 USDT for the fintech and gaming blockfolios and 50,000 USDT for the renewables, real estate, metaportfolio, and supplements blockfolio.
 - G. Investors are only entitled to the promotional bonus if they attend an event specified by Respondent GSP; they are entitled to 50% of the promotional bonuses if they fail to attend the event.
78. Investors have been able to purchase a Nature Elemental Certificate for 5,000 USDT and receive a maximum potential payout of 528,950 USDT as follows:
- A. The main loads for the fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Nature Elemental Certificate are 10,000 USDT.
 - B. Investors that satisfy the main load increase the price of the certificate by 35,000 USDT for the fintech blockfolio, 40,000 USDT for the renewables blockfolio, 30,000 USDT for the real estate blockfolio, 20,000 for the metaportfolio blockfolio, 40,000 USDT for the supplements blockfolio, and 40,000 USDT for the gaming blockfolio.
 - C. After satisfying the main load, for a term of 52 weeks, investors are entitled to 5% of the price per week for the fintech blockfolio, 4% of the price per week for the renewables blockfolio, 3.5% of the price per week for the real estate blockfolio, 2.5% of the price per week for the metaportfolio blockfolio, 3% of the price per week for the supplements blockfolio, and 4% of the price per week for the gaming blockfolio.
 - D. After satisfying the main load, investors are also entitled to 1.5% of the load per month for a term of 24 months for the fintech blockfolio , 1.5% of the load per month for a term of 30 months for the renewables blockfolio, and 1.5% of the load per month for a term of 36 months for the real estate blockfolio, and a dynamic percentage of the load paid on a quarterly basis over term of 18 months for the metaportfolio blockfolio.
 - E. The promotional loads for its fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Nature Elemental Certificate is 20,000 USDT.

- F. Investors that satisfy the promotional load increase the price of the certificate by 200,000 USDT for the fintech and gaming blockfolios and 100,000 USDT for the renewables, real estate, metaportfolio, and supplements blockfolio.
 - G. Investors are only entitled to the promotional bonus if they attend an event specified by Respondent GSP; they are entitled to 50% of the promotional bonuses if they fail to attend the event.
79. Investors have been able to purchase a Fire Elemental Certificate for 10,000 USDT and receive a maximum potential payout of 1,057,900 USDT as follows:
- A. The main loads for the fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Fire Elemental Certificate are 20,000 USDT.
 - B. Investors that satisfy the main load increase the price of the certificate by 70,000 USDT for the fintech blockfolio, 80,000 USDT for the renewables blockfolio, 60,000 USDT for the real estate blockfolio, 40,000 for the metaportfolio blockfolio, 80,000 USDT for the supplements blockfolio, and 80,000 USDT for the gaming blockfolio.
 - C. After satisfying the main load, for a term of 52 weeks, investors are entitled to 5% of the price per week for the fintech blockfolio, 4% of the price per week for the renewables blockfolio, 3.5% of the price per week for the real estate blockfolio, 2.5% of the price per week for the metaportfolio blockfolio, 3% of the price per week for the supplements blockfolio, and 4% of the price per week for the gaming blockfolio.
 - D. After satisfying the main load, investors are also entitled to 1.5% of the load per month for a term of 24 months for the fintech blockfolio , 1.5% of the load per month for a term of 30 months for the renewables blockfolio, and 1.5% of the load per month for a term of 36 months for the real estate blockfolio, and a dynamic percentage of the load paid on a quarterly basis over term of 18 months for the metaportfolio blockfolio.
 - E. The promotional loads for its fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Fire Elemental Certificate is 40,000 USDT.
 - F. Investors that satisfy the promotional load increase the price of the certificate by 400,000 USDT for the fintech and gaming blockfolios and 200,000 USDT for the renewables, real estate, metaportfolio, and supplements blockfolio.
 - G. Investors are only entitled to the promotional bonus if they attend an event specified by Respondent GSP; they are entitled to 50% of the promotional bonuses if they fail to attend the event.

80. Investors have been able to purchase a Heart Elemental Certificate for 25,000 USDT and receive a maximum potential payout of 2,644,750 USDT as follows:
- A. The main loads for the fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Heart Elemental Certificate are 50,000 USDT.
 - B. Investors that satisfy the main load increase the price of the certificate by 175,000 USDT for the fintech blockfolio, 200,000 USDT for the renewables blockfolio, 150,000 USDT for the real estate blockfolio, 100,000 USDT for the metaportfolio blockfolio, 200,000 USDT for the supplements blockfolio, and 200,000 USDT for the gaming blockfolio.
 - C. After satisfying the main load, for a term of 52 weeks, investors are entitled to 5% of the price per week for the fintech blockfolio, 4% of the price per week for the renewables blockfolio, 3.5% of the price per week for the real estate blockfolio, 2.5% of the price per week for the metaportfolio blockfolio, 3% of the price per week for the supplements blockfolio, and 4% of the price per week for the gaming blockfolio.
 - D. After satisfying the main load, investors are also entitled to 1.5% of the load per month for a term of 24 months for the fintech blockfolio, 1.5% of the load per month for a term of 30 months for the renewables blockfolio, and 1.5% of the load per month for a term of 36 months for the real estate blockfolio, and a dynamic percentage of the load paid on a quarterly basis over term of 18 months for the metaportfolio blockfolio.
 - E. The promotional loads for its fintech, renewables, real estate, metaportfolio, supplements and gaming blockfolios for the Heart Elemental Certificate is 100,000 USDT.
 - F. Investors that satisfy the promotional load increase the price of the certificate by 1,000,000 USDT for the fintech and gaming blockfolios and 500,000 USDT for the renewables, real estate, metaportfolio, and supplements blockfolio.
 - G. Investors are only entitled to the promotional bonus if they attend an event specified by Respondents; they are entitled to 50% of the promotional bonuses if they fail to attend the event.
81. Investors have been able to purchase a Space Elemental Certificate for 50,000 USDT and receive a maximum potential payout of 5,289,500 USDT as follows:
- A. The main loads for the fintech, renewables, real estate, metaportfolio, supplements and gaming blockfolios for the Space Elemental Certificate are 100,000 USDT.

- B. Investors that satisfy the main load increase the price of the certificate by 350,000 USDT for the fintech blockfolio, 400,000 USDT for the renewables blockfolio, 300,000 USDT for the real estate blockfolio, 200,000 USDT for the metaportfolio blockfolio, 400,000 USDT for the supplements blockfolio, and 400,000 USDT for the gaming blockfolio.
 - C. After satisfying the main load, for a term of 52 weeks, investors are entitled to 5% of the price per week for the fintech blockfolio, 4% of the price per week for the renewables blockfolio, 3.5% of the price per week for the real estate blockfolio, 2.5% of the price per week for the metaportfolio blockfolio, 3% of the price per week for the supplements blockfolio, and 4% of the price per week for the gaming blockfolio.
 - D. After satisfying the main load, investors are also entitled to 1.5% of the load per month for a term of 24 months for the fintech blockfolio , 1.5% of the load per month for a term of 30 months for the renewables blockfolio, and 1.5% of the load per month for a term of 36 months for the real estate blockfolio, and a dynamic percentage of the load paid on a quarterly basis over term of 18 months for the metaportfolio blockfolio.
 - E. The promotional loads for its fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Space Elemental Certificate is 200,000 USDT.
 - F. Investors that satisfy the promotional load increase the price of the certificate by 2,000,000 USDT for the fintech and gaming blockfolios and 1,000,000 USDT for the renewables, real estate, metaportfolio, and supplements blockfolio.
 - G. Investors are only entitled to the promotional bonus if they attend an event specified by Respondents; they are entitled to 50% of the promotional bonuses if they fail to attend the event.
82. Investors have been able to purchase a Prana Elemental Certificate for 100,000 USDT and receive a maximum potential payout of 10,579,000 USDT as follows:
- A. The main loads for the fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Prana Elemental Certificate are 200,000 USDT.
 - B. Investors that satisfy the main load increase the price of the certificate by 700,000 USDT for the fintech blockfolio, 800,000 USDT for the renewables blockfolio, 600,000 USDT for the real estate blockfolio, 400,000 USDT for the metaportfolio blockfolio, 800,000 USDT for the supplements blockfolio, and 800,000 USDT for the gaming blockfolio.
 - C. After satisfying the main load, for a term of 52 weeks, investors are entitled to 5% of the price per week for the fintech blockfolio, 4% of the price per

week for the renewables blockfolio, 3.5% of the price per week for the real estate blockfolio, 2.5% of the price per week for the metaportfolio blockfolio, 3% of the price per week for the supplements blockfolio, and 4% of the price per week for the gaming blockfolio.

- D. After satisfying the main load, investors are also entitled to 1.5% of the load per month for a term of 24 months for the fintech blockfolio, 1.5% of the load per month for a term of 30 months for the renewables blockfolio, and 1.5% of the load per month for a term of 36 months for the real estate blockfolio, and a dynamic percentage of the load paid on a quarterly basis over term of 18 months for the metaportfolio blockfolio.
- E. The promotional loads for its fintech, renewables, real estate, metaportfolio, supplements, and gaming blockfolios for the Prana Elemental Certificate is 400,000 USDT.
- F. Investors that satisfy the promotional load increase the price of the certificate by 4,000,000 USDT for the fintech and gaming blockfolios and 2,000,000 USDT for the renewables, real estate, metaportfolio, and supplements blockfolio.
- G. Investors are only entitled to the promotional bonus if they attend an event specified by Respondents; they are entitled to 50% of the promotional bonuses if they fail to attend the event.

THE SUCCESS SERIES CERTIFICATES

- 83. Respondents are also offering similar products referred to as its Success Series Certificates that include the Rise, Grow, Prosper, Flourish, Thrive, Advance, Triumph, Epic, and Victorious Success Series Certificates.
- 84. Investors can purchase the Rise Success Series Certificate for 150 USDT and receive a maximum potential payout of 17,612 USDT as follows:
 - A. The first main load milestone is 100 USDT for its trade, supplements, and gaming blockfolios and 200 USDT for its fintech, real estate, and renewables blockfolios.
 - B. After satisfying the first main load milestone for the trade blockfolio, investors are entitled to 500 USDT bonus value.
 - C. After satisfying the first main load milestone for the fintech blockfolio, investors are entitled to 5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 18 months and 1,000 USDT bonus value.
 - D. After satisfying the first main load milestone for the real estate blockfolio, investors are entitled to 3.5% weekly on the price of the certificate for 52

weeks, 1.5% monthly on the value of the load for 30 months, and 1,000 USDT bonus value.

- E. After satisfying the first main load milestone for the renewables blockfolio, investors are entitled to 4% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 24 months, and 1,000 USDT bonus value.
- F. After satisfying the first main load milestone for the supplements blockfolio, investors are entitled to 6% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 500 USDT bonus value.
- G. After satisfying the first main load milestone for the gaming blockfolio, investors are entitled to 7% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 500 USDT bonus value.
- H. The second main load milestone is 200 USDT for its trade, supplements, and gaming blockfolios and 400 USDT for its fintech, real estate, and renewables blockfolios.
- I. After satisfying the second main load milestone for its trade blockfolio, investors are entitled to 2.5% weekly on the price of the certificate for 52 weeks and 100 USDT bonus value.
- J. After satisfying the second main load milestone for its fintech and real estate blockfolios, investors are entitled to 7% weekly on the price of the certificate for 52 weeks and 2,000 USDT bonus value.
- K. After satisfying the second main load milestone for its renewables blockfolio, investors are entitled to 8% weekly on the price of the certificate for 52 weeks and 2,000 USDT bonus value.
- L. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 12% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 1,000 USDT bonus value.
- M. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 15% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 1,000 USDT bonus value.
- N. Investors electing the trade blockfolio for either the first or second main load milestone are told that bonuses and load are subject to trade market and trade conditions with no guarantees, and that weekly rewards will be paused when the main load value drops below 100%.

85. Investors can purchase the Grow Success Series Certificate for 250 USDT and receive a maximum potential payout of 44,030 USDT as follows:
- A. The first main load milestone is 250 USDT for its trade, supplements, and gaming blockfolios and 500 USDT for its fintech, real estate, and renewables blockfolios.
 - B. After satisfying the first main load milestone for the trade blockfolio, investors are entitled to 1,250 USDT bonus value.
 - C. After satisfying the first main load milestone for the fintech blockfolio, investors are entitled to 5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 18 months and 2,500 USDT bonus value.
 - D. After satisfying the first main load milestone for the real estate blockfolio, investors are entitled to 3.5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 30 months and 2,500 USDT bonus value.
 - E. After satisfying the first main load milestone for the renewables blockfolio, investors are entitled to 4% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 24 months and 2,500 USDT bonus value.
 - F. After satisfying the first main load milestone for the supplements blockfolio, investors are entitled to 6% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 1,250 USDT bonus value.
 - G. After satisfying the first main load milestone for the gaming blockfolio, investors are entitled to 7% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 1,250 USDT bonus value.
 - H. The second main load milestone is 500 USDT for its trade, supplements and gaming blockfolios and 1,000 USDT for its fintech, real estate, and renewables blockfolios.
 - I. After satisfying the second main load milestone for its trade blockfolio, investors are entitled to 2.5% weekly on the price of the certificate for 52 weeks and 2,500 USDT bonus value.
 - J. After satisfying the second main load milestone for its fintech and real estate blockfolios, investors are entitled to 7% weekly on the price of the certificate for 52 weeks and 5,000 USDT bonus value.

- K. After satisfying the second main load milestone for its renewables blockfolio, investors are entitled to 8% weekly on the price of the certificate for 52 weeks and 5,000 USDT bonus value.
 - L. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 12% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 2,500 USDT bonus value.
 - M. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 15% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 2,500 USDT bonus value.
 - N. Investors electing the trade blockfolio for either the first or second main load milestone are told that bonuses and load are subject to trade market and trade conditions with no guarantees, and that weekly rewards will be paused when the main load value drops below 100%.
86. Investors can purchase the Prosper Success Series Certificate for 1,000 USDT and receive a maximum potential payout of 176,120 USDT as follows:
- A. The first main load milestone is 1,000 USDT for its trade, supplements, and gaming blockfolios and 2,000 USDT for its fintech, real estate, and renewables blockfolios.
 - B. After satisfying the first main load milestone for the trade blockfolio, investors are entitled to 5,000 USDT bonus value.
 - C. After satisfying the first main load milestone for the fintech blockfolio, investors are entitled to 5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 18 months and 10,000 USDT bonus value.
 - D. After satisfying the first main load milestone for the real estate blockfolio, investors are entitled to 3.5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 30 months and 10,000 USDT bonus value.
 - E. After satisfying the first main load milestone for the renewables blockfolio, investors are entitled to 4% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 24 months and 10,000 USDT bonus value.
 - F. After satisfying the first main load milestone for the supplements blockfolio, investors are entitled to 6% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 5,000 USDT bonus value.

- G. After satisfying the first main load milestone for the gaming blockfolio, investors are entitled to 7% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 5,000 USDT bonus value.
 - H. The second main load milestone is 1,000 USDT for its trade, supplements and gaming blockfolios and 2,000 USDT for its fintech, real estate, and renewables blockfolios.
 - I. After satisfying the second main load milestone for its trade blockfolio, investors are entitled to 2.5% weekly on the price of the certificate for 52 weeks and 10,000 USDT bonus value.
 - J. After satisfying the second main load milestone for its fintech and real estate blockfolios, investors are entitled to 7% weekly on the price of the certificate for 52 weeks and 20,000 USDT bonus value.
 - K. After satisfying the second main load milestone for its renewables blockfolio, investors are entitled to 8% weekly on the price of the certificate for 52 weeks and 20,000 USDT bonus value.
 - L. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 12% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 10,000 USDT bonus value.
 - M. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 15% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 10,000 USDT bonus value.
 - N. Investors electing the trade blockfolio for either the first or second main load milestone are told that bonuses and load are subject to trade market and trade conditions with no guarantees, and that weekly rewards will be paused when the main load value drops below 100%.
87. Investors can purchase the Flourish Success Series Certificate for 2,500 USDT and receive a maximum potential payout of 440,300 USDT as follows:
- A. The first main load milestone is 2,500 USDT for its trade, supplements and gaming blockfolios and 5,000 USDT for its fintech, real estate, and renewables blockfolios.
 - B. After satisfying the first main load milestone for the trade blockfolio, investors are entitled to 12,500 USDT bonus value.

- C. After satisfying the first main load milestone for the fintech blockfolio, investors are entitled to 5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 18 months and 25,000 USDT bonus value.
- D. After satisfying the first main load milestone for the real estate blockfolio, investors are entitled to 3.5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 30 months and 25,000 USDT bonus value.
- E. After satisfying the first main load milestone for the renewables blockfolio, investors are entitled to 4% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 24 months and 25,000 USDT bonus value.
- F. After satisfying the first main load milestone for the supplements blockfolio, investors are entitled to 6% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 12,500 USDT bonus value.
- G. After satisfying the first main load milestone for the gaming blockfolio, investors are entitled to 7% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 12,500 USDT bonus value.
- H. The second main load milestone is 5,000 USDT for its trade, supplements and gaming blockfolios and 10,000 USDT for its fintech, real estate, and renewables blockfolios.
- I. After satisfying the second main load milestone for its trade blockfolio, investors are entitled to 2.5% weekly on the price of the certificate for 52 weeks and 25,000 USDT bonus value.
- J. After satisfying the second main load milestone for its fintech and real estate blockfolios, investors are entitled to 7% weekly on the price of the certificate for 52 weeks and 50,000 USDT bonus value.
- K. After satisfying the second main load milestone for its renewables blockfolio, investors are entitled to 8% weekly on the price of the certificate for 52 weeks and 50,000 USDT bonus value.
- L. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 12% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 25,000 USDT bonus value.
- M. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 15% weekly on the price of the certificate

for 52 weeks, but must continue to reload the certificate every 13 weeks, and 25,000 USDT bonus value.

- N. Investors electing the trade blockfolio for either the first or second main load milestone are told that bonuses and load are subject to trade market and trade conditions with no guarantees, and that weekly rewards will be paused when the main load value drops below 100%.
88. Investors can purchase the Thrive Success Series Certificate for 5,000 USDT and receive a maximum potential payout of 880,600 USDT as follows:
- A. The first main load milestone is 5,000 USDT for its trade, supplements and gaming blockfolios and 10,000 USDT for its fintech, real estate, and renewables blockfolios.
 - B. After satisfying the first main load milestone for the trade blockfolio, investors are entitled to 25,000 USDT bonus value.
 - C. After satisfying the first main load milestone for the fintech blockfolio, investors are entitled to 5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 18 months and 50,000 USDT bonus value.
 - D. After satisfying the first main load milestone for the real estate blockfolio, investors are entitled to 3.5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 30 months and 50,000 USDT bonus value.
 - E. After satisfying the first main load milestone for the renewables blockfolio, investors are entitled to 4% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 24 months and 50,000 USDT bonus value.
 - F. After satisfying the first main load milestone for the supplements blockfolio, investors are entitled to 6% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 25,000 USDT bonus value.
 - G. After satisfying the first main load milestone for the gaming blockfolio, investors are entitled to 7% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 25,000 USDT bonus value.
 - H. The second main load milestone is 10,000 USDT for its trade, supplements and gaming blockfolios and 20,000 USDT for its fintech, real estate, and renewables blockfolios.

- I. After satisfying the second main load milestone for its trade blockfolio, investors are entitled to 2.5% weekly on the price of the certificate for 52 weeks and 50,000 USDT bonus value.
 - J. After satisfying the second main load milestone for its fintech and real estate blockfolios, investors are entitled to 7% weekly on the price of the certificate for 52 weeks and 100,000 USDT bonus value.
 - K. After satisfying the second main load milestone for its renewables blockfolio, investors are entitled to 8% weekly on the price of the certificate for 52 weeks and 100,000 USDT bonus value.
 - L. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 12% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 50,000 USDT bonus value.
 - M. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 15% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 50,000 USDT bonus value.
 - N. Investors electing the trade blockfolio for either the first or second main load milestone are told that bonuses and load are subject to trade market and trade conditions with no guarantees, and that weekly rewards will be paused when the main load value drops below 100%.
89. Investors can purchase the Advance Success Series Certificate for 10,000 USDT and receive a maximum potential payout of 1,761,200 USDT as follows:
- A. The first main load milestone is 10,000 USDT for its trade, supplements and gaming blockfolios and 20,000 USDT for its fintech, real estate, and renewables blockfolios.
 - B. After satisfying the first main load milestone for the trade blockfolio, investors are entitled to 50,000 USDT bonus value.
 - C. After satisfying the first main load milestone for the fintech blockfolio, investors are entitled to 5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 18 months and 100,000 USDT bonus value.
 - D. After satisfying the first main load milestone for the real estate blockfolio, investors are entitled to 3.5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 30 months and 100,000 USDT bonus value.

- E. After satisfying the first main load milestone for the renewables blockfolio, investors are entitled to 4% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 24 months and 100,000 USDT bonus value.
 - F. After satisfying the first main load milestone for the supplements blockfolio, investors are entitled to 6% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 50,000 USDT bonus value.
 - G. After satisfying the first main load milestone for the gaming blockfolio, investors are entitled to 7% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 50,000 USDT bonus value.
 - H. The second main load milestone is 20,000 USDT for its trade, supplements and gaming blockfolios and 40,000 USDT for its fintech, real estate, and renewables blockfolios.
 - I. After satisfying the second main load milestone for its trade blockfolio, investors are entitled to 2.5% weekly on the price of the certificate for 52 weeks and 100,000 USDT bonus value.
 - J. After satisfying the second main load milestone for its fintech and real estate blockfolios, investors are entitled to 7% weekly on the price of the certificate for 52 weeks and 200,000 USDT bonus value.
 - K. After satisfying the second main load milestone for its renewables blockfolio, investors are entitled to 8% weekly on the price of the certificate for 52 weeks and 200,000 USDT bonus value.
 - L. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 12% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 100,000 USDT bonus value.
 - M. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 15% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 100,000 USDT bonus value.
 - N. Investors electing the trade blockfolio for either the first or second main load milestone are told that bonuses and load are subject to trade market and trade conditions with no guarantees, and that weekly rewards will be paused when the main load value drops below 100%.
90. Investors can purchase the Triumph Success Series Certificate for 25,000 USDT and receive a maximum potential payout of 4,403,000 USDT as follows:

- A. The first main load milestone is 25,000 USDT for its trade, supplements and gaming blockfolios and 50,000 USDT for its fintech, real estate, and renewables blockfolios.
- B. After satisfying the first main load milestone for the trade blockfolio, investors are entitled to 125,000 USDT bonus value.
- C. After satisfying the first main load milestone for the fintech blockfolio, investors are entitled to 5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 18 months and 250,000 USDT bonus value.
- D. After satisfying the first main load milestone for the real estate blockfolio, investors are entitled to 3.5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 30 months and 250,000 USDT bonus value.
- E. After satisfying the first main load milestone for the renewables blockfolio, investors are entitled to 4% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 24 months and 250,000 USDT bonus value.
- F. After satisfying the first main load milestone for the supplements blockfolio, investors are entitled to 6% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 125,000 USDT bonus value.
- G. After satisfying the first main load milestone for the gaming blockfolio, investors are entitled to 7% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 125,000 USDT bonus value.
- H. The second main load milestone is 50,000 USDT for its trade, supplements and gaming blockfolios and 100,000 USDT for its fintech, real estate, and renewables blockfolios.
- I. After satisfying the second main load milestone for its trade blockfolio, investors are entitled to 2.5% weekly on the price of the certificate for 52 weeks and 250,000 USDT bonus value.
- J. After satisfying the second main load milestone for its fintech and real estate blockfolios, investors are entitled to 7% weekly on the price of the certificate for 52 weeks and 500,000 USDT bonus value.
- K. After satisfying the second main load milestone for its renewables blockfolio, investors are entitled to 8% weekly on the price of the certificate for 52 weeks and 500,000 USDT bonus value.

- L. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 12% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 250,000 USDT bonus value.
 - M. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 15% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 250,000 USDT bonus value.
 - N. Investors electing the trade blockfolio for either the first or second main load milestone are told that bonuses and load are subject to trade market and trade conditions with no guarantees, and that weekly rewards will be paused when the main load value drops below 100%.
91. Investors can purchase the Epic Success Series Certificate for 50,000 USDT and receive a maximum potential payout of 8,806,000 USDT as follows:
- A. The first main load milestone is 50,000 USDT for its trade, supplements and gaming blockfolios and 100,000 USDT for its fintech, real estate, and renewables blockfolios.
 - B. After satisfying the first main load milestone for the trade blockfolio, investors are entitled to 250,000 USDT bonus value.
 - C. After satisfying the first main load milestone for the fintech blockfolio, investors are entitled to 5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 18 months and 500,000 USDT bonus value.
 - D. After satisfying the first main load milestone for the real estate blockfolio, investors are entitled to 3.5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 30 months and 500,000 USDT bonus value.
 - E. After satisfying the first main load milestone for the renewables blockfolio, investors are entitled to 4% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 24 months and 500,000 USDT bonus value.
 - F. After satisfying the first main load milestone for the supplements blockfolio, investors are entitled to 6% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 250,000 USDT bonus value.
 - G. After satisfying the first main load milestone for the gaming blockfolio, investors are entitled to 7% weekly on the price of the certificate for 52

weeks, but must continue to reload the certificate every 13 weeks, and 250,000 USDT bonus value.

- H. The second main load milestone is 100,000 USDT for its trade, supplements and gaming blockfolios and 250,000 USDT for its fintech, real estate, and renewables blockfolios.
 - I. After satisfying the second main load milestone for its trade blockfolio, investors are entitled to 2.5% weekly on the price of the certificate for 52 weeks and 500,000 USDT bonus value.
 - J. After satisfying the second main load milestone for its fintech and real estate blockfolios, investors are entitled to 7% weekly on the price of the certificate for 52 weeks and 1,000,000 USDT bonus value.
 - K. After satisfying the second main load milestone for its renewables blockfolio, investors are entitled to 8% weekly on the price of the certificate for 52 weeks and 1,000,000 USDT bonus value.
 - L. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 12% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 500,000 USDT bonus value.
 - M. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 15% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 500,000 USDT bonus value.
 - N. Investors electing the trade blockfolio for either the first or second main load milestone are told that bonuses and load are subject to trade market and trade conditions with no guarantees, and that weekly rewards will be paused when the main load value drops below 100%.
92. Investors can purchase the Victorious Success Series Certificate for 100,000 USDT and receive a maximum potential payout of 17,612,000 USDT as follows:
- A. The first main load milestone is 100,000 USDT for its trade, supplements and gaming blockfolios and 200,000 USDT for its fintech, real estate, and renewables blockfolios.
 - B. After satisfying the first main load milestone for the trade blockfolio, investors are entitled to 500,000 USDT bonus value.
 - C. After satisfying the first main load milestone for the fintech blockfolio, investors are entitled to 5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 18 months and 1,000,000 USDT bonus value.

- D. After satisfying the first main load milestone for the real estate blockfolio, investors are entitled to 3.5% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 30 months and 1,000,000 USDT bonus value.
- E. After satisfying the first main load milestone for the renewables blockfolio, investors are entitled to 4% weekly on the price of the certificate for 52 weeks, 1.5% monthly on the value of the load for 24 months and 1,000,000 USDT bonus value.
- F. After satisfying the first main load milestone for the supplements blockfolio, investors are entitled to 6% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 500,000 USDT bonus value.
- G. After satisfying the first main load milestone for the gaming blockfolio, investors are entitled to 7% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 500,000 USDT bonus value.
- H. The second main load milestone is 200,000 USDT for its trade, supplements and gaming blockfolios and 400,000 USDT for its fintech, real estate, and renewables blockfolios.
- I. After satisfying the second main load milestone for its trade blockfolio, investors are entitled to 2.5% weekly on the price of the certificate for 52 weeks and 1,000,000 USDT bonus value.
- J. After satisfying the second main load milestone for its fintech and real estate blockfolios, investors are entitled to 7% weekly on the price of the certificate for 52 weeks and 2,000,000 USDT bonus value.
- K. After satisfying the second main load milestone for its renewables blockfolio, investors are entitled to 8% weekly on the price of the certificate for 52 weeks and 2,000,000 USDT bonus value.
- L. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 12% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 1,000,000 USDT bonus value.
- M. After satisfying the second main load milestone for its supplements blockfolio, investors are entitled to 15% weekly on the price of the certificate for 52 weeks, but must continue to reload the certificate every 13 weeks, and 1,000,000 USDT bonus value.

- N. Investors electing the trade blockfolio for either the first or second main load milestone are told that bonuses and load are subject to trade market and trade conditions with no guarantees, and that weekly rewards will be paused when the main load value drops below 100%.

THE FAST START BONUS

93. Respondent GSP has been offering incentives, often referred to as bonuses or promotions, to new investors. The incentives include the Fast Start Bonus and the Member Certificate Bonus, and they encourage new investors to load additional principal and/or recruit new investors.
94. It has implemented and is now promoting the Fast Start Program, also referred to as the Member Certificate Bonus. The Fast Start Program provides incentives to members that registered accounts and paid 33 USDT.
95. The Fast Start Program provides an incentive to investors who purchase certificates and an incentive to investors that recruit new clients. Members that registered accounts and paid 33 USDT on or after January 17, 2023, are entitled to participate in both incentives for 30 days following the registration of their accounts. Members that registered accounts and paid 33 USDT prior to January 17, 2023, were only able to participate in the latter incentive for 31 days starting on January 17, 2023.
96. The first incentive provides a free MetaCertificate to members who purchase three MetaCertificates. The free MetaCertificate is the same series and type as the highest valued certificate of the three certificates originally purchased by the investor.
97. The second incentive provides a free MetaCertificate to an investor who recruits a new client. It applies only to the first purchase of a MetaCertificate by a new client, meaning investors can only earn one MetaCertificate per investor recruited.
98. The Member Certificate Bonus applies to all investors that registered accounts and paid 33 USDT and incentivizes the recruitment of new investors.
99. The incentive provides a free MetaCertificate to members who recruit three new investors that purchase MetaCertificates during the 30 days following the registration of the member's account. The MetaCertificate is the same series and type as the highest valued certificate of the three certificates originally purchased by the three new investors.

PAYMENT OF PROFITS USING INTERNAL TOKENS AND CHARGING FEES FOR CONVERSION TO EXTERNAL TOKENS

100. As described herein, the Elemental and Success Series Certificates show the "Price" denominated in USDT, followed by an icon for USDT. Additionally, they show the "Max Potential Payout" denominated in USDT followed by icons for

USDT and one or more other digital assets. These products also use phrases such as “Value in USDT” and “USDT Bonus Value.”

101. Notwithstanding the forgoing, profits are not paid in USDT. Instead, Respondent GSP claims to use proprietary internal tokens to pay investors.
102. The proprietary internal tokens are represented by the tickers GEUR, CVEUR, LEUR and DEUR. They are highly illiquid assets, are not traded on external cryptocurrency exchanges and have no fair market value outside the GSP ecosystem. Moreover, Respondent GSP is not providing clients with access to block explorers for GEUR, CVEUR, LEUR and DEUR, and they are not disclosing information relating to their consensus mechanisms, their contract addresses or their contracts. Simply put, Respondent GSP is not providing clients with sufficient information to show GEUR, CVEUR, LEUR and DEUR actually exist.
103. Respondents GSP and Hughes are mistakenly and falsely claiming that Respondent GSP uses proprietary tokens like CVEUR, which represents convertible euro, instead of external tokens like BTC and ETH so it can pay rewards without needing a securities license.
104. Notwithstanding the forgoing, Respondents GSP, Hughes and Zahlmann are directing clients to trade these internal tokens for external tokens through an exchange accessed through the GSP Platform. Respondent GSP has been charging a 2.5% fee for exchanging the internal tokens to external digital assets.
105. Clients that paid the 2.5% fee to exchange internal tokens to external digital assets can thereafter transfer the external assets to an external wallet. They may pay additional fees, as well as gas, to convert these external assets to fiat currency through a different digital asset exchange.

THE FINANCIAL LOSSES AND THE IMPLEMENTATION OF THE MARKET PROTECTION SYSTEM

106. On October 2, 2023, Respondent GSP announced that “[m]etaportfolio accounts have recently taken some loss trades in the market.” As described herein, the metaportfolio is a blockfolio tied to the Elemental and Success Series Certificates.
107. These losses resulted in the value of loads decreasing for many Elemental and Success Series Certificates and, consequently, owners were not being paid their weekly profits.
108. Respondent GSP encouraged investors to either wait until term and receive decreased profits, load additional principal to satisfy thresholds necessary to resume payment of weekly rewards, or “wait and see IF there is an exchange option into BlockChain Bonds.”
109. On October 4, 2023, Respondent GSP announced the issue was only impacting the Elemental Certificates tied to the metaportfolio blockfolio and a different series

of certificates tied to the metaportfolio blockfolio. It also purportedly turned to its “trading teams” that would “continue to trade to recover the loss, whilst also monitoring and pulling profits from the ‘in profit’ trades.”

110. On October 11, 2023, Respondent GSP announced that “[a]ll Metaportfolios that were paused due to load dropping below 100%, will restart their quarterly payouts, 4 months after load is returned above 100%.” It also announced that “[n]o quarterly payouts were made on the 1st October due to NEGATIVE performance.”
111. Respondent GSP thereafter implemented the Market Protection System, often referred to as the MPS, and it applies to owners of Elemental and Success Series Certificates withdrawing weekly, monthly, or other profits paid in GEUR, CVEUR, LEUR, DEUR or another internal token prior to the end of term.
112. The MPS classified investors as either an active partner that paid 33 USDT or customers acting through a free account. When partners and customers withdraw assets, the MPS prevents them from receiving the full value of their withdrawal and instead transfers assets to an undisclosed entity for undisclosed use.
113. The MPS interfaces with the Elemental Certificates as follows:
 - A. Partners and members receive 75%, not 100%, of the value of the withdrawal.
 - B. For partners, 13.75% of the value of the withdrawal is transferred to a “13 month lock up vehicle” and, for customers, 15% of the value of the withdrawal is transferred to the “13 month lock up vehicle.” The lock up vehicle is purportedly designed to “increase[e] the value of the blockchain and secur[e] value for later use by the users.”
 - C. The MPS releases “gas fees,” with partners receiving 7.5% of a gas fee value and customers receiving 5% of the gas fee value.
 - D. Respondent GS continues charging an administrative fee for converting internal token to external tokens. The fee is increased to 3.75% for partners and 5% for customers.
114. The MPS interfaces with the Success Series Certificates as follows:
 - A. Partners and members receive 50%, not 100%, of the value of the withdrawal.
 - B. For partners and members, 30% of the value of the withdrawal is transferred to a “13 month lock up vehicle” purportedly designed to “increase[e] the value of the blockchain and secur[e] value for later use by the users.”
 - C. The MPS releases “gas fees,” with partners receiving 16.25% of a gas fee value and customers receiving 15% of the gas fee value.

- D. Respondent GSP continues charging an administrative fee for converting internal token to external tokens. The fee is increased to 3.75% for partners and 5% for customers.

G999 MAINNET, G999 TOKEN, AND THE SMARTPHONE APPLICATIONS

115. As described herein, in 2021, GSB Gold Standard Banking Corporation AG changed its name to Respondent GS Corporation AG.
116. Notwithstanding the forgoing, Respondent GS Corporation AG continues to act as GSB Gold Standard Banking Corporation AG while promoting G999 Mainnet, a proof-of-stake blockchain that purportedly permits electronic transfers of value and a secure platform for voice, chat, and email communications.
117. G999 Mainnet is powered by G999 Coin, a digital asset that purportedly acts as a “liquid financial instrument.” As of approximately 7:27 p.m. c.t. on November 14, 2023, the total supply of G999 Coin is 16,829,835,434.71 and, according to Respondent GS Pay LTD, the value of G999 Coin is 0.00000008 BTC or \$0.0028.
118. GSB Group has also “wrapped” G999 Token, and the wrapped token is referred to as wG999. wG999 can be used on blockchains other than its native blockchain, and it can be more readily traded for BTC, ETH and other popular digital assets.
- A. The contract for wG999 on the Binance blockchain is 0x294FA37d6982a7F075B67A9781C2EA713Bf1bC4D, and it was created on February 7, 2022, by 0xE3600143a8D230bE62Da97dD6F635Dcf01d6fCC2 at transaction hash 0x917123ccf73d4c3fa80f203bad20355038d20290e17fb009bcc4b6aca2251619.
- B. The maximum total supply of wG999 is approximately 8,334,860 tokens, it has been transferred in 2,577 transactions and is held by 2,577 wallets.
- C. wG999 is not traded on many, if any, global exchanges. Instead, owners may swap wG999 through a decentralized exchange such as PancakeSwap. As of 4:30 p.m. c.t. on November 8, 2023, wG999 was being traded for approximately 0.003407 USDT.
119. Users can store G999 Coin in the G999 Crypto Card, a physical digital asset wallet that purportedly acts as “an analog of a savings account” and permits owners to stake G999 Coin and receive a return of 2.5% per year.
120. Owners staking G999 Coin can purportedly exchange coins generated from staking for gold coins, and then to physical gold.
121. Respondent GS Corporation AG has listed the following smartphone applications tied to G999 Coin and G999 Mainnet on the Apple App Store and the Google Play Store:

- A. *GSNotes by G999 Blockchain*, published by Respondent GS Corporation AG, that permits users to send encrypted messages through G999 Mainnet,
 - B. *Signature Wallet by G999 Blockchain*, published by Respondent GS Corporation AG, that acts as a mobile wallet for G999 Coin, and
 - C. *GSTelecom by G999 Blockchain*, published by Respondent GS Corporation AG, that permits users to communicate through a blockchain encrypted messaging service.
122. Users accessing the GSP Platform are directed to download and use GSTelecom to communicate with customer support through live chat.
123. Respondent GSP is acting through accounts issued through G999main.net, which is administered by Respondent GS Pay LTD, when scheduling Zoom meetings to promote GSB Group and the Elemental and Success Series Certificates.

CANADIAN REGULATORS WARN THE PUBLIC

124. Canadian securities regulators have been warning the public about Respondent GSP, other members of GSB Group, the GSP Platform and other websites used to promote investments.
125. On October 8, 2023, the Ontario Securities Commission published a warning that “GSPartners aka Swiss Valorem Bank... is not registered in Ontario to engage in the business of trading in securities.”
126. On June 2, 2023, the Financial and Consumer Affairs Authority of Saskatchewan published a warning that “GSPartners is not registered to trade or sell securities or derivatives in Saskatchewan” and it “caution[ed] investors and consumers not to send money to companies that are not registered in Saskatchewan, as they may not be legitimate businesses.”
127. On May 30, 2023, the British Columbia Securities Commission published a warning that “GSPartners is not registered to trade in, or advise on, securities or derivatives” in British Columbia and “urged [British Columbia] residents to exercise caution when dealing with firms that are not registered to trade or advise in British Columbia.”
128. On May 19, 2023, the Alberta Securities Commission added “GS Partners” and “GSTrade” to its Investment Caution List, a list of companies and individuals not registered with the Alberta Securities Commissioner that appear to be violating registration requirements or perpetrating investment scams.
129. On April 24, 2023, the Autorité des marchés financiers warned about GSB Gold Standard Bank LTD, gspartners.global, gstrade.exchange and other websites, cautioning the promoters “is not authorized to solicit investors in Quebec.”

SANCTIONS AND LAWSUITS
AGAINST PRIVATE PARTIES WARNING OTHERS

130. As described herein, new users are required to agree to follow a document containing a Code of Ethics. The Code of Ethics contains the following requirements:
- A. The Code of Ethics prohibits independent partners from making “discouraging or disparaging claims toward other GSP Partners” and requires them to “ensure that in all GSP business dealings [they] will refrain from engaging in negative language” and “refrain from making any type of slanderous statements.”
 - B. The Code of Ethics is supported by other procedures, including a requirement that partners “not disparage, demean, or make negative remarks about or towards GSP, other GSP Partners, GSP’s services, the Compensation plan, or GSP’s owners, board members, directors, officers or employees.”
 - C. A disciplinary process permits sanctions and “corrective measures” for violations of agreements and violations of common law duties such as the duty of loyalty, as well as the engagement in any act or omission that may damage reputation or goodwill. The sanctions and corrective measures provide for a variety of consequences, including the issuance of a written warning or admonition, the imposition of a fine, loss of rights to one or more bonus or commission payouts and the institution of legal proceedings for monetary or equitable relief.
131. In addition to prohibiting negative comments as described in the Code of Ethics, Respondents GS Corporation AG and Heit have filed lawsuits against parties that allegedly made negative and untrue remarks about members of GSB Group.
132. For example, Christopher Saunders is a resident of Virginia that operated various social media channels, including a YouTube channel named Grit, Grind, Gold (@gritgrindgold) for new entrepreneurs looking for new ways to make money online. He used his social media channels to publish negative information about certain members of GSB Group.
133. On December 16, 2021, Respondent GS Corporation AG, Respondent Heit, Antonio “Tony” Euclides Meneses De Gouveia (as an independent affiliate of Respondent GS Corporation AG) and Michael Dalcoe (an independent affiliate of Respondent GS Corporation AG) filed a complaint against Mr. Saunders in *GSB Gold Standard Corporation AG et al. v. Saunders*, Case No. 1:21-cv-01398-RDA-IDD, in the United States District Court for the Eastern District of Virginia, Alexandria Division.

134. The lawsuit claims Mr. Saunders “uses his Social Media Channels to publish purported statements of fact related to various companies operating in the cryptocurrency space.” It also alleged Saunders published at least 99 videos in social media “that broadcast a litany of false and defamatory factual statements regarding GSB.
135. On August 2, 2022, the case was dismissed without prejudice by stipulation of all parties, including Respondents GS Corporation AG and Heit.
136. Also, Behind MLM operates a website accessible at behindmlm.com. The anonymous principal known as Oz acknowledged “[t]here’s a lot of rubbish MLM review and news sites on the internet that masquerade solely as lead generation tools” and purportedly created the website to “provide the public with relevant and accurate MLM information, news, and company reviews.”
137. Behind MLM has been posting information about GSB Group and argued its members are running a Ponzi scheme.
138. Respondent GS Corporation AG determined the IP address for behindmlm.com is hosted by Google, LLC, and that its domain is registered with GoDaddy, Inc.
139. On or about December 20, 2022, Respondent GS Corporation AG filed a petition in the Supreme Court of the State of New York, County of New York, Index No. 160880, against Google LLC and Go Daddy Inc. The petition was verified by Respondent Heit as the Chairman to the Board of Directors of Respondent GS Corporation AG.
140. Respondent Heit certified the petition, and it describes Respondent GS Corporation AG as follows:
 - A. Respondent GS Corporation AG is “a leading software manufacturer which, in the IT and Blockchain sector, supplies sophisticated “white label” software products as well as hardware trading modules and platforms for use in the financial industry,” and
 - B. Respondent GS Corporation AG “provides a collection of high-quality services that rely on its own blockchain, and together forms an elite community and a structured ecosystem. Among those services is a decentralized cryptocurrency, G999, which utilizes blockchain technology to provide its users with a reliable, secure, and confidential service to effectively build and develop private economic relations.”
141. It also alleges the unknown individual or individuals who operate behindmlm.com have posted “numerous defamatory and false statements about GSB, labeling GSB as a fraud and a Ponzi scheme.” It sued Google, LLC, and Go Daddy, Inc., to compel them to identify the individual or individuals operating the website because its “global reputation for integrity and transparency is of paramount importance to its business.”

142. On November 3, 2023, the Court denied motions to quash the subpoenas filed by behindmlm.com. On the same day, counsel for Behind MLM filed a notice of appeal to the Supreme Court Appellate Division, First Department.
143. Respondent Swiss Valorem published the following information about the litigation involving Behind MLM on the Swiss Valorem Website:

... Due to current ongoing legal action against a group of criminals, and the platforms they use for their criminality, our legal team, along with the Brand and Relationship Management team, have issued instructions to suspend [sic] the accounts of a small number of offending members who are working with the criminals to further their cause.

Whoever is found to be spreading this illegal content, will also be considered accessories, and their details handed over to the legal team handling these cases.

The criminals are using the BehindMLM platform, as well as smaller platforms to hide their identities...

... We will NOT tolerate criminals or acts of abuse against our brand, associated brands, products or services.

REGISTRATION VIOLATIONS

144. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
145. The Elemental Certificates, the Success Series Certificates and the investments in the LYS Staking Pool have not been registered by qualification, notification, or coordination and no permit has been granted for their sale in Texas at any time material hereto.

FRAUD, DECEPTION, AND THE CONCEALMENT OF OPERATIONAL INFORMATION

146. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation AG and Heit are intentionally failing to disclose the following material facts related to the owners and operations of Respondent GS Corporation AG:
- A. That Respondent GS Corporation AG was formerly named GSB Gold Standard Banking Corporation, and GSB Gold Standard Banking Corporation previously operated as GCC Gazella Corporate Capital GMBH,

- B. That Respondent GS Corporation AG has described its business in official corporate filings as the manufacture, import, export and distribution of chemicals, plastics, plant protection products, and dyes,
 - C. That Kristina Heit has been an owner of Respondent GS Corporation AG and has served as its clerk and the Chairman of its Supervisory Board, and
 - D. That Ulf Lammers and Andrey Labuzdko have been owners of Respondent GS Corporation AG and have served as members on its Supervisory Board.
147. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation and Heit are intentionally failing to disclose the following material facts about Kristina Heit, Ulf Lammers, and Andrey Labuzdko:
- A. The identity of Kristina Heit, her ability to control or manage Respondent GS Corporation AG, her authority as the Chair of its Supervisory Board, her current role, if any, and her business repute, qualifications, and experience,
 - B. The identity of Ulf Lammers, his ability to control or manage Respondent GS Corporation AG, his authority as a member of its Supervisory Board, his current role, if any, and his business repute, qualifications, and experience, and
 - C. The identity of Andrey Labuzdko, his ability to control or manage Respondent GS Corporation AG, his authority as a member of its Supervisory Board, his role, if any, and his business repute, qualifications, and experience.
148. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the following material facts about Respondent GS Corporation AG:
- A. The identity of all of its current owners, officers and directors, as well as their business repute, qualifications, and experience,
 - B. Its assets, liabilities, revenue, and other financial information relevant to its capitalization and operations,
 - C. The address and physical location of its offices and headquarters, and
 - D. Any contracts or agreements between it and other members of GSB Group that relate to the Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool.
149. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS

Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the following material facts about Respondent GSP:

- A. The identity of all of its owners, officers and directors, as well as their business repute, qualifications, and experience,
 - B. Its assets, liabilities, revenue, and other financial information relevant to its capitalization and operations,
 - C. The address and physical location of its offices and headquarters, and
 - D. Any contracts or agreements between it and other members of GSB Group that relate to the Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool.
150. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, GS Banking Corporation PLC, Heit, and Zahlmann are intentionally failing to disclose the following material facts about the owners and operations of Respondent GS Banking Corporation PLC:
- A. The identity of all of its owners, officers and directors, as well as their business repute, qualifications, and experience,
 - B. Its assets, liabilities, revenue, and other financial information relevant to its capitalization and operations,
 - C. The address and physical location of its offices and headquarters, and
 - D. Any contracts or agreements between it and other members of GSB Group that relate to the Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool.
151. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, GS Pay KB, Heit, and Zahlmann are intentionally failing to disclose the following material facts about the owners and operations of Respondent GS Pay KB:
- A. The identity of all of its owners, officers and directors, as well as their business repute, qualifications, and experience,
 - B. Its assets, liabilities, revenue, and other financial information relevant to its capitalization and operations,
 - C. The address and physical location of its offices and headquarters, and

- D. Any contracts or agreements between it and other members of GSB Group that relate to the Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool.
152. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, GS Pay LTD, Heit, and Zahlmann are intentionally failing to disclose the following material facts about the owners and operations of Respondent GS Pay LTD:
- A. The identity of all of its owners, officers and directors, as well as their business reputes, qualifications, and experience,
 - B. Its assets, liabilities, revenue, and other financial information relevant to its capitalization and operations,
 - C. The address and physical location of its offices and headquarters, and
 - D. Any contracts or agreements between it and other members of GSB Group that relate to the Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool.
153. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, Swiss Valorem, Heit, and Zahlmann are intentionally failing to disclose the following material facts about the owners and operations of Respondent Swiss Valorem:
- A. The identity of all of its owners, officers and directors, as well as their business reputes, qualifications, and experience,
 - B. Its assets, liabilities, revenue, and other financial information relevant to its capitalization and operations,
 - C. The address and physical location of its offices and headquarters, and
 - D. Any contracts or agreements between it and other members of GSB Group that relate to the Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool.
154. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, GS Banking Corporation PLC, GS Corporation AG, GS Pay KB, GS Pay LTD, GS Trade, Swiss Valorem, and Heit are intentionally failing to disclose Respondent Heit's business reputes, qualifications and experience, as well as the success or failure of investments issued, offered, or sold by companies under his control, and this information constitutes a material fact.

155. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, GS Banking Corporation PLC, GS Corporation AG, GS Pay KB, GS Pay LTD, GS Trade, Swiss Valorem, and Zahlmann are intentionally failing to disclose Respondent Zahlmann's business repute, qualifications, and experience, as well as the success or failure of investments issued, offered, or sold by him, and this information constitutes a material fact.
156. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondent Hughes is intentionally failing to disclose his business repute, qualifications, and experience, as well as the success or failure of investments issued, offered, or sold by him, and this information constitutes a material fact.
157. In connection with the offer and sale of Elemental Certificates and Success Series Certificates, Respondent Lima is intentionally failing to disclose her business repute, qualifications, and experience, as well as the success or failure of investments issued, offered, or sold by her, and this information constitutes a material fact.

FRAUD, DECEIT, AND THE BLOCKFOLIOS

158. In connection with the offer and sale of Elemental Certificates and Success Series Certificates, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the identity of companies, organizations or projects that compromise the blockfolios tied to Elemental Certificates and Success Series Certificates, and this information constitutes a material fact.
159. In connection with the offer and sale of Elemental Certificates and Success Series Certificates, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the operations, revenue, capitalization, profitability, and location of companies, organizations, and products tied to each blockfolio, and this information constitutes a material fact.
160. In connection with the offer and sale of Elemental Certificates and Success Series Certificates, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose any information reflecting the principals of companies, organizations and projects tied to each blockfolio, and this information constitutes a material fact.
161. Respondents are offering and/or selling the Elemental Certificates and Success Series Certificates, and these products require owners to elect a blockfolio when loading principal. Their descriptions of the products are materially misleading or otherwise likely to deceive the public because investors are not being told:
 - A. The identity of companies, organizations or projects that compromise the blockfolios tied to Elemental Certificates and Success Series Certificates,

- B. Information relevant to the operations, revenue, capitalization, profitability, and location of companies, organizations, and products tied to each blockfolio, and
- C. The identity of the principals of said companies, organizations and projects, as well as their business repute, qualifications and experience.

FRAUD, DECEIT, AND THE USE OF INTERNAL TOKENS

- 162. As described herein, Respondent GSP is offering the Elemental and Success Series Certificates, and these products (a) show the “Price” denominated in USDT, followed by an icon for USDT, (b) show the “Max Potential Payout” denominated in USDT followed by icons for USDT and one or more other digital assets, and (c) use the phrases such as “Value in USDT” and “USDT Bonus Value.”
- 163. These statements are materially misleading or otherwise likely to deceive the public because:
 - A. Owners Elemental and Success Series Certificates do not receive profits denominated in USDT,
 - B. Instead, Respondent GSP claims to use proprietary internal tokens such as GEUR, CVEUR, LEUR, and DEUR to pay profits, and
 - C. Both before and after the implementation of the Market Protection System, Respondent GSP charged investors a fee for converting certain profits from GEUR, CVEUR, LEUR, and DEUR to USDT or another external token.
- 164. In connection with the offer and sale of Elemental and Success Series Certificates, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the following material facts relating to GEUR, CVEUR, LEUR, and DEUR:
 - A. Any information about the type of blockchain for GEUR, CVEUR, LEUR, and DEUR and the security of the blockchain and internal wallets,
 - B. Any information relating to the contract and contract creation for GEUR, CVEUR, LEUR, and DEUR, and
 - C. The liquidity of GEUR, CVEUR, LEUR, and DEUR, as well as the risks associated with holding these tokens in accounts or wallets accessed through the GSP Platform.

FRAUD AND THE CONCEALMENT OF THE USE OF PRINCIPAL

- 165. In connection with the offer and sale of Elemental Certificates and Success Series Certificates, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the use of principal received from investors to

purchase Elemental Certificates and Success Series Certificates, and this information constitutes a material fact.

166. In connection with the offer and sale of Elemental Certificates and Success Series Certificates, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the use of principal received from investors to load Elemental Certificates and Success Series Certificates, and this information constitutes a material fact.
167. In connection with the offer and sale of Elemental Certificates and Success Series Certificates, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the source of funds used to pay profits to purchasers of Elemental Certificates and Success Series Certificates, and this information constitutes a material fact.
168. In connection with the offer and sale of investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the use of principal received from investors to invest in the LYS Staking Pool, and this information constitutes a material fact.
169. In connection with the offer and sale of investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the source of funds used to pay profits to purchasers of investments in the LYS Staking Pool, and this information constitutes a material fact.

FRAUD, DECEPTION, AND THE MARKET PROTECTION SYSTEM

170. In connection with the offer and sale of Elemental Certificates and Success Series Certificates, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the following material facts related to prior investments:
 - A. The identity of the “13 month lock up vehicle,”
 - B. The identity of the parties controlling the “13 month lock up vehicle,”
 - C. The business repute, qualifications, and experience of the parties controlling the “13 month lock up vehicle,” and
 - D. The strategy for preserving assets custodialized at, or under the management of, the “13 month lock up vehicle.”
171. As described herein, Respondent GSP announced losses from the metaportfolio and purportedly turned to “trading teams” that would “continue to trade to recover the loss, whilst also monitoring and pulling profits from the ‘in profit’ trades.” This statement is materially misleading or otherwise likely to deceive the public because:

- A. Respondent GSP is not disclosing the identity of the individuals acting as traders or their business repute, qualifications, or experience,
- B. Respondent GSP is not disclosing the amount of losses, and
- C. Respondent GSP is not providing information that permits investors to evaluate the likelihood of, or the risks associated with, the trading team continuing to trade to recover losses, such as their strategies, the types of trades that are being effectuated, the nature of open positions, and the anticipated profits.

FRAUD, DECEPTION, AND THE PERFORMANCE OF PRIOR OFFERINGS

172. In connection with the offer and sale of Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the following material facts related to prior investments:
- A. The failure of Respondent GSP to complete all three phases of the \$175 million offering of XLT Vouchers,
 - B. The profits received or losses incurred by investors that purchased XLT Vouchers for 9.63 USDT during the first phase of the offering,
 - C. The profits received or losses incurred by investors that received XLT Tokens as a result of the conversion of their XLT Vouchers,
 - D. The failure or success of the staking of G999 Coin, whereby investors were supposedly able to stake G999 Coin, receive rewards and then trade rewards for physical gold, and
 - E. The profits received and losses incurred by investors that purchased other products from Respondents GS Corporation AG, GSP, Heit, and Zahlmann.

FRAUD, DECEPTION, AND THE LYS STAKING POOLS

1. Respondents GS Corporation AG, GSP, Heit, and Zahlmann are promoting LYS and the staking of LYS by claiming investors can earn APY as described herein by participating in a staking pool through Lydian World. Their statements are materially misleading or otherwise likely to deceive the public because LYS and LYS staking pools are not associated with public smart contracts that permit owners to stake LYS in a pool and receive the represented APY, use an NFT to receive additional APY, or incur penalties for early withdrawals.
2. In connection with the offer of investments in the LYS staking pools, Respondents GS Corporation AG, GSP, Heit, and Zahlmann are intentionally failing to disclose the following material facts:

- A. The identity of the software developers, coders and other parties that developed, created and are updating Lydian World,
- B. The qualifications, business repute and experience of the software developers, coders and other parties that developed, created and are updating Lydian World,
- C. The costs associated with updating Lydian World, as well as the source of funds used to pay these costs,
- D. The managerial efforts, as well as the costs associated therewith, that parties are taking to maintain or increase the value of LYS,
- E. Any technical information that shows how investors purchasing investments in the LYS staking pool are conferred rewards from validators consistent with the APY represented by Respondent GSP,
- F. Any technical information, such as contract or blockchain information, that shows how investors purchasing investments in the LYS staking pool can use an NFT to increase the rewards conferred by validators, and
- G. The identity of the parties paying staking rewards to investors.

DECEPTIONS AND REPRESENTATIONS ABOUT REGULATION

- 3. As described herein, Respondents GSP and Hughes mistakenly and falsely claimed Respondent GSP uses proprietary tokens like CVEUR instead of external tokens like BTC and ETH so it can pay rewards without needing a securities license. Their statements are materially misleading or otherwise likely to deceive the public because:
 - A. The Texas State Securities Board has not taken a position that BTC and ETH are regulated as securities,
 - B. Using internal proprietary tokens such as CVEUR instead of BTC or ETH does not impact the regulation of the Elemental and Success Series Certificates and investments in the LYS Staking Pool by the Securities Act, and
 - C. The Elemental and Success Series Certificates are regulated as securities when offered or sold in or from Texas regardless of the use internal systems, ledgers, blockchains, or tokens.
- 4. As described herein, Respondents Swiss Valorem Bank and GSP are using the term “bank” in their names and describing Respondent GSP as a bank. These statements are materially misleading or otherwise likely to deceive the public because:

- A. Respondents Swiss Valorem Bank and GSP are offering securities in or from Texas and not licensed or chartered as a bank by the Texas Department of Banking, and
 - B. Texas residents that purchase Elemental Certificates, Success Series Certificates, and other products promoted by Respondent GSP are not protected by FDIC insurance or U.S. laws designed to protect banking consumers.
5. As described herein, Respondents GS Corporation AG, GSP, and Heit require investors to download and use *GSTelecom by G999 Blockchain* to communicate with live customer support chat. As also described herein, *GSTelecom by G999 Blockchain* is tied to G999 Coin, G999 Coin is a digital asset that acts as a “liquid financial instrument,” the wallet for G999 acts as “an analog of a savings account,” G999 Coin can be staked for a return of 2.5% per year and staking rewards can be traded for physical gold. Their statements are materially misleading or otherwise likely to deceive the public because:
- A. Savings accounts maintained with chartered banks are protected by FDIC insurance and U.S. banking clients are protected by laws protecting regulating banking transactions,
 - B. Investors purchasing G999 Coin and using the G999 Crypto Card are not afforded such protection,
 - C. Investors owning G999 Coin may not be able to readily liquidate their holdings unless they can identify and transact with a party willing to purchase G999 Coin for a certain price, and
 - D. Beginning as early as 2018, certain U.S. federal and state regulators have filed actions that, depending on the facts specific to each case, accuse parties of violating securities laws when selling investments that permit investors to earn profits by staking digital assets.

DECEPTION AND MARKETING

6. In connection with the offer and sale of Elemental Certificates and Success Series Certificates, Respondents GSP, Swiss Valorem, Heit, and Zahlmann are intentionally failing to disclose the following material facts related to the multilevel marketing scheme and the payment of commissions:
- A. The costs associated with the implementation and administration of the multilevel marketing scheme and the source of funds used to pay commissions to members that recruit new investors,

- B. The costs associated with the use of athletes to promote GSB Group and Lydian World, including the source and nature of any payments to said parties, and
 - C. The costs associated with the hosting of events promoting the business of GSB Group.
7. Respondents are encouraging investors to participate in the multilevel marketing scheme and/or disseminating information describing the multilevel marketing scheme. Their statements are materially misleading or otherwise likely to deceive the public because:
- A. Parties offering the Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool in or from Texas are offering unregistered securities in violation of Section 4003.001 of the Securities Act, and
 - B. Parties offering the Elemental Certificates, Success Series Certificates, and investments in the LYS Staking Pool in or from Texas are offering securities in violation of Section 4004.051 of the Securities Act unless the parties are registered as dealers or agents.

DECEPTION AND THE CODE OF ETHICS

8. As described herein, customers and members must agree with a Code of Ethics that requires “independent partners” to practice ethical behavior, conduct themselves and their businesses in a legal and financially sound manner, and provide support and encouragement to their retail customers. These statements are materially misleading or otherwise likely to deceive the public because:
- A. As described herein, Respondents are violating the Securities Act and conducting their business in a manner that is not legally sound, and
 - B. As described herein, Respondents GSP, Heit, and Zahlmann have implemented an illegal multilevel marketing system that compensates members for selling securities in or from Texas without proper licensure.
9. As described herein, Respondents GSP, Swiss Valorem, Heit, and Zahlmann generally require investors to waive participation in class actions, agree to a limitations period of one year and waive all claims that other statutes of limitations apply. The statements are materially misleading or otherwise likely to deceive the public because they are not disclosing the following information:
- A. Sections 4008.051 and 4008.052 of the Securities Act create a private cause of action for purchasers when promoters (i) offer and sell securities in violation of certain provisions of the Securities Act, such as provisions requiring the registration of dealers, or (ii) promoters engage in fraud in connection with the offer or sale of securities, and

- B. Section 4008.002 of the Securities Act provides that conditions, stipulations, and provisions are void when they bind a buyer of securities to waive compliance with the Securities Act.

FRAUD AND DECEPTION AND G999 COIN

- 10. In connection with the offer of Elemental Certificates and Success Series Certificates, Respondents are intentionally failing to disclose the following material facts related to the risks associated with investments purchased with digital assets:
 - A. Governments may adopt legislation or enact regulations that negatively impact the use, transfer, exchange, or price of digital assets,
 - B. Digital assets custodialized at third-parties, or deployed through staking-as-a-service platforms, may not be fully backed by reserves and exchanges may use or otherwise appropriate these digital assets in a manner that makes recovery unlikely,
 - C. Digital assets held in wallets, such as hot wallets, may be appropriated or stolen by hackers using compromised passwords or keys or that are able to penetrate any security measures,
 - D. Parties minting and issuing digital assets compete with other organizations that issue digital assets, and
 - E. Given the nature of transactions recorded in blockchains, parties accepting payments denominated in digital assets can take steps to conceal the transfer or use of said digital assets, thereby potentially frustrating any attempts to develop information about transactions or pursue recovery of cryptocurrencies.

CONCLUSIONS OF LAW

- 1. The LYS Staking Pool is almost exclusively marketed as a means of generating profits; its promotions do not place any meaningful emphasis on users receiving rewards by interfacing with a validator maintaining the integrity of a blockchain that uses a proof-of-stake consensus mechanism. Moreover, investors must use the platform provided by Respondent GSP in Lydian World to earn the advertised profits from staking assets, and LYS and LYS staking pools are not associated with public smart contracts that permit staking LYS per the terms set forth in Lydian World. For these and other reasons, investments in the LYS Staking Pool are investment contracts, notes, and evidences of indebtedness regulated as securities as that term is defined in Section 4001.068 of the Securities Act.

2. The Elemental Certificates and the Success Series Certificates investment contracts are regulated as “securities” as that term is defined in Section 4001.068 of the Securities Act.
3. Respondents are violating Section 4003.001 of the Securities Act by offering securities for sale in Texas at a time when the securities are not registered with or permitted by the Securities Commissioner.
4. Respondents are violating Section 4004.051 of the Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 4004.051 of the Securities Act.
5. Respondents are engaging in fraud in connection with the offer for the sale of securities.
6. Respondents are making offers containing statements that are materially misleading or otherwise likely to deceive the public.
7. Respondents’ conduct, acts, and practices 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 4007.104 of the Securities Act.

ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as securities dealers, agents, investment advisers, or investment adviser representatives in Texas until they are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 4007.104 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 4007.206 of the Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 4007.104 of the Securities Act is a criminal offense punishable by a fine of not more than \$10,000.00, 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 16th day of November 2023.



TRAVIS J. ILES
Securities Commissioner

Joe Rotunda

From: Joe Rotunda
Sent: Monday, December 4, 2023 10:51 AM
To: Jorge Marquez
Subject: Clients

Hi Jorge,

I'm hoping you can provide me with a list of your clients so I can send the email to you re: the challenge to the order. Please let me know. Thank you.



Joseph Rotunda

Director of Enforcement, Texas State Securities Board
208 E. 10th Street, 5th Floor, Austin, Texas 78701

Phone 512-305-8392
Email jrotunda@ssb.texas.gov
Web www.ssb.texas.gov

Joe Rotunda

From: Joe Rotunda
Sent: Wednesday, December 6, 2023 7:33 AM
To: Jorge Marquez
Subject: RE: Clients

Hi Jorge:

I appreciate it. Thank you.



Joseph Rotunda

Director of Enforcement, Texas State Securities Board
208 E. 10th Street, 5th Floor, Austin, Texas 78701

Phone 512-305-8392
Email jrotunda@ssb.texas.gov
Web www.ssb.texas.gov

From: Jorge Marquez <jmarquez@warren.law>
Sent: Tuesday, December 5, 2023 8:54 PM
To: Joe Rotunda <jrotunda@ssb.texas.gov>
Subject: Re: Clients

Good evening Joe,

We have made progress on the list of entities that will be represented and that should not present a service issue. Nevertheless, we're still trying to confirm information for some of the other entities, which we anticipate will be clarified by tomorrow.

- Jorge Marquez

Sent from my iPhone

On Dec 4, 2023, at 10:49 PM, Jorge Marquez <jmarquez@warren.law> wrote:

Good evening Joe,

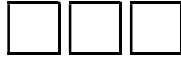
We were anticipating a full list this evening, but we were informed that it would be ready by tomorrow morning. Once received, I'll send a list.

Sorry for the delay and thanks for your patience.



Jorge Marquez
Managing Associate at Warren Law Group

Address 519 8th Ave, 25th Fl. New York, NY 10018
Direct (212) 390-0528 **Phone** (866) 954-7687 Ext.815
Mobile (787) 525-8895 **Email** jmarquez@warren.law
Website www.warren.law/



- Warren Law Group attorneys are licensed to practice in: NY, NJ, CA, CT, PA, MA, IL, MD, and PR -

IMPORTANT: The contents of this email and any attachments are confidential. They are intended for the named recipient(s) only. If you have received this email by mistake, please notify the sender immediately and do not disclose the contents to anyone or make copies thereof. For a full list of privacy policies, disclaimers, and terms and conditions, please visit: <https://warren.law/terms-and-conditions/>

▪

From: Jorge Marquez
Sent: Monday, December 4, 2023 12:03 PM
To: Joe Rotunda <jrotunda@ssb.texas.gov>
Subject: Re: Clients

Hey Joe,

I'll send you a list later today. Thanks again for following up.

Sent from my iPhone

On Dec 4, 2023, at 11:51 AM, Joe Rotunda <jrotunda@ssb.texas.gov> wrote:

Hi Jorge,

I'm hoping you can provide me with a list of your clients so I can send the email to you re: the challenge to the order. Please let me know. Thank you.

<image001.png>

Joe Rotunda

From: Joe Rotunda
Sent: Tuesday, December 12, 2023 12:27 PM
To: Jon-Jorge Aras; Paul A. Lieberman; Jorge Marquez
Cc: Christopher Warren
Subject: RE: [EXTERNAL] In the Matter of GSB Gold Standard Bank, et al.,

Hi Jon-Jorge: I appreciate the message. I've tracked [Section 4007.104\(c\)](#) of the Securities Act/Texas Government Code in drafting the indented text. If you're in agreement with the paragraph below, please respond in the affirmative. Please let me know if any additions/corrections need to be made to the text. Once I receive the response and make any necessary changes, I will send an email containing only the indented text to the Securities Commissioner and cc everyone. Once sent to the Securities Commissioner, this email will act as a challenge to the order and entitle your clients to a hearing on the order. A formal answer/response can be filed with the State Office of Administrative Hearings if this matter does not settle and is docketed for a hearing. Thank you.

To the Securities Commissioner:

This message is to document that Emergency Cease and Desist Order ENF-23-CDO-1879 is being challenged by (1) GSB Gold Standard Bank LTD DBA GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners and GSP, (2) GSB Gold Standard Banking Corporation PLC, (3) GSB Gold Standard Corporation AG, (4) GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay, (5) GSB Gold Standard Pay LTD acting under the brand name GSDeFi, (6) GSB Gold Standard Trade, (7) Swiss Valorem Bank LTD, and (8) Josip Dortmund Heit (the "Parties"). The Parties are challenging the Emergency Order on the grounds that it should be modified or set aside, and counsel for the Parties and Joe Rotunda, Director of the Enforcement Division, have agreed this matter should not be set for a hearing within ten (10) days of the date of this message. They have also agreed it will not be set prior to January 12, 2024. Based on the forgoing, counsel for the Parties and Joe Rotunda agree this message serves as a **timely request for a hearing for the Parties per Section 4007.104(c) of the Securities Act/Texas Government Code.**

Acknowledged by Joe Rotunda (jrotunda@ssb.texas.gov) and Jon-Jorge Aras (jj@warren.law).

Joe Rotunda

From: Jon-Jorge Aras <jj@warren.law>
Sent: Tuesday, December 12, 2023 9:58 AM
To: Joe Rotunda; Paul A. Lieberman; Jorge Marquez
Cc: Christopher Warren
Subject: Re: [EXTERNAL] In the Matter of GSB Gold Standard Bank, et al.,

Joe,

Thank you for the full and detailed explanations. As to paragraph 5, can you please send the e-mail setting out the procedure and that the emergency order will not become final pending our agreement? As to paragraph 6, your understanding is accurate. We will address the other issues, but first need to secure the procedure, thank you.

Best,

Jon-Jorge Aras

From: Joe Rotunda <jrotunda@ssb.texas.gov>
Sent: Friday, December 1, 2023 8:34 PM
To: Paul A. Lieberman <plieberman@sh-law.com>; Jorge Marquez <jmarquez@warren.law>
Cc: Christopher Warren <chris@warren.law>; Jon-Jorge Aras <jj@warren.law>
Subject: RE: [EXTERNAL] In the Matter of GSB Gold Standard Bank, et al.,

Hi Paul, I'm glad I called one of you too! We're on the same page already, but you may want to be a little more careful with the emails moving forward.

Hi Jorge, thank you for speaking with me. I'm writing to address several issues we discussed:

1. As I mentioned, I'm very concerned about your clients' actions following the entry of our Emergency Cease and Desist Order ENF-23-CDO-1879. For example, earlier today, your client held an international videoconference (meeting ID 91022073343). Your client used the videoconference as a platform to discuss the regulatory actions. We understand that thousands of investors and marketers – including users identifying themselves to your client as Texans – joined the call and witnessed your client's Chief Operating Officer direct them to impede our investigation. As we also discussed, I also understand that, following the entry of the actions, your client continues to accept payments from Texans as they upgrade accounts from a "customer" to a "member." As you know, members are afforded a number of opportunities tied to the allegations in our actions, including the opportunity to participate in a multilevel marketing scheme and receive commissions for selling investments.

As a regulator, and as a professional courtesy, I felt compelled to bring this matter to your attention. As you know, Emergency Cease and Desist Order ENF-23-CDO-1879 became effective the moment it was entered by the Securities Commissioner, and it will continue to be in force and effect until stayed, set aside or modified. At this time, I'm not prepared to allege the acts violate the order are constitute offenses codified in other penal statutes, but violations of the order are serious, and I wanted to bring this issue to your attention now rather than later.

2. I'm not here to play games. I believe regulators are best able to address these types of cases when they are frank and candid about their concerns and findings. I am aware that your firm is representing GSB Gold

Standard Corporation AG in Index No. 160880/2022, and I want to make sure that I convey that our concerns are not based, as represented in your petition, on your client's purported business as "a leading software manufacturer which, in the IT and Blockchain sector, supplies sophisticated 'white label' software products as well as hardware trading modules and platforms for use in the financial industry." I can't say I've seen much evidence of this type of business or, as represented to agencies in Germany, its business of dealing in anti-fungal agents, chalk, fillers, dyes and chemical products. To clarify, our agency filed Emergency Cease and Desist Order ENF-23-CDO-1879 based its business of selling securities to Texans and recruiting marketers to sell securities to Texans.

3. We've preserved around 900 exhibits and I'm more than willing to share them with you. I'll also provide work product and evidence secured through undercover investigations. I'm very willing to jump on a video call and spend as much time as necessary highlighting key exhibits and discussing their authenticity, admissibility and probative value. We're continuing to secure evidence, so the number of exhibits continues to grow, and we are still translating and reviewing several hundred records relating to Mr. Heit, as well as the alleged owners of your clients, such as Kristina Heit and Ulf Lammers. Many other exhibits relate to other ongoing offerings that appear to implicate our jurisdiction that we simply did not have the time or resources to incorporate in the order at the time it was filed. In any event, I believe it's the best practice in these types of cases to make sure you have the evidence necessary to evaluate our case and options.
4. Also, to proactively clarify one other issue, your client has been strongly suggesting that the state and provincial enforcement actions were based, at least in part, on sales agents. We also understand they have implemented a number of procedures that support their claims, such as requiring clients to approve agreements (such as the new Social Media Agreement) relating to terminology and various means of marketing its products. As you'll see from the evidence, we did not rely on representations of sales agents. As you'll see from the exhibits, we relied on representations of your clients and its executives.
5. As far as the challenge to Emergency Cease and Desist Order ENF-23-CDO-1879, the [Securities Act](#), as a matter of law, requires a respondent to challenge an order before the 31st day after the order is mailed to a respondent via registered mail. I can't waive the statutory requirement, but I am more than willing to assist in addressing this issue so we can make sure deadlines are not missed. As I recall, we agreed that I will send an email to you this weekend that simply tracks Section 4007.104 (relating to the procedure for challenging) and, if you respond to the email in agreement, the order will not become final as a matter of law later this month. I plan to send it tomorrow.
6. I do need to know which clients you are representing. Right now, I think the representation extends to all the companies/entities named as respondents, as well as Mr. Heit, but not Ms. Lima, Mr. Zahlmann or Mr. Hughes. Can you please confirm at your convenience?

Finally, I also understand that earlier today, while using the videoconference as a platform to discuss the regulatory actions, the Chief Operating Officer of your client explained that they planned to share blockchain data with regulators. I also understand that believed it was important to share this data with regulators, the evidence would alleviate our concerns and the evidence is highly relevant to the order. I'm more than willing to receive and review the blockchain data, especially if it alleviates our concerns. If we made a mistake, we'll correct it. If the order was erroneously entered, I'll make sure it will be set aside. You can send the blockchain data to me by email at jrotunda@ssb.texas.gov or I can set up a secure file sharing platform to receive the evidence.

Feel free to call if you want to discuss. I'm available on the weekends, and my cellphone is 512-689-4623.

Thank you, and have a great weekend,



Joseph Rotunda

Director of Enforcement, Texas State Securities Board
208 E. 10th Street, 5th Floor, Austin, Texas 78701

Phone 512-305-8392
Email jrotunda@ssb.texas.gov
Web www.ssb.texas.gov

From: Paul A. Lieberman <plieberman@sh-law.com>
Sent: Friday, December 1, 2023 4:38 PM
To: Jorge Marquez <jmarquez@warren.law>; Joe Rotunda <jrotunda@ssb.texas.gov>
Cc: Christopher Warren <chris@warren.law>; Jon-Jorge Aras <jj@warren.law>
Subject: RE: [EXTERNAL] In the Matter of GSB Gold Standard Bank, et al.,

Glad he called one of us! TY Jorge.

Paul A. Lieberman | Chair, Cyber Security & Data Privacy Practice

plieberman@sh-law.com | Bio | vCard | LinkedIn
Direct Phone: 732.568-8366 | Cell: 732-675-9767 | Fax: 848-482-8586

SCARINCI | HOLLENBECK

NJ Office: 150 Clove Road | 9th Floor | Little Falls, NJ 07424 | P: 201.896.4100 | F: 201.896.8660 | [map](#)
NJ Office: 331 Newman Springs Road, Building 3 | Suite 310 | Red Bank, NJ 07701-5692 | P: 732.780.5590 | F: 732.695.8108 | [map](#)
NY Office: 589 8th Avenue | 16th Floor | New York, NY 10018 | P: 212.286.0747 | F: 212.808.4155 | [map](#)
DC Office: Suite 250 | 1000 Potomac St., N.W. | Washington, D.C. 20007-3501 | P: 202.452.1334 | [map](#)

New York | New Jersey | Washington, D.C.

From: Jorge Marquez <jmarquez@warren.law>
Sent: Friday, December 1, 2023 5:32 PM
To: jrotunda@ssb.texas.gov
Cc: Christopher Warren <chris@warren.law>; Paul A. Lieberman <plieberman@sh-law.com>; Jon-Jorge Aras <jj@warren.law>
Subject: [EXTERNAL] In the Matter of GSB Gold Standard Bank, et al.,

[EXTERNAL EMAIL]

Good afternoon Mr. Rotunda,

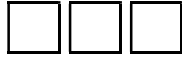
Thanks for speaking with me. Here's my e-mail address. For the reasons discussed over the phone, we'd like to postpone the response/hearing date to January 2024. Let us know what further information you need from us.

Have a good weekend,



Jorge Marquez
Managing Associate at Warren Law Group

Address 519 8th Ave, 25th Fl. New York, NY 10018
Direct (212) 390-0528 **Phone** (866) 954-7687 Ext.815
Mobile (787) 525-8895 **Email** jmarquez@warren.law
Website www.warren.law/



- Warren Law Group attorneys are licensed to practice in: NY, NJ, CA, CT, PA, MA, IL, MD, and PR -

IMPORTANT: The contents of this email and any attachments are confidential. They are intended for the named recipient(s) only. If you have received this email by mistake, please notify the sender immediately and do not disclose the contents to anyone or make copies thereof. For a full list of privacy policies, disclaimers, and terms and conditions, please visit: <https://warren.law/terms-and-conditions/>

▪

Joe Rotunda

From: Jon-Jorge Aras <jj@warren.law>
Sent: Sunday, December 17, 2023 3:16 PM
To: Joe Rotunda; Jorge Marquez
Cc: Christopher Warren
Subject: Re: [EXTERNAL] In the Matter of GSB Gold Standard Bank, et al.,

Joe,

Thank you for putting this together, we are in agreement, and the language is good to go.

Best,

Jon-Jorge



Jon-Jorge Aras

Chair of Securities Litigation at Warren Law Group

Address 519 8th Ave, 25th Fl. New York, NY 10018

Direct (212) 390-1641 **Phone** (866) 954-7687 Ext.821

Mobile (484) 431-0250 **Email** jj@warren.law

Website www.warren.law/



- Warren Law Group attorneys are licensed to practice in: NY, NJ, CA, CT, PA, MA, IL, MD, and PR -

IMPORTANT: The contents of this email and any attachments are confidential. They are intended for the named recipient(s) only. If you have received this email by mistake, please notify the sender immediately and do not disclose the contents to anyone or make copies thereof. For a full list of privacy policies, disclaimers, and terms and conditions, please visit: <https://warren.law/terms-and-conditions/>



From: Joe Rotunda <jrotunda@ssb.texas.gov>
Sent: Tuesday, December 12, 2023 1:26 PM
To: Jon-Jorge Aras <jj@warren.law>; Paul A. Lieberman <plieberman@sh-law.com>; Jorge Marquez <jmarquez@warren.law>
Cc: Christopher Warren <chris@warren.law>
Subject: RE: [EXTERNAL] In the Matter of GSB Gold Standard Bank, et al.,

Hi Jon-Jorge: I appreciate the message. I've tracked [Section 4007.104\(c\)](#) of the Securities Act/Texas Government Code in drafting the indented text. If you're in agreement with the paragraph below, please respond in the affirmative. Please let me know if any additions/corrections need to be made to the text. Once I receive the response and make any necessary changes, I will send an email containing only the indented text to the Securities Commissioner and cc everyone. Once sent to the Securities Commissioner, this email will act as a challenge to the order and entitle your clients to a hearing on the order. A formal answer/response can be filed with the State Office of Administrative Hearings if this matter does not settle and is docketed for a hearing. Thank you.

To the Securities Commissioner:

This message is to document that Emergency Cease and Desist Order ENF-23-CDO-1879 is being challenged by (1) GSB Gold Standard Bank LTD DBA GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners and GSP, (2) GSB Gold Standard Banking Corporation PLC, (3) GSB Gold Standard Corporation AG, (4) GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay, (5) GSB Gold Standard Pay LTD acting under the brand name GSDeFi, (6) GSB Gold Standard Trade, (7) Swiss Valorem Bank LTD, and (8) Josip Dortmund Heit (the "Parties"). The Parties are challenging the Emergency Order on the grounds that it should be modified or set aside, and counsel for the Parties and Joe Rotunda, Director of the Enforcement Division, have agreed this matter should not be set for a hearing within ten (10) days of the date of this message. They have also agreed it will not be set prior to January 12, 2024. Based on the forgoing, counsel for the Parties and Joe Rotunda agree this message serves as a **timely request for a hearing for the Parties per Section 4007.104(c) of the Securities Act/Texas Government Code.**

Acknowledged by Joe Rotunda (jrotunda@ssb.texas.gov) and Jon-Jorge Aras (jj@warren.law).

TERM SHEET

WHEREAS GSB Gold Standard Corporation AG; GSB Gold Standard Banking Corporation AG; GSB Gold Standard Corporation USA; GSB Gold Standard Pay LTD (brand name GSDeFi operating g999main.net); GSB Gold Standard Bank LTD¹ dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners, and GSP (marketing arm of the metaverse Lydian.World); GSB Gold Standard Banking Corporation PLC; GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay KB; GS Trade; GSB Gold Standard Trade (virtual digital-asset platform for storing, transferring, obtaining, and exchanging digital assets); GS Digital Partners LLC; GSB Gold Standard B Corporation; GSB Premier Exchange Corporation LTD; GSB Gold Standard PLC; and GSB Money LTD (collectively, the “Respondent Entities”) are entities, brands, or platforms which were, during all or part of the time period from at least 2021 to November 16, 2023, active and controlled by Josip Heit (“Heit”) (together with the Respondent Entities, “Respondents”), and

WHEREAS, the Respondent Entities acted as a consortium of affiliated entities, brands, and platforms that conducted business globally, including in the United States, and

WHEREAS U.S. state securities regulators, as part of a working group of members of the North American Securities Administrators Association (“NASAA”) led by Alabama, Arizona, Arkansas, California, Florida, Georgia, and Texas (the “Working Group”), have conducted a multi-jurisdictional investigation and concluded that Respondents offered and sold unregistered securities to retail clients in certain jurisdictions as defined below, and

WHEREAS Respondents have reached an agreement with the Working Group to resolve the administrative and civil investigation and potential claims resulting therefrom with respect to the 50 U.S. states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam, (collectively, the “Settling Jurisdictions”) under the following terms:

Essential Terms

1. Respondents shall enter into, on a no-admit, no-deny basis, consent orders with each of the Settling Jurisdictions, consistent with the Essential Terms of this Term Sheet, and to be memorialized in a negotiated template consent order (“Template Consent Order”) subject to jurisdictional pleading requirements, to cease and desist from the following activities upon successful implementation of and compliance with the Term Sheet, as confirmed by the Settling Jurisdictions:

Offering, selling, or renewing any security in the Settling Jurisdictions without first complying with all legal requirements or exemptions for offers or sales of securities set forth in statutes, regulations, caselaw, or other sources enacted by, adopted by, or in full force and effect in the Settling Jurisdictions.

¹ GSB Gold Standard Bank LTD has been dissolved, no longer conducts business, and state orders against this entity are final and not subject to appeal.

The Template Consent Order will not allege fraudulent acts, nor dishonest, unethical practices, nor conclude that Respondents engaged in any such conduct. Any Settling Jurisdiction that previously alleged fraudulent acts or dishonest, unethical practices by Respondents, whether in a temporary or emergency cease-and-desist order, other legal process, press release, or other public statement, will withdraw, redact, or amend the prior order, process, press release, or public statement to remove any allegations of fraud or dishonest, unethical practices by Respondents to the extent permissible under the Settling Jurisdiction's best practices, policies, rules, and laws.

2. Respondents agree that any agreements previously entered by or between the Respondent Entities and their clients in the Settling Jurisdictions relating in any way to the imposition of financial penalties, fines, disciplinary sanctions, equitable sanctions, or monetary sanctions of any kind are immediately suspended, will remain suspended during the entirety of an agreed-upon claims process not to exceed 90 days ("Claims Process")² administered by AlixPartners, LLP, the Settling Jurisdictions' and Respondents' chosen independent claims administrator ("Claims Administrator"), and, at the conclusion of the Claims Process, all such agreements will terminate. These agreements include, without limitation, the (a) terms and conditions and (b) policies and procedures published in gspartners.network, swissvalorembank.com and/or gspro.network, and specifically include Part 9 of the policies and procedures (relating to Dispute Resolution and Disciplinary Proceedings).

Nonpublic communications between the Respondent Entities' clients, the Claims Administrator, and the Settling Jurisdictions shall not subject clients to penalties under any previously entered agreements between the Respondent Entities and their clients. Respondents agree not to retaliate against clients for engaging with the Claims Administrator, and Respondents agree they will not seek claims against clients for engaging in the Claims Process.

This term does not impact Respondents' ability to bring or defend any action that arises out of an independent and separate cause of action that is unrelated to the subject matter of this Term Sheet and the Claims Process.

3. The Working Group, clients, attorneys, and other parties representing or acting on behalf of clients, and any other party deemed necessary by the Claims Administrator to perform the duties described herein, shall be able to communicate confidentially with the Claims Administrator during the pendency of the Claims Process and settlement process without the participation of Respondents. Respondents and their counsel, Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), may also communicate confidentially with the Claims Administrator during the pendency of the Claims Process and settlement process without participation of the Working Group.

Respondents agree they are responsible for paying all amounts due and owing to the Claims Administrator and that the Settling Jurisdictions shall not be responsible for compensating

² The Claims Process must be acceptable to the Settling Jurisdictions and Respondents, in coordination with the Claims Administrator, and memorialized. The Claims Process will not commence until after a notice and publication period.

the Claims Administrator for any acts set forth herein or associated with or incidental hereto, and the Settling Jurisdictions shall incur no liability, whether monetary or otherwise.

4. Pursuant to the Claims Process administered by the Claims Administrator, Respondents shall make certain defined payments on a joint and several basis to any verified client claimants as full compensation (including, as applicable, restitution, rescission, or any other applicable form of payment) to claimants, and in lieu of payments of fines to the Settling Jurisdictions, for all allegations against Respondents in connection with the offer and sale of unregistered securities as alleged by certain Settling Jurisdictions in filed actions and to be included in the Template Consent Order. All compensation calculations shall be based upon the historical value denominated in U.S. dollars for each of the client claimants' payments, deposits, and withdrawals as of the earlier of (a) the date of such payments, deposits, and withdrawals, or (b) November 16, 2023, the date of the initial actions filed by certain regulators of the Settling Jurisdictions, as to any client claimants who still maintained assets with Respondents as of that date.

Respondents, through the Claims Administrator, shall pay claims to clients as follows:

Clients who transacted using digital assets, either directly or through one or more agents, will be entitled to the payment of assets calculated as (a) the quantity of each asset deposited with the Respondent Entities less the quantity of each asset withdrawn (b) with the difference between deposits and withdrawals multiplied by the closing fiat fair market value of said asset as reflected on [coinmarketcap.com](https://www.coinmarketcap.com).

Under the Respondent Entities' terms and conditions, clients were not permitted to transact with the Respondent Entities using fiat. However, the Settling Jurisdictions are aware that certain clients, at times, may have sent fiat to agents of the Respondent Entities with the understanding that the agents would deposit digital assets into the clients' accounts with the Respondent Entities. These transactions occurred without Respondents' authorization. However, to the extent that any such transactions can be substantiated, clients will be entitled to payment of the equivalent value in fiat³ of digital assets deposited on their behalf with the Respondent Entities (which may be less than the value of fiat sent to agents) less the equivalent value of digital assets withdrawn.

Client claimants will be independently verified by the Claims Administrator through the Claims Process. The above payments to clients in Settling Jurisdictions shall resolve outstanding administrative and civil claims for any actions or warnings issued by securities regulators in the U.S., including, but not limited to, the U.S. states of Alabama, Arizona, Arkansas, California, Florida, Georgia, Kentucky, Mississippi, New Hampshire, Texas, Utah,

³ For any clients whose fiat transactions are substantiated, Respondents shall deposit digital assets to a digital wallet, under the control of the Claims Administrator, for the amount that is equal to the fiat value calculated as the compensation owed. The Claims Administrator shall hold any digital assets received and under its control in trust for the benefit of the client. The Claims Administrator shall exchange and/or convert the digital assets to fiat and make payments and disbursements to the clients. Respondents shall bear the cost of all administrative fees and costs related to the transfer or return of digital assets or conversion to fiat.

Washington, and Wisconsin. The Settling Jurisdictions shall dismiss or end any ongoing or pending enforcement actions against Respondents to the extent permissible under the Settling Jurisdiction's best practices, policies, rules, and laws.⁴

5. Pursuant to this Term Sheet and the Template Consent Order, payments to clients shall be made directly to clients in each of the Settling Jurisdictions that enter into a consistent Template Consent Order, subject to any agreed-upon claims processes, payment plans, and structures. The Template Consent Orders in the Settling Jurisdictions will only be entered after Respondents have completed the Claims Process, and the Settling Jurisdictions entering Template Consent Orders will waive other possible claims based on facts set forth in the Template Consent Orders and this Term Sheet.
6. Respondents shall make best efforts to provide, as available, to each Settling Jurisdiction for all clients residing in the specific Settling Jurisdiction at the time of their deposit or transaction, a complete list of all clients, members, and any other person or entity that created or maintained an account through g999main.net, gsb.gold, gspartners.global, gstrade.exchange, josipheit.com, gspro.network, swissvalue.info, lydian.world, gsbdswiss.tech, gs-pro.io, and gschain.world. The client lists shall include, as available upon a diligent search, all information collected by Respondents and in Respondents' custody, control, and possession, including, but not limited to, the following:
 - a. All information provided by users when creating accounts with Respondents, all information received by Respondents relating to use of 2FA Authenticators by clients, and all existing Know Your Customer ("KYC") information on record with Respondents, including, as available, clients' full names, physical and/or mailing addresses, email addresses, telephone numbers, and any other method of client contact or identification.
 - b. Client crypto wallet addresses and client account information.
 - c. Types and amounts of digital assets collected from the client, digital assets distributed to the client, and digital assets still owed to the client, as well as dates and transaction hashes of each transfer to or from each client.

Each Settling Jurisdiction shall treat all information provided by Respondents as confidential and shall protect the information from disclosure or production as provided by state law and regulation.

Further, while Respondents agree to make best efforts to provide a complete client list to each Settling Jurisdiction, Respondents have informed the Settling Jurisdictions that the lists may be incomplete as a result of, *inter alia*, Respondents' historical record-keeping practices or other data limitations, and likely not due to any willful, intentional, or knowing effort by Respondents to conceal or withhold information. If the Working Group identifies any additional clients not on the client list, Respondents shall allow the clients to be added to the list provided to the Claims Administrator for verification.

⁴ This provision shall not apply to any individuals or entities not named in this Term Sheet.

The Claims Administrator will likewise provide the Settling Jurisdictions with any new or updated client information they discover or obtain that is not included in the lists provided by Respondents.

7. Respondents agree to update the homepages of all relevant websites, metaverses, or online platforms under their control with detailed, step-by-step instructions on how to file a claim for payment with the Claims Administrator as defined in the Claims Process.

All information shall be posted so it is accessible by clients in all Settling Jurisdictions in the U.S. and in a manner that accounts for redirects. The Working Group for the Settling Jurisdictions will work with Respondents to draft language for Respondents to post.

Alternatively, Respondents may remove entire landing pages for clients in the Settling Jurisdictions and provide an automatic, uninterruptable redirect to a page that only contains information about the Claims Process. The Working Group for the Settling Jurisdictions will work with Respondents to draft language for Respondents to post on any new landing page or redirect.

In advance of posting the information contained in this paragraph as drafted by the Working Group, Respondents will provide a list of the homepages of all websites, metaverses, or online platforms under their control or with which they are affiliated to the Working Group for review and verification and shall add any additional websites, metaverses, or online platforms requested by the Working Group, if any.

The Working Group has identified certain of Respondents' official websites, metaverses, or online platforms, to include, but not be limited to, the following:

- Websites: g999main.net; gsb.gold; gspartners.global; gstrade.exchange. josipheit.com; gspro.network; swissvalue.info; lydian.world; gsbdswiss.tech.
- Instagram: @g999blockchain; @josipht; @lydian.world.
- X/Twitter: @g999blockchain; @josip_heit.
- Facebook: @g999blockchain; @gspartners.
- YouTube: @g999main.
- Telegram: @G999commUNITY; @lydianworld; and
- Zoom platforms.

8. Respondents agree to work with the Working Group for the Settling Jurisdictions to draft scripts for any teleconference announcements to be made by Respondents regarding any elements of this Term Sheet, including, but not limited to, details of the established Claims Process.
9. By no later than 30 days after this Term Sheet is executed, Respondents agree to (1) send a written communication to clients in the Settling Jurisdictions by email that clients should coordinate with the Claims Administrator to withdraw all assets from their Respondent-hosted accounts through the Claims Process and (2) provide separate, conspicuous notifications of this

directive on their website and accounts on other media platforms, in consultation with the Working Group.

Respondents agree to work with the Working Group for the Settling Jurisdictions to draft scripts for any of the referenced written communications or notifications to be made by Respondents regarding any elements of this Term Sheet, including, but not limited to, details of the established Claims Process.

10. Respondents acknowledge that clients who are residents of Settling Jurisdictions are the title, beneficial, and legal owners of all assets held in any accounts opened with Respondents. Respondents further acknowledge that, both before and after the execution of this Term Sheet, Respondents' clients have always fully owned assets held in any accounts opened with Respondents, and the ownership of assets custodialized in said accounts, as in the ordinary course of Respondents' business. Respondents agree that the claims filed by or on behalf of the clients in the Settling Jurisdictions are non-dischargeable debts in any bankruptcy proceeding.

Enforcement, Attestation & Execution

11. Attestation. Respondents attest that as of the date of execution of the Term Sheet ("Execution Date"), they have adequate digital assets and resources to do the following:
 - a. Facilitate, honor, and fulfill withdrawals of all assets belonging to clients and claims by all clients under the established Claims Process who are residents of the Settling Jurisdictions;
 - b. Pay the agreed-upon claims under the Claims Process and pay the Claims Administrator; and
 - c. Perform the foregoing actions and remain solvent, without material impact to ongoing operations.
 - i. As used herein, the term "solvent" shall mean that Respondents currently can and will continue to be able to do the following:
 - A. Pay debts as they become due.
 - B. Own property that has a fair saleable value greater than the amounts required to pay all debts (including a reasonable estimate of the amount of all contingent liabilities).
 - C. Have adequate capital to carry on Respondents' business as a going concern.
 - ii. As used herein, the term "material impact" means that, in connection with Respondents' products and services and related transactions, Respondents

are not incurring, have not incurred, and do not plan to incur, debts beyond Respondents' ability to pay as they become absolute and matured.

12. Consent Orders. As described in the Essential Terms, Respondents agree to enter into no-admit, no-deny consent orders with each of the Settling Jurisdictions consistent with this Term Sheet and the Template Consent Order.
13. Settling Jurisdictions. As defined herein, the Settling Jurisdictions shall include any and all of the 50 U.S. states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam, represented by the signatories in agreement with the Essential Terms.
14. Limited Purpose. This Term Sheet is entered into solely for the purpose of resolving the above-referenced multi-jurisdiction securities investigations with respect to Respondents and is not intended to be used for any other purpose. Other than the obligations and provisions set forth herein, this Term Sheet and its incorporated exhibits do not limit or create liability for Respondents, nor limit or create defenses for Respondents to any claims. This Term Sheet and its incorporated exhibits and any associated consent orders do not give rise to or limit any private rights of action.

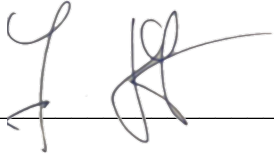
Nothing in this Term Sheet or any Consent Order shall limit a Settling Jurisdiction from investigating any conduct not specifically addressed in the Template Consent Order.
15. Binding. This Term Sheet and its incorporated exhibits shall be binding upon Respondents and Settling Jurisdictions with respect to all conduct subject to the provisions above and all future obligations, responsibilities, undertakings, limitations, restrictions, events, and commitments.
16. Failure to Comply with Term Sheet. Respondents agree that if they fail to comply with the terms of the Term Sheet, including the Claims Process, (a) a Settling Jurisdiction may, at its discretion, deem some or all of the Term Sheet null, void, and unenforceable, (b) the Settling Jurisdiction may opt to not dismiss any ongoing or pending enforcement actions against one or more of Respondents, including, but not limited to, cease and desist orders and similar administrative actions brought prior to the execution of this Term Sheet, (c) the Settling Jurisdictions may take any further action pursuant to this Term Sheet and the Claims Process, and (d) a Settling Jurisdiction may reinstate its issued action with Respondents' opportunity to contest. Respondents shall receive notice of any failure to comply with this Term Sheet and an opportunity to cure with the Settling Jurisdictions within 30 days.
17. Information Intentionally, Willfully, or Knowingly Withheld or Misrepresented. The Term Sheet may be revoked and the Settling Jurisdictions may pursue any and all remedies available under the laws of each of the respective Settling Jurisdictions against any of Respondents if any of the Settling Jurisdictions discover that Respondents have

intentionally, willfully, or knowingly withheld or misrepresented information used for and relied upon in the Term Sheet.

18. Confidentiality. Under any established Claims Process, any client information involved in the Claims Process, requirements under this Term Sheet, or in any way related to the entry of a Consent Order with the Settling Jurisdictions, shall remain confidential pursuant to the Settling Jurisdictions' applicable laws, rules, and regulations.
19. Complete Document. This Term Sheet can be executed separately and in parts where the original signature(s) and/or electronic signature(s) all collected together in a single document shall be considered the complete document that confirms the Respondents and the Settling Jurisdictions that are signatories to this Term Sheet.

TERM SHEET SIGNATURE PAGE FOR JOSIP HEIT

The term sheet is being executed by Josip Heit, as follows:

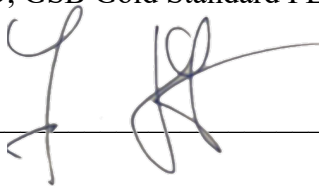
Signature:  _____

Printed Name: Josip Heit

Date: September, 5th 2024

TERM SHEET SIGNATURE PAGE FOR THE RESPONDENT ENTITIES

The term sheet is being executed by Josip Heit on behalf of GSB Gold Standard Corporation AG; GSB Gold Standard Banking Corporation AG; GSB Gold Standard Corporation USA; GSB Gold Standard Pay LTD (brand name GSDeFi operating g999main.net); GSB Gold Standard Bank LTD dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners, and GSP (marketing arm of the metaverse Lydian.World); GSB Gold Standard Banking Corporation PLC; GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay KB; GS Trade; GSB Gold Standard Trade (virtual digital-asset platform for storing, transferring, obtaining, and exchanging digital assets); GS Digital Partners LLC; GSB Gold Standard B Corporation; GSB Premier Exchange Corporation LTD; GSB Gold Standard PLC; and GSB Money LTD, as follows:

Signature:  _____

Title: Chairman

Printed Name: Josip Heit

Date: September, 5th 2024

TERM SHEET SIGNATORY PAGE FOR TEXAS STATE SECURITIES BOARD

This term sheet is being executed by the Texas State Securities Board as follows:

Signature: 

Printed/typed name: Travis J. Iles

Title: Securities Commissioner

Date: September 9, 2024

Joe Rotunda

From: Travis Iles
Sent: Wednesday, February 19, 2025 10:18 PM
To: Avi Perry; Alex Rossmiller; Juliette Turner-Jones
Cc: Joe Rotunda; Jeramy Heintz; Alexis Cantrell; Cristi Ochoa; Kristen McCourt
Subject: Your Clients

Hey Avi, Alex, and Juliette,

The Texas State Securities Board (the “TSSB”) received and is responding to the email you sent on February 18, 2025. The TSSB is also responding to respondents’ demand that the TSSB and other participating agencies endorse new requirements not contemplated by the original term sheet. Beyond disappointed and underwhelmed, but also consider the source and their clients.

These new requirements, if implemented, would prevent Texans that elect to file claims from pursuing further relief even if they only recover a fraction of principal believed owed to them. The new requirements also incorporate a nondisclosure provision that would largely bar Texans from discussing, in whole or part, the very fact that they participated in the settlement and even may subject them to liability for posting to their social media accounts or conversing with friends and family. We understand that respondents are willing to “die on this hill” and have “drawn a line in the sand” in regard to the demand that the TSSB and participating jurisdictions must endorse or accept these new terms.

We simply cannot endorse or accept the new requirements. They are unnegotiated provisions that may unduly restrict Texans from receiving full monetary relief while creating liability for Texans that would otherwise be exercising their freedom of speech preserved in Article 1, Section 8 of the Bill of Rights to the Texas Constitution and the First Amendment to the United States Constitution. We cannot approve of a new procedure where the prospect of financial recovery is used as a carrot and the possibility of litigation acts as a stick.

Moreover, the TSSB cannot accept the imposition of provisions that negatively impact victims in Texas – while providing no benefit to them – when respondents have repeatedly violated the Term Sheet executed in September 2024. As you know, the determinative factor for our execution of the Term Sheet was returning principal to investors residing in Texas, and in exchange we largely agreed to forgo proceeding on the allegations of fraud against Mr. Heit and certain corporate respondents as pleaded in Emergency Cease and Desist Order ENF-23-CDO-1879 (“Order 1879”). When the TSSB executed the term sheet, we understood that the agency and the respondents would comply with the requirements set forth therein. Since then, we have learned that our understanding was incorrect. Although the agency has complied with the Term Sheet, the respondents failed to comply with many of its terms. We have provided notice about these issues, which include but are not limited to the following:

- *Paragraph 6 of the Term Sheet required the respondents to provide detailed information about clients and their transactions. Although we understood your clients may not have preserved all records relating to their dealings with Texans, they nevertheless committed to providing the TSSB with all available information obtained by Texans when creating accounts with respondents, as well as their physical addresses, their crypto wallet addresses and information reflecting the types and amounts of digital assets received from, distributed to, and owed to them. This information was not provided for many Texans and no information whatsoever was provided for other Texans, even though all information appears to be currently available to your clients through affiliated sites.*

- *The information provided to the TSSB pursuant to Paragraph 6 of the Term Sheet is not simply incomplete. It is erroneous and unreliable, and the TSSB cannot use the information to ensure that Texans actually receive a return of their deposits following the conclusion of the claims process. For example, during the TSSB’s investigation of your clients, I opened an account with GSB Gold Standard Bank LTD dba GS Partners and successfully completed KYC. Beginning as early as October 2023 and continuing through December 2023, as part of my investigation, I also deposited assets into wallet address provided to me by GS Partners. I never withdrew assets or profited from my dealings. Nevertheless, the respondents provided the TSSB with information showing that I deposited assets valued at \$203.69, withdrew assets valued at \$690.69, and earned profits valued at \$487.00 (more than twice my principal) and was not eligible to participate in the claims process.*
- *The information described by Paragraph 6 was critical to the resolution of this matter. The underlying conduct largely involved voluminous transactions involving digital assets, not fiat currency, and as such the TSSB cannot independently develop the same information by obtaining records preserved by centralized custodians. Without this information, the TSSB is unable to contact all clients residing in Texas to notify them that they will be precluded from recovery if they do not file a timely claim during a 90-day window. Therefore, the obligations of the respondents to provide broad public notice became even more important to the successful resolution of the case. These obligations include the terms set forth in Paragraph 7, which generally require the publication of certain information relating to the claims process on all relevant websites, metaverses or online platforms under their control. Paragraph 7 also obligated respondents to develop “a list of the homepages or all websites, metaverses, or online platforms under their control or with which they are affiliated” and further obligates them to “add any additional websites, metaverses, or online platforms requested by the Working Group, if any.” The TSSB, while part of the Working Group, notified respondents the list was woefully deficient and requested the addition of additional websites and platforms under the control of respondents. The requests were rejected, and the notification was not published through the requested mediums.*
- *Paragraph 9 also relates to the notification of clients, requiring respondents to “send a written communication to clients in the Settling Jurisdictions by email that clients should coordinate with the Claims Administrator to withdraw all assets from their Respondent-hosted accounts through the Claims Process.” However, we have talked to clients that have not received the requisite notification by email. Their experience is consistent with my experience. I received an email from GS Pro directed to the yahoo email address associated with the aforementioned account I created to investigate the respondents. That said, I did not receive any notifications sent to the gmail account I when registering through gstrade.exchange or gswealth.global in November 2023.*
- *Paragraph 17 of the Term Sheet authorizes the pursuit of any and all remedies if the TSSB discovered that respondents intentionally, willfully or knowingly withheld or misrepresented information used for and relief upon in the Term Sheet. Since executing the Term Sheet, the TSSB independently learned and provided notice that various respondents controlled by Mr. Heit were actually dissolved before Mr. Heit executed the Term Sheet on their behalf. In fact, GSB Money LTD (UK) was dissolved on or around July 6, 2021- more than three full years before it executed the Term Sheet and Mr. Heit represented GSB Money LTD and other respondents were “entities, brands, or platforms which were, during all or part of the time period from at least 2021 to November 16, 2023, active and controlled by Josip Heit...” We also discovered that GSB Gold Standard Pay KB (Sweden) filed for bankruptcy a little more than two months after the execution of the Term Sheet, regardless of the representations of solvency set forth in the Term Sheet.*
- *In addition to the forgoing, we relied upon your clients’ representations that clients residing in the United States and Canada would not be able to access products through Apertum and DAO1.ai. We have been discussing this issue you since November 2024, when the TSSB independently learned that Mr. Heit and other parties may be launching Apertum, a proprietary blockchain purportedly built as subnet of the Avalanche blockchain, and DAO1.ai, a platform that purports to use all-in-one smart wallet technology tied*

to payment solutions, stocks, commodities, real estate, cryptocurrencies and AI analysis. However, as you may know, I have been investigating DAO1.ai, registered an account through DAO1.ai and connected my defi wallets to the platform. Although I did not pass KYC, earlier this month, the parties transferred tokens deployed on the Apertum blockchain to my wallet. Yesterday, the parties launched a decentralized exchange for swapping tokens on the Apertum blockchain. I was able to access and connect my wallet to the decentralized exchange – without using a VPN, and acting from an IPv4 address that resolved to Austin, Texas. I was also able to interface with the DEX and swap tokens on the Apertum blockchain.

- Although our investigation of suspected Apertum and DAO1.ai offerings in Texas is ongoing, we are highly concerned about information and evidence obtained to date. This information shows the blockchain may not be using a proof-of-work consensus mechanism, even though certain clients appears able to products that may pay profits tied to mining rewards. It also appears the blockchain may use a proof-of-authority consensus mechanism – and if true, the Apertum blockchain may actually the opposite of a decentralized network – and the parties appear to be able to unilaterally burn certain tokens even when purportedly transferred to a third-party defi wallet that has not granted permissions through a smart contract interaction.
- The recent events regarding the Apertum blockchain and DAO1.ai are consistent with representations during videoconferences hosted by Mr. Heit, Dirc Zahlmann and Bruce Hughes in and around November 2024. I attended certain videoconferences, including one where Mr. Zahlmann appeared with Mr. Heit and Mr. Hughes introduced the new platform. Mr. Zahlmann explained they paused operations “to comply with everything the regulators wanted,” they now needed to “fulfil the needs of the refund situation” and that “you can apply for a refund otherwise you can stay.” He concluded his portion of these remarks by stating, “And you know what blockchain technology, AI, artificial intelligence, cryptocurrency, guess what? That is something that the world is talking about right now, so you want to be in there, but it's your decision.” - Joe Rotunda, Director of Enforcement, Texas State Securities Board.

Given that respondents are demanding the imposition of new requirements that harm Texas, and knowing that respondents are willing to “die on this hill” and have “drawn a line in the sand,” we understand the settlement is terminated.

The TSSB plans to file a Notice of Hearing (the “NOH”) to docket a contested case with the State Office of Administrative Hearings (“SOAH”) per your clients’ challenge to Order 1879. The NOH will pray the SOAH Administrative Law Judge issues a proposal for decision that affirms, modifies or sets aside Order 1879 pursuant to TSA Section 4007.104(e). We also plan to pray for a full refund of assets to Texas clients pursuant to TSA Section 4007.108.

Jeremy Heintz, Assistant Director, Enforcement Division, will serve as lead counsel, and Kristen McCourt, Attorney, Enforcement Division, will second-chair the case. You can reach them by telephone at 512-305-8392 or by email at jheintz@ssb.texas.gov and kmccourt@ssb.texas.gov. They will be in touch.

I won't absolve Mr. Heit of his latest frauds. The term sheet has been myriad violated by your clients, those that still exist. Let's litigate and see if you can look in a mirror. Texas is done due your violations. Y'all violated the term sheet six ways to Sunday.

Nice job, and with all due respect,

Travis J. Iles

Securities Commissioner

Texas State Securities Board

208 E. 10th Street, Rm. 610

Austin, Texas 78701

512-305-8341 (desk)
512-914-9939 (cell)

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Katy Miner on behalf of Joseph Rotunda

Bar No. 24029808

kminer@ssb.texas.gov

Envelope ID: 98324100

Filing Code Description: Notice of Hearing

Filing Description: FIRST AMENDED NOTICE OF HEARING

Status as of 3/11/2025 2:21 PM CST

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Joseph Rotunda		jrotunda@ssb.texas.gov	3/11/2025 2:13:52 PM	SENT
Jeremy Heintz		jheintz@ssb.texas.gov	3/11/2025 2:13:52 PM	SENT
Cheryn Netz		cnetz@ssb.texas.gov	3/11/2025 2:13:52 PM	SENT
Kristen McCourt		kmccourt@ssb.texas.gov	3/11/2025 2:13:52 PM	SENT
Avi Perry		aviperry@quinnemanuel.com	3/11/2025 2:13:52 PM	SENT

TRAVIS J. ILES
SECURITIES COMMISSIONER



CRISTI RAMÓN OCHOA
DEPUTY SECURITIES COMMISSIONER

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

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

Texas State Securities Board

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

E. WALLY KINNEY
CHAIR

ROBERT BELT
MEMBER

MELISSA TYROCH
MEMBER

EJIKE E. OKPA II
MEMBER

DAVID B. MONTGOMERY
MEMBER

IN THE MATTER OF	§	
THE APERTUM FOUNDATION, JOSIP	§	
HEIT, DIRC ZAHLMANN, BRUCE INNES	§	Order No. ENF-25-CDO-1889
WYLDE HUGHES AND DENNIS	§	
CHRISTOPHER LOOS	§	

EMERGENCY CEASE AND DESIST ORDER

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 4007.104 of The Securities Act, Tex. Gov't Code Ann. §§ 4001.001-4008.105 (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 that:

SUMMARY OF THE ACTION

1. Josip Heit, Dirc Zahlmann and Bruce Innes Wylde Hughes previously perpetrated illegal and fraudulent securities schemes that targeted investors throughout the United States, including Texas. These investments included a tokenized real estate project and gamified certificates that paid passive income to owners. They also sold g999, the native token deployed on G999 blockchain, a decentralized proprietary blockchain that uses deflationary protocols, and wG999, a token used to bridge g999 to and from G999 blockchain.
2. The tokenized real estate project failed, clients were restricted from fully withdrawing profits from certificates, the price of g999 crashed, and there is virtually no market for wG999. Many investors, including as many as 1,600 Texans that deposited assets or fiat currency, were victims of the schemes.
3. Nevertheless, in November 2023, Josip Heit, Dirc Zahlmann and Bruce Innes Wylde Hughes were planning on launching a blockchain known as Apertum and promoting various investments tied to the Apertum blockchain.
4. On November 16, 2023, the Texas State Securities Board entered Emergency Cease and Desist Order ENF-23-CDO-1879 ("Order 1879") against Josip Heit, Dirc Zahlmann, Bruce Innes Wylde Hughes and other parties allegedly affiliated therewith. The enforcement action accused them of violating the Securities Act,

engaging in fraud in connection with the offer of securities in Texas and threatening immediate and irreparable public harm.

5. Order 1879 is final as it relates to Dirc Zahlmann and Bruce Innes Wylde Hughes. Although Josip Heit and various corporate respondents challenged the enforcement action, their challenge is pending and Order 1879 has been and continues to be in force and effect against them.
6. In September 2024, the Texas State Securities Board negotiated a settlement of the challenge to Order 1879 filed by Josip Heit and the aforementioned corporate respondents. The settlement was memorialized in a term sheet, and it required Josip Heit and the other respondents, in part, to refund deposits less withdrawals to clients residing in Texas.
7. In November 2024, not long after the execution of the term sheet, Josip Heit, Dirc Zahlmann and Bruce Innes Wylde Hughes announced they were moving forward with the launch of the Apertum blockchain. They also announced plans to migrate GS Partners, a respondent named in the Order 1879 and an issuer of the securities described therein, and other platforms to the Apertum blockchain to avoid regulation and enforcement actions by the Texas State Securities Board and other regulators from the United States.
8. In February 2025, the Texas State Securities Board accused Josip Heit and the other respondents of violating the term sheet and intentionally, willfully or knowingly withholding and/or misrepresenting information used for and relied upon in the term sheet. Josip Heit and the other respondents failed to cure the violations, including violations of key provisions that obligated them to take steps to notify clients residing in Texas and ensure the successful return of all deposits to Texans.
9. In February 2025, Josip Heit, Dirc Zahlmann and Bruce Innes Wylde Hughes launched the Apertum blockchain and thereafter began offering investments tied to the Apertum blockchain to investors residing outside of the United States and Canada. They also deployed a Apertum token, represented as APTM, the native token for the Apertum blockchain.
10. Although Respondents have purportedly restricted clients from the United States from acquiring products tied to the Apertum blockchain, they have listed APTM on a cryptocurrency exchange and residents of the United States, including Texas, can purchase APTM from the cryptocurrency exchange. They plan to list APTM on a second cryptocurrency exchange in March 2025 and an additional 13 cryptocurrency exchanges by the end of 2025.
11. Although APTM has some utility, it is being promoted as an investment that can provide lifechanging wealth for investors. Respondents are even representing that APTM was purportedly valued at \$0.025 at launch and increased to more than \$1.50 per APTM following the deployment of a decentralize exchange before briefly eclipsing \$4.00 per APTM. Their marketing tactics are proving successful,

as they have already attracted numerous clients, as more than 22,000 unique wallet addresses have already submitted more than 268,000 transactions through the Apertum blockchain and more than \$3.5 million in assets have already been transferred from other blockchains to the Apertum blockchain.

12. As described herein, Respondents are engaging in a fraudulent scheme to sell APTM in Texas. The Securities Commissioner is entering this Emergency Cease and Desist Order to stop offers of APTM in Texas and protect Texans from immediate and irreparable harm.

THE RESPONDENTS¹

13. The Apertum Foundation ("Respondent Apertum Foundation") purportedly oversees governance, research, protocol upgrades and ecosystem development for the Apertum blockchain. Its owners, officers, directors, employees and members are unknown.
14. Josip Heit ("Respondent Heit") served as the Chairman of the Board of GSB Gold Standard Corporation AG (HRB 271910) until November 22, 2024, when he purportedly resigned and relocated to an undisclosed country. He currently owns the majority of shares issued by GSB Gold Standard Corporation AG, serves as the Chairman of the Board of GSB Group, and serves as a Strategy Advisor for an organization known as Apertum Holding.
15. Dirc Zahlmann ("Respondent Zahlmann") previously served as Chief Operating Officer and Head of M&A of GSB Group, previously served as a Member of the Advisory Board of GS Partners and currently serves as a Strategy Advisor for Apertum Holding. As described herein, in November 2023, Respondent Zahlmann was found to have engaged in securities fraud in Texas in an enforcement action that is final and not subject to appeal.
16. Bruce Innes Wylde Hughes ("Respondent Hughes") previously served as the Corporate Trainer for GS Partners and currently serves as the DAO1 Tech Advisor. As described herein, in November 2023, Respondent Hughes was found to have engaged in securities fraud in Texas in an enforcement action that is final and not subject to appeal.
17. Dennis Christopher Loos ("Respondent Loos") is a network marketer, a mentor for network marketers, a host of podcasts for network marketers, and an author who published his own biography. He also serves as the DAO1 Marketing and Sales Advisor.

¹ The Enforcement Division is serving Respondents Apertum Foundation, Heit, Zahlmann, Hughes and Loos as described in Exhibit A, attached hereto and incorporated herein as if fully set forth herein.

RESPONDENTS HEIT, HUGHES AND ZAHLMANN PREVIOUSLY OFFERED G999 TOKENS, AND THESE TOKENS HAVE LOST ALMOST ALL OF THEIR VALUE

18. GSB Gold Standard Corporation AG and affiliates such as GSB Gold Standard Bank LTD dba GS Partners (“GS Partners”) developed, deployed and marketed a digital asset known as G999. Respondents Heit, Zahlmann and Hughes previously offered G999.
19. G999 was a token that, like APTM, purported to be a decentralized cryptocurrency deployed on a proprietary blockchain that uses a deflationary protocol.
20. G999 was deployed in or around December 2020 and was priced at approximately \$0.0068 per token at launch.
21. G999 is now virtually worthless and, because cryptocurrency exchanges either removed or delisted the asset, there is virtually no market for G999.

RESPONDENTS HEIT, HUGHES AND ZAHLMANN PREVIOUSLY OFFERED WG999 TOKENS, AND THESE TOKENS HAVE LOST ALMOST ALL OF THEIR VALUE

22. GSB Gold Standard Corporation AG and GS Partners previously developed, deployed and marketed a digital asset known as wrapped G999 or wG999. Respondents Heit, Zahlmann and Hughes previously offered wG999.
23. wG999 was a token that, like wAPTM, purports to be a decentralized cryptocurrency that is “wrapped” to enable it to be used on blockchains other than its native blockchain.
24. The contract for wG999 on the Binance blockchain is 0x294FA37d6982a7F075B67A9781C2EA713Bf1bC4D, and it was created on February 7, 2022, by 0xE3600143a8D230bE62Da97dD6F635Dcf01d6fCC2 at transaction hash 0x917123ccf73d4c3fa80f203bad20355038d20290e17fb009bcc4b6aca2251619.
25. Users have only effectuated 891 total transactions using wG999, only one transfer of wG999 has been completed since December 2023, wG999 are now virtually worthless and, because cryptocurrency exchanges either removed or delisted the asset, there is virtually no market for wG999.

RESPONDENTS HEIT, HUGHES AND ZAHLMANN PREVIOUSLY OFFERED LYS TOKENS, AND THESE TOKENS HAVE LOST ALMOST ALL OF THEIR VALUE

26. GSB Gold Standard Corporation AG and GS Partners previously developed, deployed and marketed a digital asset known as Lydian Stater or LYS. Respondents Heit, Zahlmann and Hughes previously offered LYS.
27. Owners used LYS to, among other things, purchase land in a metaverse known as Lydian.World or invest in a staking pool set in Lydian.World,
28. The contract for LYS on the Binance blockchain is 0xD5F66F1DF008Aeb8F782f9781794682c87eE2689, and the contract was created on December 14, 2021, by 0xA20b9FAd4FCDCFDBeC3fa607a4840acc3C05D9F5 at transaction hash 0x116dbfa16b90ec3ce0a7d3f38556bfd040c29c95cac35b8251305f6bf22260cd, and
29. The price of LYS increased to \$1,830.11 shortly after launch but quickly crashed and is now being traded on third-party decentralized exchanges for around \$0.15.

RESPONDENTS HEIT, HUGHES AND ZAHLMANN PREVIOUSLY
OFFERED TOKENS IN A TOKENIZED REAL ESTATE PROJECT THAT FAILED

30. GSB Gold Standard Corporation AG and GS Partners previously developed, deployed and marketed digital assets known as XLT Vouchers. Respondents Heit, Zahlmann and Hughes offered XLT Vouchers.
31. XLT Vouchers were digital assets that represented ownership of one square inch of a unit in a mixed-use 36-story skyscraper known as G999 Tower that, at the time XLT Vouchers were launched, was to be built in Dubai. Owners of XLT Vouchers were supposed to passively share in income generated from the leasing of units,
32. XLT Vouchers were supposed to be offered in three phases. The first phase was supposed to raise \$70 million through the sale of XLT Vouchers for 9.63 USDT, the second phase was supposed to raise \$60 million through the sale of XLT Vouchers for 12.52 USDT and the final phase was supposed to raise \$45 million through the sale of XLT Vouchers for 15.68 USDT.
33. They never made it past the first phase. GS Partners eventually converted all XLT Vouchers acquired by investors during the first phase to a new token named XLT Tokens.
34. The contract of XLT Tokens on the Binance blockchain is 0xFf07e4171d754b8DD201ED32243F1bA1A32e2e77, and it was created on February 7, 2022, by 0x80748DE8fEd59C3267625951863dFa631ff35e80 at the transaction hash 0x807ce6efe5301b6f51e9008d99f39f8fb52142e5d0aa6217f bcd82438d2124d4.
35. XLT Tokens are now virtually worthless and there is virtually no market for buying, selling or swapping XLT Tokens.

RESPONDENTS HEIT, HUGHES AND
ZAHLMANN PREVIOUSLY OFFERED GAMIFIED CERTIFICATES
BUT HAD TO RESTRICT CLIENT WITHDRAWALS FOR 13 MONTHS

36. GSB Gold Standard Corporation AG and GS Partners previously issued, offered and/or sold investments known as Elemental Certificates and Success Series Certificates. Respondent Heit, Respondent Zahlmann and Respondent Hughes offered and sold Elemental Certificates and Success Series Certificates.
37. Investors purchased Elemental Certificates and Success Series Certificates by registering accounts with GS Partners and transferring digital assets to GS Partners.
38. Investors thereafter “loaded” principal into their Elemental Certificates and Success Series Certificates by spending additional digital assets over time and allocating their assets to one or more “blockfolios” tied to each certificate,
39. Each blockfolios purportedly represented a specific industry, such as the gaming industry or fintech sector, and investors unlocked passive income opportunities or added value to their certificate when their load (i.e. additional contributed principal) eclipsed a certain threshold.
40. In October 2023, GS Partners announced that a blockfolio referred to as “metaportfolio” incurred losses that resulted in certain owners of certificates not receiving unlocked benefits such as weekly profits.
41. GS Partners thereafter implemented its Market Protection System (the “MPS”), which applied to many owners of Elemental and Success Series Certificates that were otherwise entitled to withdraw weekly, monthly or other profits.
42. Following the adoption of the MPS, these investors received either 50% or 75% of the value of their withdrawal – not 100% - with the unpaid portion transferred to a “13 month lock up vehicle.”

THE MULTIJURISDICTIONAL INVESTIGATION AND ENFORCEMENT ACTIONS

43. In October 2023, the Enforcement Division joined and led a working group consisting of attorneys, investigators and other personnel from various state and provincial securities regulatory agencies (the “working group”). The working group investigated suspect offers and sales of securities by GSB Gold Standard Corporation AG and various affiliated entities under its control, such as GS Partners and GS Trade (collectively known as “GSB Group” or “GSB Germany”). The working group also investigated Respondent Heit, Respondent Zahlmann and Respondent Hughes.

44. In November 2023, the Texas State Securities Board and various state and provincial securities regulatory agencies began filing enforcement actions against members of GSB Group and parties accused of acting as unregistered sales agents for members of GSB Group.
45. The Texas State Securities Board filed its enforcement action on November 16, 2023, when the Securities Commissioner entered Emergency Cease and Desist Order No. ENF-23-CDO-1879 ("Order 1879") against GSB Gold Standard Corporation AG, Respondent Heit, Respondent Zahlmann, Respondent Hughes, and others.
46. Order 1879 generally alleged that GS Partners issued various products that were promoted by multilevel marketers and advertised and sold, in part, through a website accessible at gspartners.global. It also alleged Respondent Heit, Respondent Zahlmann, Respondent Hughes and others offered the products in Texas.
47. These products included Elemental Certificates, Success Series Certificates and the metaverse staking pool tied to LYS tokens.² Order 1879 concluded these products were regulated as securities by the Securities Act.
48. Order 1879 concluded as a matter of law that GSB Gold Standard Corporation AG, Respondent Heit, Respondent Zahlmann, Respondent Hughes, and other respondents were (1) violating Section 4003.001 of the Securities Act by offering securities in Texas at a time when the products were not registered with or permitted by the Securities Commissioner, (2) violating Section 4004.051 by offering said securities in Texas when respondents were not registered per Section 4004.051 of the Securities Act, (3) engaging fraud in connection with the offer of securities and (4) making offers containing statements that were materially misleading or otherwise likely to deceive the public.
49. Order 1879 is final and not subject to appeal as it relates to Respondent Zahlmann and Respondent Hughes.
50. GSB Gold Standard Corporation AG and Respondent Heit, as well as members of GSB Group named as respondents in Order 1879, filed a timely request for a hearing.³

² Order 1879 addressed securities that were being offered and being sold at the time of its entry. It did not address G999 because it was trading for \$0.0028 and there was virtually no market for it at the time Order 1879 was entered by the Securities Commissioner. Order 1879 did not address wG999, which was priced at approximately \$0.0034 and there was virtually no market for the token at the time Order 1879 was entered by the Securities Commissioner.

³ Although they requested a hearing to challenge Order 1879, the hearing has not yet commenced and, pursuant to Section 4007.104 of the Securities Act, Order 1879 has been and continues in force and effect as it relates to them.

51. Following the entry of Order 1879, GS Partners stopped using the website accessible at gspartners.global and began operating through gspro.network, a website purportedly operated by GS Digital Partners LLC dba GS Pro and GS Pro Network (“GS Pro”). GS Pro has, at all times material hereto, been an entity organized in the Country of Georgia and assigned Identification Code 405472180. Although GS Pro was purportedly part of GSB Group and purportedly controlled by Respondent Heit, Luka Beruashvili, a resident of Tbilisi, actually serves as its sole principal.
52. Texas residents were initially able to access gspro.network and, without first registering new accounts, log in the accounts previously established at gspartners.global using the username, password and two-factor authentication process previously used to access accounts at gspartners.global.
53. GS Pro eventually blocked North American users, including Texas residents, from accessing the platform. At that time, more than 1,500 Texans had already sent assets to wallets owned or controlled by GSB Gold Standard Corporation AG, Respondent Heit, Respondent Zahlmann and/or Respondent Hughes.

**THE WARNINGS AND RELEASES
ISSUED BY INTERNATIONAL GOVERNMENT AGENCIES**

54. Following the entry of Order 1879 and enforcement actions brought by members of the working group, government agencies for various foreign countries began issuing public warnings about GSB Group.
55. For example, on November 15, 2023, the Australian Securities & Investments Commission warned to gspartners.global was “not authorized by license” and the public should “[b]e wary of dealing with this business.”
56. On November 22, 2023, the Financial Sector Conduct Authority of South Africa issued a press release titled “FSCA warns the public against GS Partners” that explained “GS Partners is not licensed under any financial sector law to provide financial products or financial services in South Africa” and “[t]he FSCA is concerned about the unrealistic returns offered by GS Partners,”
57. On February 7, 2024, the New Zealand Financial Markets Authority “recommended caution when dealing with GS Partners/GSPartners,”
58. On March 21, 2024, the UK Financial Conduct Authority published a warning for G999 that explained “[t]his firm may be providing or promoting financial services or products without our permission. You should avoid dealing with this firm and beware of scams,” and
59. On August 7, 2024, the Securities Commission of the Bahamas issued a public notice that GSB Gold Standard Corporation, GS Partners, G999 and others may be “conducting activities that are either registrable/licensable or illegal...”

THE SETTLEMENT, ALLEGATIONS OF VIOLATIONS OF THE TERM SHEET
AND ACCUSATIONS OF WITHHOLDING AND MISREPRESENTING INFORMATION

60. In August and September 2024, the Enforcement Division and various state securities agencies began negotiating a settlement with Respondent Heit and GSB Group. The settlement was memorialized in a term sheet and all state and provincial securities regulatory agencies, regardless of whether they previously filed enforcement actions, were afforded the opportunity to join on the same or substantively similar terms (agencies joining the term sheet are “Participating Agencies”).
61. The term sheet, in part, generally obligated the parties to perform as follows:
 - A. Respondent Heit and GSB Group were required to (1) provide each Participating Agency with detailed account information for clients residing in its state, province or territory, (2) take steps to notify eligible clients they can receive compensation through a claims process that lasts no more than 90 days and (3) at the conclusion of the claims process, return all verified deposits (less withdrawals) to clients residing in the state, province or territory of each Participating Agency.
 - B. Following the conclusion of a claims process, Participating Agencies were required to (1) enter a consent order on a no-admit, no-deny basis accusing Respondent Heit and GSB Group of offering securities without first complying with all legal requirements or exemptions for offers or sales and (2) withdraw, redact or amend a prior order, press release or public statement that alleged Respondent Heit and/or GSB Group engaged in fraudulent acts or dishonest or unethical practices.
62. Respondent Heit executed the term sheet with the Texas State Securities Board on September 5, 2024, and the agency executed the term sheet on September 9, 2024.
63. Following the execution of the term sheet, the Enforcement Division began uncovering violations of the term sheet by Respondent Heit and GSB Group. The Enforcement Division also accused Respondent Heit and GSB Group of intentionally, willfully or knowingly withholding and/or misrepresenting information used for and relied upon in the term sheet.
64. Although they were provided notice, Respondent Heit and GSB Group failed to cure many of their violations of the term sheet, including key provisions that obligated Respondent Heit and GSB Group to take steps necessary to notify eligible clients they can participate in a claims process and receive a return of verified deposits, less verified withdrawals.

65. On or about February 20, 2025, the Texas State Securities Board notified Respondent Heit and GSB Group the agency was electing to exercise its right to opt out of the term sheet.
66. The Texas State Securities Board thereafter filed a Notice of Hearing with the State Office of Administrative Hearings to set a contested case in SOAH Docket No. 312-25-13515. Respondent Heit and various members of GSB Group are named as respondents, and a hearing is currently set to commence on April 14, 2025.

THE BANKRUPTCY,
LIQUIDATION AND DISSOLUTION OF MEMBERS OF GSB GROUP

67. Certain members of GSB Group have been dissolved, liquidated or placed in bankruptcy. These entities include organizations named as respondents in Order 1879 and entities that were already defunct at the time Respondent Heit executed the term sheet on their behalf on September 9, 2024.
68. GSB Gold Standard Pay KB was named as a respondent in Order 1879 and as a respondent the term sheet, and Respondent Heit executed the term sheet on behalf of the organization on September 4, 2024. It purportedly provided digital cryptocurrency storage solutions for GS Trade, a cryptocurrency exchange.
69. GSB Gold Standard Pay KB was organized as a Limited Partnership with Bolagsverket, the Swedish Companies Registrar, and assigned Registration Number 969793-3522 on June 3, 2020. Respondent GSB Gold Standard Pay KB was controlled by Josip Heit as limited partner and GSB Gold Standard Banking Corporation as general partner, with signatory power resting solely with the general partner. On or about November 14, 2024, it was declared bankrupt and Johan Falkman began acting as its official receiver.
70. GSB Gold Standard Pay LTD was named as a respondent in Order 1879 and as a respondent the term sheet, and Respondent Heit executed the term sheet on behalf of the organization on September 4, 2024. It purportedly operated g999main.net, a webpage for promoting G999 tokens, and it purportedly provided various services for GS Trade.
71. GSB Gold Standard Pay LTD was organized as a legal entity in Kazakhstan on or about July 30, 2020, assigned BIN No. 200740027325, and controlled by Frantsev Roman Alexeevich. On or about January 13, 2025, Respondent GSB Gold Standard Pay LTD was de-registered because it was in liquidation.
72. GS Partners was named as a respondent in Order 1879 and as a respondent in the term sheet, and Respondent Heit executed the term sheet on behalf of the organization on September 4, 2024. It issued Elemental and Success Series Certificates and other products described in Order 1879.

73. GS Partners was registered with the Comoros Union and assigned Company Number HY00520034 through Moheli Corporate Services Limited, the exclusive licensed registered agent of Mwali (Moheli) International Services Authority, Registrar of Companies, and controlled by GSB Gold Standard Corporation AG. However, GS Partners' registration with the Comoros Union became inactive and GS Partners was dissolved.
74. GSB Premier Exchange Corporation LTD was named as a respondent in the term sheet and Respondent Heit executed the term sheet on behalf of the organization on September 4, 2024.
75. GSB Premier Exchange Corporation LTD was incorporated in the United Kingdom, assigned Company Number 12341123, and controlled by Respondent Heit. It was dissolved on May 7, 2024.
76. GSB Asset Financial LTD was named as a respondent in the term sheet and Respondent Heit executed the term sheet on behalf of the organization on September 4, 2024.
77. GSB Asset Financial LTD was incorporated in the United Kingdom, assigned Company Number 12341601, and controlled by Respondent Heit. It was dissolved on May 7, 2024.
78. GSB Gold Standard PLC was named as a respondent in the term sheet and Respondent Heit executed the term sheet on behalf of the organization on September 4, 2024.
79. GSB Gold Standard PLC was incorporated in the United Kingdom, assigned Company Number 12357501, and controlled, in part, by Respondent Heit. It was dissolved on May 14, 2024.

THE ANNOUNCEMENTS AND THE VIDEOCONFERENCES

80. Prior to the entry of Order 1879, GSB Group was planning to deploy a proprietary blockchain known as Apertum.
81. GSB Group paused its deployment of the Apertum blockchain after the entry of Order 1879. However, following the execution of the term sheet, GSB Group resumed the deployment of the Apertum blockchain.
82. Respondents Heit, Zahlmann and Hughes announced the launch of Apertum and a decentralized autonomous organization tied to Apertum known as DAO1⁴ during

⁴ DAO1, acting through various multilevel marketers, is purportedly offering various products tied to the Apertum blockchain to clients residing outside of North America. These products include a mining bot that purportedly enables investors to passively receive profits from mining and a sniper bot that purported identifies profitable cryptocurrency trades. This Emergency Cease and Desist Order is not alleging that DAO1 is acting in Texas or that its mining bot or sniper bot are being offered for sale in Texas. Although this Emergency Cease and

a series of videoconferences hosted in November 2024. The first two videoconferences were hosted on or about November 7, 2024, and the final two videoconferences were hosted on or about November 21, 2024. Respondents Heit, Zahlmann and Hughes did not restrict or control access to the videoconferences, and residents of Texas were able access and attend the presentations.

83. They stressed, and they continue to stress, that the Apertum blockchain is a decentralized blockchain.⁵ Although not openly acknowledged during these specific videoconferences, in truth and in fact Respondents Heit, Zahlmann and Hughes resumed the deployment of the Apertum blockchain because they believe the decentralized aspect of the blockchain will obstruct regulators from the United States and prevent them from filing further enforcement actions.

THE RESIGNATION OF RESPONDENT HEIT

84. At the time Respondents Heit, Zahlmann and Hughes hosted the four videoconferences, Respondent Heit and GSB Group (including GS Partners and GS Pro) had already executed the term sheet with the Texas State Securities Board.
85. On November 22, 2024 – the day after the fourth and final videoconference announcing Apertum and DAO1 – the Enforcement Division notified counsel for Respondent Heit and expressed concerns about the announcements and the potential impact on the settlement.
86. On November 22, 2024, Respondent Heit filed a letter with the District Court in Dusseldorf⁶ that indicated he was resigning as Chairman of the Board of GSB Gold Standard Corporation AG and relocating to an undisclosed country. Although Respondent Heit and GSB Gold Standard Corporation AG were parties to the term sheet, they did not notify the Enforcement Division about his resignation.
87. Rustam Shoyket purportedly replaced Respondent Heit as Chairman of the Board of GSB Gold Standard Corporation AG. Nevertheless, Respondent Heit has

Desist Order may allege certain acts or conduct tied to DAO1 to provide context as necessary, its substantive provision focus solely on offers of APTM in Texas.

⁵ Apertum's decentralization is a key feature that differentiates it from centralized platforms that typically rely on banks, brokerage firms, payment processors or other trusted intermediaries. As a decentralized blockchain, Apertum purports to use smart contracts to distribute governance among many participants that are responsible for maintaining custody of their own assets. Because decentralized finance does not use banks, brokerage firms or other trusted third-parties, illegal and fraudulent investment schemes that incorporate decentralized protocols present significant challenges to federal and state law enforcement and regulatory agencies responsible for protecting the public

⁶ At that time, GSB Gold Standard Corporation AG was supervised by the German District Court in Dusseldorf.

continued to identify himself as the Chairman of the Board of GSB Gold Standard Corporation AG and/or GSB Group.

PROMOTIONS OF APERTUM AND
DAO1 THROUGH INTERNET WEBSITES AND SOCIAL MEDIA PLATFORMS

88. Following the resignation of Respondent Heit as Chairman of the Board of GSB Gold Standard Corporation AG, Respondents Heit, Zahlmann and Hughes continued promoting Apertum and DAO1. Around this time, Respondent Loos also began promoting Apertum, APTM and DAO1.
89. They are promoting Apertum and its native token through a website accessible by the public at apertum.io and DAO1 through a website accessible at dao1.ai.
90. Respondents are using the following official social media platforms to promote Apertum, its native token and DAO1:
 - A. A YouTube Channel for @dao1_network accessible by the public at youtube.com/@dao1_network,
 - B. A Telegram Channel for @dao1eng accessible by the public at t.me/dao1eng,
 - C. A Telegram Channel for dao1_chat accessible by the public at t.me/+E0Rt9OdEUDgyOTQ0,
 - D. An Instagram account for @dao1_official accessible by the public at @dao1_official,
 - E. An Instagram account for Respondent Loos, a “DAO1 Advisor,” at @loos_dennis,
 - F. An Instagram account for Respondent Hughes, a “DAO1 Advisor,” at @brucehughes_official,
 - G. An Instagram account for Respondent Zahlmann, an “Apertum Holdings Advisor,” at @dirczahlmann, and
 - H. An Instagram account for Respondent Heit, an “Apertum Holdings Advisor,” at @josipht.

THE LAUNCH OF APERTUM AND APTM

91. The Apertum blockchain is managed from the offices of GSB Gold Standard Corporation AG in Dubai, and it purports to be a secure, scalable and transparent decentralized blockchain that can be used for decentralized finance.

92. Apertum was deployed at approximately 8:30:10 a.m. UTC on January 30, 2025.
93. Apertum was created as a subnet of the Avalanche blockchain and is identified as follows:
 - A. The Subnet ID for Apertum is 2Y83BEXg7zgSCJunL2KD2i1vjMfaMnU1QEpG4M7acqG44BnRto,
 - B. The Blockchain ID for Apertum is YDJ1r9RMkewATmA7B35q1bdV18aywzmdiXwd9zGBq3uQjsCnn, and
 - C. Apertum uses the Snowman++ (Chain) consensus mechanism.

APTUM – THE NATIVE TOKEN FOR THE APERTUM BLOCKCHAIN

94. The native token for the Apertum blockchain is also known as Apertum and is represented variously as APT, APTM, \$APT or \$APTUM.
95. The maximum supply of APTM is 2.1 billion, with 100 million APTM allocated to Respondent Apertum Foundation for marketing, listing and liquidity, and 2 billion APTM that will be paid as rewards to miners of APTM.
96. Respondent Apertum Foundation is responsible for ensuring the blockchain's sustainability and growth, research and development, ecosystem development, fostering partnerships, upgrading protocols and driving innovation. It is also responsible for managing its 100 million pre-minted APTM allocated for marketing, advertising and protocol advancements.
97. Nevertheless, APTM affords owners the right to govern the Apertum blockchain, and they are purportedly entitled to vote on protocol changes, resource allocation and dispute resolution.
98. APTM is also used to pay gas fees and validate transactions on the Apertum blockchain, meaning that parties that plan to use the Apertum blockchain need to obtain APTM and use APTM to pay fees incurred for each transaction.

APTUM IS BEING MARKETED AS A PASSIVE INVESTMENT WHERE OWNERS PROFIT FROM THE EFFORTS OF GSB GROUP

99. Although APTM is necessary to pay fees on the Apertum blockchain, Respondents are promoting APTM as an investment that provides investors with a "lifechanging opportunity."
100. In addition to developing and deploying the Apertum blockchain and APTM, Respondents are touting their extensive efforts to ensure APTM earns significant profits for owners. These extensive efforts are generally described as follows:

- A. Respondents are taking considerable steps to increase demand for the Apertum blockchain. An increase in demand for the Apertum blockchain increases demand for APTM, and an increase in demand for APTM increases the price of APTM, and
 - B. Respondents are taking considerable steps to control and, over time, decrease the supply of APTM. A decrease in the supply of APTM, especially if coupled with an increase in demand for APTM, increases the price of APTM.
101. In furtherance thereof, Respondents have secured listings for APTM on cryptocurrency exchanges and prospective investors in North America, including residents of states and provinces that also executed term sheets with GSB Group and Respondent Heit, are able to invest in APTM.
102. Following the first listing of APTM on a digital asset exchange, Respondents continued to tout their efforts to increase demand, reduce supply, and generate profits for investors. On March 19, 2025, they disseminated an announcement titled “APERTUM IS ON FIRE...” that was published in official social media channels accessible to everyone, including residents of Texas. The announcement is described as follows:
- A. They announced that “Just two days ago, we launched our deflationary Buy & Burn protocol, and the impact is already massive!” and explained that “[r]educed supply = increase scarcity” and the protocol causes “[p]rice pressure to the upside,”
 - B. They explained the listing on the exchange is “opening up massive liquidity and access for our global community. With increased visibility, adoption is skyrocketing,”
 - C. They touted their decentralized exchange, explaining that it now “boasts almost \$500,000 in liquidity” and, as such, “APTM [is] one of the most dynamic ecosystems in the space,”
 - D. They further recognized that the liquidity “means better trading conditions, stronger price support, and an ever-growing market,”
 - E. They highlighted the “PRICE EXPLOSION” of APTM, noting that “[t]he numbers speak for themselves” and represented that “APTM has skyrocketed from \$0.025 to \$2.00,”
 - F. They emphasized that the purported sharp increase in price is “an insane 8,000% increase in value,” and that “in the past 7 days alone, APTM is up 25%, even while the broader market struggles,” and

- G. They noted that “[t]his is a testament to the unstoppable momentum behind DAO1 and Apertum – and we’re just getting started!”

APTAM IS ONLY DEPLOYED
THROUGH MINING, AND ONLY ONE ADDRESS IS ACTUALLY MINING APTM

103. Respondents are representing that transactions on the Apertum blockchain are confirmed through a virtual mining protocol that promotes inclusivity by eliminating the need for physical mining hardware. Virtual miners are rewarded with APTM for confirming transactions.
104. Mining is a term of art that describes the process of confirming transactions for blockchains that use proof-of-work consensus mechanisms. Proof-of-work transactions are confirmed by owners of hardware, referred to as miners, who use computers to solve complex mathematical problems, referred to as mining. The owners are rewarded for solving the problems and adding transactions to the blockchain’s ledger, and the rewards are typically compensation denominated in digital assets.
105. Virtual mining, also known as cloud mining, is a type of mining that alleviates the need to purchase, maintain and use hardware. Instead, virtual miners lease, rent or otherwise rely on hash power to solve complex mathematical problems and add transactions to a blockchain’s ledger. The hash power is typically acquired on a short-term or definite period from powerful data centers or third-parties that can provide significant computational power.
106. Although Respondents are touting their virtual mining protocol, as of approximately 9:01:32 AM CT on March 11, 2025, all but 11 out of approximately 200,403 blocks were mined by 0x6bC47C155EB725BB1438462Ee3cc05B1872A2778 (the “Mining Address”). Accordingly, almost every block has been mined by a single address.
107. The Mining Address receives rewards denominated in APTM for confirming transactions on the Apertum blockchain. It has been accumulating, not distributing, the APTM. As of approximately 9:24 AM CT on March 11, 2025, the Mining Address held approximately 1,184.87 APTM.
108. Because the Mining Address is the only address mining APTM on the Apertum blockchain, all parties using the Apertum blockchain and all owners of APTM have been reliant on this Mining Address. It has provided and continues to provide the near-exclusive means of confirming transactions on the Apertum blockchain.

CONTROLLING THE SUPPLY OF APTM TO INCREASE THE PRICE OF APTM

109. The mining protocol also purportedly features a halving mechanism that reduces APTM distributed as rewards for miners by half every 125 million blocks (approximately every 4 years). The halving mechanism controls distributions to

ensure a steady decrease in the issuance of new tokens, creating scarcity over time. Respondents are representing that the halving mechanism “helps drive the long-term value of APT tokens [APT], incentivizing early participation and ensuring sustainable growth.”

110. Respondents implemented deflationary mechanisms to control the supply of APT, which will cause the price of APT to increase as the supply of APT decreases. For example:
 - A. The Apertum blockchain burns (i.e., destroys) half of APT paid as transaction fees,
 - B. Respondents developed and plan to deploy a smart contract known as a “burn explorer” that purchases and burns APT on the market. The burn explorer will contribute to a reduction in the supply of APT, thereby increasing the price of APT, and
 - C. Various other acts, such as swapping APT or using a bot sold by Respondents, triggers the burning on APT.
111. Respondent Hughes acknowledged the significant impact the burning of APT will have on the price of APT. He asked rhetorically:

Can you imagine what the value of the coin [APT] is going to do with all the burning that’s going on? Can you imagine how much value is going to the entire DAO based on those size volumes?

THE CREATION AND DEPLOYMENT OF A DECENTRALIZED EXCHANGE AND TOKENS THAT PROMOTE INTEROPERABILITY

112. Respondents deployed a decentralized exchange that employs an Automated Market Maker Model and leverages liquidity pools to permit users to seamlessly swap APT. Users pay a fee denominated in APT for every transaction.
113. Respondent Loos publicly touted the efforts of Respondents in developing the decentralized exchange, noting that it typically takes years to develop a decentralized exchange but Respondents were able to deploy the Apertum decentralized exchange within weeks of the launch of APT.
114. APT was priced at \$0.025 at launch and purportedly gained significant value over a short period of time.
115. For example, following the deployment of the decentralized exchange, during a webinar accessible by the public, Respondent Loos discussed the impact the decentralized exchange had on the price of APT. He showed a screen that represented the price of APT was \$1.5673 per token at the time of the presentation and describe the appreciation in price as follows:

I don't know where you guys see this kind of profits, where you guys see this kind of prices on the first day, where you guys see this way of transparency. Even I was shocked when I waked up today and I heard about the dex was live, the price [of APTM] was already sitting at \$0.20. Why? Because people have followed the blockchain, the smart contracts, and they have seen the efforts and they went and took opportunity at the buy. So, smart people.

THE CREATION AND DEPLOYMENT OF A CRYPTOCURRENCY BRIDGE AND OTHER NEW TOKENS

116. Respondents also created a cross-chain bridge that purportedly permits owners to move assets to the Apertum blockchain from other blockchains or from other blockchains to the Apertum blockchain. Users pay a fee denominated in APTM for every transaction.
117. Respondents also developed and deployed tokens to facilitate the bridging of assets to or from the Apertum blockchain. These tokens include Apertum wrapped USDT and Wrapped Apertum, and they are described as follows:
 - A. Apertum wrapped USDT (wUSDT) is an ERC-20 token and its contract was created as follows:
 - i) The contract creation date is January 31, 2025,
 - ii) The contract address is 0x1487Db421F6B58e77bfefc905fDc1EDE5Fb85C7F,
 - iii) The contract was created by 0xfC87DAbAA3A4c3E133E8C82e0d9b95298D928215, and
 - iv) The contract was created at transaction hash 0xd26dff31109ecf5fce334ee7dc5cb9a36c362908ef81cef8238849efca679c36.
 - B. Wrapped Apertum (wAPTUM) is an ERC-20 token and its contract was created as follows:
 - i) The contract creation date is February 18, 2025,
 - ii) The contract address is 0x110Ac02Ba3384Bc055c13A87766049a74517BedA,
 - iii) The contract was created by 0xfC87DAbAA3A4c3E133E8C82e0d9b95298D928215, and

- iv) The contract was created at transaction hash 0xb3b3cb170d1aa6e224f04f83545f3d39e33e24516cecdf5058dcc170b14c5a6a.
118. The bridge and the tokens used for bridging are driving demand and increasing value. Not long after the deployment of the bridge, Respondent Hughes acknowledged the bridge had already brought value to the Apertum blockchain, claiming Respondents have “seen value moving from the Ethereum blockchain, from the Binance Smart Chain, from the Avalanche Smart Chain into the Apertum blockchain.”
119. Respondent Hughes later recognized that \$1.8 million had already moved from the Ethereum blockchain to the Apertum blockchain. He claimed that “1.8 million USDT worth of value is sitting in the bridge of Ethereum USDT and that is interacting with the Apertum USDT... why is this exciting? Because usability as we move from one blockchain that has a 10 year head start and is meeting a brand new blockchain... already \$1.8 million USDT has bridged, preferring not to use [the ETH blockchain] and starting to use [the Apertum blockchain... can you imagine what this look like in five months’ time, six months’ time, six years’ time?”
120. Assets continue to be transferred from other blockchains to the Apertum blockchain. As of approximately 9:30 AM CT on March 19, 2025, approximately 2,552,489.38 USDT had been transferred from the Ethereum blockchain, approximately 1,004,716.43 USDT had been transferred from the Binance blockchain and approximately 3,766 USDT had been transferred from the Avalanche blockchain.

**RECRUITING DEVELOPERS
TO DRIVE DEMAND AND INCREASE THE PRICE OF APTM**

121. Respondents are recruiting developers to the Apertum blockchain. In furtherance thereof, they created and deployed the Apertum Testnet that allows developers to build, test and experiment with projects using the Apertum blockchain. Respondents claim developers are currently testing more than 20 smart contracts for deployment on the Apertum blockchain.
122. They are taking other steps to recruit developers that will drive demand and increase the price of APTM. For example:
- A. Respondent Zahlmann is purportedly working with the development team responsible for Grand Theft Auto, Call of Duty and other popular video games. Notably, Grand Theft Auto V is the best-selling PC game of all time, has sold more than 200 million units and has generated more than \$8.5 billion in revenue, and Call of Duty is a series of video games that collectively sold more than 500 million units and generated more than \$30 billion in revenue.

- B. The development team is purportedly developing Battue, a new video game that will be featured by Apple.
 - C. Battue is purportedly launching in May 2025, will uses the Apertum blockchain, requires gamers to acquire tokens deployed on the Apertum blockchain and requires users to buy and spend APTM to pay for gas.
 - D. Respondent Zahlmann is representing that between one and two million gamers will play Battue and that the player base will drive the price of APTM. He is claiming they will “bring a lot of attention and exposure from all over the world to the Apertum blockchain... so what do you think will happen to the Apertum coin, that you need to have to do a transaction on this blockchain? It will go up, and up, and up...”
123. Respondents are boasting about their success at attracting developers to the Apertum blockchain, estimating that more 100,000 smart contracts will be deployed on the Apertum blockchain in the next two years and more than 10,000 decentralized applications will be deployed on the Apertum blockchain in 2025. Smart contracts and decentralized applications deployed on the Apertum blockchain incur gas fees.

THE INTERNATIONAL NETWORK OF COMMISSIONED SALES AGENTS

124. Respondents are training and managing an international network of commissioned sales agents operating in a multilevel marketing structure that sell subscriptions that permit the use of products tied to the Apertum blockchain and APTM.
125. Respondents developed the Tree Smart Contract, and they are using this smart contract to compensate agents. The compensation is denominated in tokens deployed on the Apertum blockchain and the Tree Smart Contract uses a 54% commission plan.
126. Although the sales agents are purportedly limiting sales to clients that reside in countries other than North America and Canada, they are also driving developers to the Apertum blockchain and the developers are driving demand for the Apertum blockchain.
127. These developers are purportedly choosing the Apertum blockchain over other blockchains because they will be able to use the international network of commissioned sales agents. According to Respondents, the Tree Smart Contract provides an “unfair advantage” because it acts as a “built-in smart contract direct marketing plan... and so any projects that bring their value to DAO1 end up with a marketing team that is smart contracted.”
128. Respondent Zahlmann also recently recognized the sales force is driving developers to the Apertum blockchain. His statements are summarized as follows:

- A. Respondent Zahlmann touted the benefits of using compensated sales agents to promote Apertum, claiming Apertum is “completely different” than other blockchains because it is “attached to a direct recommending community, and this is why projects come to us.”
- B. Respondent Zahlmann also claimed the “direct recommending community” has “100 times more power than a regular community.”
- C. He supported his assertion by describing a conversation with an attendee of a videoconference hosted on or about March 6, 2025. The attendee purportedly serves as a decisionmaker for a big project, and he purportedly told Respondent Zahlmann that he “never saw something like this with a blockchain” and he would “go with you guys because the power of the direct selling community and direct recommending community is way higher – ten hundred, a hundred times higher – than just a one-to-one community interaction.”

MIGRATING GS PARTNERS, GS PRO AND OTHER PLATFORMS TO THE APERTUM BLOCKCHAIN

- 129. Respondents are promising to migrate their platforms, including GS Partners, GS Pro, and Lydian.World, to the Apertum blockchain.
 - A. GS Partners was named as a respondent in Order 1879 before it rebranded as GS Pro. It was purportedly recognizing around \$1 billion in revenue per year, and more than 1500 Texans transferred assets or fiat currency to GS Partners.
 - B. Lydian.World is a metaverse marketed by GS Partners, and it reportedly attracted 600,000 users. Order 1879 found that Respondents Zahlmann and Hughes illegally and fraudulently offered investments in Lydian.World’s staking pool in Texas.
- 130. Accordingly, the migration of GS Partners, Lydian.World and the other platforms to the Apertum blockchain will significantly increase the number of users of the Apertum blockchain. These users will need APTM to pay gas when transacting on the Apertum blockchain, meaning that demand for APTM and the price of APTM should also increase.

LAUNCHING FIAT BANKING ON THE APERTUM BLOCKCHAIN

- 131. Respondents are planning to deploy fiat banking services on Apertum, which will lead to 400,000 to 500,000 transactions per day and “people will need APTM to facilitate the transactions to pay the gas fee.” Respondent Zahlmann believes that “2, 3, 4 million people who just want to use the banking part or the online game part and, when that is on Apertum... they can trigger a transaction only when they have APTM on their wallet for the gas fee.”

THE DAILY WEBINARS AND GLOBAL CALLS

132. Respondents Hughes and Loos are hosting “daily webinars” referred to as the “Weekly Plan for Success,” and they are advertising the webinars through social media. Respondent Hughes is hosting webinars every Monday, Tuesday, Wednesday, Friday and Sunday, and Respondent Loos is hosting the webinars every Monday, Tuesday, Friday and Sunday
133. Respondents are hosting DAO1 Members Global Calls that discuss updates, upcoming initiatives, and future steps for APTM, DAO1 and the Apertum blockchain.
134. The daily webinars and global calls are not directed to developers or industry. Instead, they are directed to investors and sales agents and frequently address ongoing managerial efforts, the profitability of subscriptions and APTM, and new tools for marketers.

THE AUDIT

135. Third-party audits, whether they relate to smart contract coding or traditional business operations, are often used to demonstrate the legitimacy of highly complex matters. Audits of decentralized platforms often consider risks such as the coding, protocols and security of blockchains and smart contracts.
136. Respondents are representing auditors have conducted and published audits tied to APTM as follows:
 - A. Respondents are claiming that Certified Kernel Tech LLC dba CertiK conducted and published an audit, and
 - B. Respondents are claiming their decentralized exchange was audited by an undisclosed auditor.

RESPONDENTS SECURED LISTINGS FOR APTM ON CRYPTOCURRENCY EXCHANGES

137. Cryptocurrency exchanges are similar to investment brokers, insofar as they allow customers to buy, sell or trade cryptocurrencies or digital assets.
138. Respondents are representing they will list APTM on fifteen or more cryptocurrency exchanges by the end of 2025, thereby broadening the global market for APTM and increasing demand for APTM.
139. Respondents are explaining these cryptocurrency exchanges will include global exchanges with broad user bases that often require the satisfaction of thorough listing standards. They include Binance, Coinbase, Kraken, Gemini and others.

140. Respondents are touting the fact that they are securing listings on cryptocurrency exchanges as key steps to broaden the market for APTM and the Apertum blockchain. For example:
- A. On or about March 3, 2025, Respondents publicly announced that APTM will be listed on a digital asset exchange,
 - B. Respondents represented the exchange provides “a secure platform for trading, investing, and growing the Apertum ecosystem,”
 - C. Respondents represented that, “[w]ith this listing, Apertum will reach a broader audience, strengthening its presence in the global crypto market,” and
 - D. Respondents represented the listing “marks a major milestone in our journey, bringing greater accessibility, liquidity, and opportunities for the community.”

THE EFFORTS PURPORTEDLY GREATLY INCREASED THE NUMBER OF OWNERS OF TOKENS, THE VALUE OF APTM AND PROFITS FOR OWNERS

141. Respondents are touting their success in attracting users to the Apertum blockchain. From the launch of the Apertum blockchain on January 31, 2025, through approximately 4:35 PM CT on March 17, 2025:
- A. More than 22,300 unique wallet addresses transacted on the Apertum blockchain, an increase of 7.5% compared to 20,750 unique wallet addresses from approximately 5:22 PM CT on March 11, 2025,
 - B. These wallets submitted 268,481 transactions through the Apertum blockchain, an increase of 19.6% from the 224,528 transactions from approximately 5:22 PM CT on March 11, 2025,
 - C. More than 305 unique wallet addresses hold more than 1,000 APTM, an increase of 19.1% from 256 wallets from approximately 5:22 PM CT on March 11, 2025, and
 - D. Respondents believe they will be able to attract more than 300,000 users to the Apertum blockchain by the end of 2025, and these users will need to acquire APTM to transact on the Apertum blockchain.
142. Respondents are touting the success of their work in increasing the value of APTM. For example:
- A. On or about February 28, 2025, Respondent Zahlmann acknowledged the efforts were sharply increasing the value of \$APTМ, claiming “you already can sell and trade the Apertum coin, which is used as gas fee on our

blockchain, on a decentralized exchange... We started the Apertum coin with a price of 2.5 cents and right now today APTM is already at \$1.51.”

- B. Around the same time, Respondent Loos hosted a videoconference open to the public, including Texas residents, and predicted that when \$APTM is listed on cryptocurrency exchanges in March 2025 that “everyone will see how powerful this is but I think the biggest statement was the opening price [for \$APTM] today in the market - \$0.025 – went all the way up to \$1.60 at the moment.” Respondent Loos also explained that \$APTM provides a highly profitable and lucrative opportunity, claiming “imagine if we are not talking about the \$1 price just imagine we are talking about \$100 or \$50. Can you even imagine how big this outcome is? This is a complete lifechanging opportunity for the people...”
 - C. Respondents publicized a video through their social media platforms showing Respondent Loos hosting a presentation on March 5, 2025. During the presentation, Respondent Loos touted the sharp increase in the price of \$APTM, telling his audience that “on launch day, we dramatically skyrocketed from \$0.025 all the way to over \$2. Already an x100 and is phenomenal beyond all expectations.”
143. Respondents are providing marketers with a “calculator” that purportedly documents the dramatic increase in price of APTM. It shows:
- A. The price chart shows the price of APTM spiked to more than \$4.00 per APTM in February 2025, representing an increase of approximately 16,000% from \$0.025, and
 - B. The price chart shows the price of APTM settled at around \$1.4289 on March 12, 2025, representing an increase of approximately 5,716% from \$0.025.
144. On March 17, 2025, Respondents listed APTM on a cryptocurrency exchange. At approximately 4:52 PM CT on the first day of trading, the low price of APTM was 1.701 USDT, the high price of APT was 2.102 USDT, its 24H change was 14.81%, and its volume was 45,251.918 USDT.
145. At least one Texan purchased APTM from the cryptocurrency exchange on the first day of listing.

THE INVESTIGATION

146. In November 2024, immediately after the videoconference announcing DAO1 and the Apertum blockchain, the Enforcement Division began investigating DAO1 the projects.

147. On December 17, 2024, the Director of the Enforcement Division (the “Enforcement Director”), while using a simple VPN plug-in for his internet browser, and while physically located in Austin, Texas, accessed dao1.ai and registered an account on the platform.
148. Although the Enforcement Director did not complete KYC, he was able to access promotional and informational material from the website.

THE TRANSFER OF APTM AND AN NFT TO THE ENFORCEMENT DIRECTOR

149. In January 2025, Respondents began claiming that approximately 15,000 users registered accounts with dao1.ai, 8,000 users had completed KYC for their accounts with dao1.ai, and 5,000 products had been sold to clients. Respondents began encouraging users to connect defi wallets to their accounts.
150. When the Enforcement Director logged into his account through dao1.ai, he was also directed to connect his defi wallet to dao1.ai.
151. On February 1, 2025, Respondents began sending APTM and DID NFTs to users that connected their wallets to dao1.ai, regardless of whether they completed KYC or resided in a country, region or state purportedly restricted from accessing dao1.ai.
152. Respondents transferred DID 434 to the Enforcement Director after the Enforcement Director connected his wallet to dao1.ai, and the transaction is recorded in the blockchain as follows:
 - A. From: 0xD907B2C2727c5Eea9Bdd65B0D06E4e0318E5e6DA
 - B. Hash: 0xf4de740417699241bbcf36523ebeeaa4326dcc4685e7f9528b849ce65733835cd
 - C. Transaction fee: 0.002668125000106725 APTM
 - D. Gas price: 0.000000025000000001 APTM
 - E. Burnt fees: 0.002668125 APTM.
153. Respondents also transferred 1.01 APTM to the wallet address used by the Director of Enforcement when connecting to dao1.ai. The transfer of APTM was part of a batch of multiple transactions confirmed in Block 28786 and is described in greater detail as follows:
 - A. From: 0xA338A5ca2016038A18473192267cCAE624c110Eb,
 - B. Interacted with: 0xb29494B5c7e524be5b1fbb5b17067c98C7b8999A,

- C. Hash: 0x5fd27f35eabecb9b1429e0cf3eba3975132de0dad3f388e3b8b5ac3cd8db314,
- D. Transaction fee: 0.016496900000659876 APTM,
- E. Gas price: 0.000000025000000001 APTM, and
- F. Burnt fees: 0.0164969.

CENTRALIZED CONTROL OF THE DECENTRALIZED SYSTEM

- 154. Although the Apertum blockchain purports to be a decentralized platform, Respondents are actually able to exercise significant control over the blockchain and/or one or more tokens deployed on the blockchain.
- 155. For example, several days after the Enforcement Director received APTM and DID 434, Respondents, acting without warning or permission, burned (i.e., destroyed) DID 434.
- 156. Respondents were able to access and burn DID 434 even though the Enforcement Director never signed a smart contract granting permission and never authorized Respondents to access the wallets or destroy his assets.

THE LISTINGS OF APTAM ON CRYPTOCURRENCY EXCHANGES BEGAN ON MARCH 17, 2025

- 157. Respondents now plan to list APTM on cryptocurrency exchanges, and listing APTM on cryptocurrency exchanges will broaden the market for APTM.
- 158. On March 3, 2025, Respondents announced that APTM will be listed on a certain centralized cryptocurrency exchange (the "First Exchange"). On March 17, 2025, APTM was listed for sale on the First Exchange.
- 159. Although Respondents have restricted Texans from accessing certain websites, Texans can access the First Exchange and buy and sell tokens without submitting images of their government identification cards or completing KYC so long as they do not withdraw assets valued at more than \$2,000 per day.
- 160. On March 5, 2025, Respondents announced that APTM will be listed on another certain centralized cryptocurrency exchange (the "Second Exchange").
- 161. Texans can access the Second Exchange and buy and sell tokens without submitting images of their government identification cards or completing KYC.
- 162. Respondents plan to list APTM on 13 additional centralized or decentralized exchanges before the end of 2025.

RESPONDENTS SECURED A LISTING FOR
APTAM AT THE FIRST EXCHANGE DESPITE ITS CRITERIA FOR LISTING ASSETS

163. Respondents secured a listing at the First Exchange despite the First Exchange's Listing and Delisting Policy.
164. The Listing and Delisting Policy provides that the First Exchange reserves the right to delist a coin/token from the exchange in the following cases:
- A. The project faces legal issues, and
 - B. There is severe dishonesty in information disclosure; if it is necessary to prevent and/or stop fraud, manipulation, security breaches or other unlawful actions, hacking attacks — or if such things, related to the coin/token, are identified.
165. The Listing and Delisting Policy also provides that the First Exchange is committed to protecting the interests of users and that every coin/token applied for listing (including listing as part of a Startup Launch/Token Offering) is evaluated in terms of accordance with our requirements, and shall meet the following requirements:
- A. The coin/token must be based on a solid project run by a reliable and competent team with qualified tech support,
 - B. The project must display compliance and be devoid of any policy risks, and
 - C. The project must provide honest information upon request, including white paper and progress reports.

REGISTRATION VIOLATIONS

166. Respondents have not been registered with the Securities Commissioner as dealers or agents at any time material hereto.
167. APTM has not been registered by qualification, notification or coordination, and no permit has been granted for the sale of APTM in Texas.

FRAUD AND THE CONCEALMENT
OF THE FINAL ORDER AGAINST RESPONDENTS ZAHLMANN AND HUGHES

168. In connection with the offer of APTM, Respondents Heit, Zahlmann and Hughes are intentionally failing to disclose the following material facts about Order 1879 and Respondent Zahlmann:
- A. Respondent Zahlmann was named as a respondent in Order 1879 and Order 1879 is final and not subject to appeal as it relates to Respondent Zahlmann,

- B. Order 1879 found Respondent Zahlmann was violating Section 4003.001 of the Securities Act by offering securities in Texas at a time when the products were not registered with or permitted by the Securities Commissioner,
 - C. Order 1879 found Respondent Zahlmann was violating Section 4004.051 by offering said securities in Texas when respondents were not registered per Section 4004.051 of the Securities Act,
 - D. Order 1879 found Respondent Zahlmann was engaging in fraud in connection with the offer of securities, and
 - E. Order 1879 found Respondent Zahlmann was making offers containing statements that were materially misleading or otherwise likely to deceive the public.
169. In connection with the offer of APTM, Respondents Heit, Zahlmann and Hughes are intentionally failing to disclose the following material facts about Order 1879 and Respondent Hughes:
- A. Respondent Zahlmann was named as a respondent in Order 1879 and Order 1879 is final and not subject to appeal as it relates to Respondent Hughes,
 - B. Order 1879 found Respondent Hughes was violating Section 4003.001 of the Securities Act by offering securities in Texas at a time when the products were not registered with or permitted by the Securities Commissioner,
 - C. Order 1879 found Respondent Hughes was violating Section 4004.051 by offering said securities in Texas when respondents were not registered per Section 4004.051 of the Securities Act,
 - D. Order 1879 found Respondent Hughes was engaging in fraud in connection with the offer of securities, and
 - E. Order 1879 found Respondent Hughes was making offers containing statements that were materially misleading or otherwise likely to deceive the public.

**FRAUD AND THE CONCEALMENT OF THE TEXAS STATE
SECURITIES BOARD ACTION AGAINST RESPONDENT HEIT AND GSB GROUP**

170. In connection with the offer of APTM, Respondent Heit is intentionally failing to disclose the following material facts about Order 1879:

- A. The Texas State Securities Board executed a term sheet to settle with Respondent Heit to settle the challenge to Order 1879 but later accused Respondent Heit and the other respondents of violating the term sheet and withholding and/or misrepresenting information used for and relied upon in the term sheet,
- B. The Texas State Securities Board notified Respondent Heit that the respondents failed to cure the alleged violations of the term sheet and withheld and/or misrepresented information used for and relied upon in the term sheet, and that parties purportedly controlled by Respondent Heit intentionally, willfully or knowingly withheld and/or misrepresented information used for and relied upon in the term sheet,
- C. The Texas State Securities Board notified Respondent Heit that the Texas State Securities Board planned to file a Notice of Hearing with the State Office of Administrative Hearings, and that the prayer will request an order that directs Respondent Heit and various members of GSB Group to refund assets to Texas residents, and
- D. The Texas State Securities Board filed a Notice of Hearing with the State Office of Administrative Hearings in SOAH Docket No. 312-25-13515, Respondent Heit and various members of GSB Group are named as respondents, and a hearing is set to commence on April 14, 2025.

FRAUD AND THE CONCEALMENT OF THE PERFORMANCE OF G999 AND WG999

- 171. In connection with the offer of APTM, Respondents Heit, Zahlmann and Hughes are intentionally failing to disclose the following material facts relating to G999, a cryptocurrency:
 - A. Respondents developed and deployed G999 and promoted G999 as a token that, like APTM, is a decentralized cryptocurrency deployed on a proprietary blockchain that uses a deflationary protocol, and
 - B. The price of G999 increased to \$0.016795 per token before crashing, the assets are now virtually worthless and, because cryptocurrency exchanges either removed or delisted the asset, there is virtually no market for G999.
- 172. In connection with the offer of APTM, Respondents Heit, Zahlmann and Hughes are intentionally failing to disclose the following material facts about wrapped G999, a cryptocurrency often referred to as wG999:
 - A. Respondents developed and deployed wG999 and promoted wG999 as a token that, like wAPTM, is a decentralized cryptocurrency that is “wrapped” to permit it to be used on blockchains other than its native blockchain, and

- B. Users have only effectuated 891 transactions using wG999, only one transfer of wG999 has been completed since December 2023, the assets are now virtually worthless and, because cryptocurrency exchanges either removed or delisted the asset, there is virtually no market for wG999.

FRAUD AND THE CONCEALMENT OF THE PERFORMANCE OF LYS

- 173. In connection with the offer of APTM, Respondents Heit, Zahlmann and Hughes are intentionally failing to disclose the following material facts about Lydian Stater, a cryptocurrency often referred to as LYS:
 - A. Respondents developed and deployed LYS and promoted LYS as a token tied to Lydian World, a metaverse and a staking pool in the metaverse, and
 - B. The price of LYS increased to \$1,830.11 shortly after launch but quickly crashed and is now being traded on third-party decentralized exchanges for around \$0.15.

FRAUD AND THE CONCEALMENT OF THE PERFORMANCE OF TOKENIZED INVESTMENTS TIED TO G999 TOWER

- 174. In connection with the offer of APTM, Respondents Heit, Zahlmann and Hughes are intentionally failing to disclose the following material facts about XLT Vouchers, XLT Tokens and G999 Tower:
 - A. XLT Vouchers are digital assets that represented ownership of one square inch of a unit in a mixed-use 36-story skyscraper known known as G999 Tower that, at the time XLT Vouchers were launched, was to be built in Dubai,
 - B. XLT Vouchers were supposed to be offered in three phases. The first phase was supposed to raise \$70 million through the sale of XLT Vouchers for 9.63 USDT, the second phase was supposed to raise \$60 million through the sale of XLT Vouchers for 12.52 USDT and the final phase was supposed to raise \$45 million through the sale of XLT Vouchers for 15.68 USDT,
 - C. They never made it past the first phase. GS Partners eventually converted all XLT Vouchers acquired by investors during the first phase to a new token named XLT Tokens, and
 - D. XLT Tokens are now virtually worthless and there is virtually no market for buying, selling or swapping XLT Tokens.

FRAUD AND
THE CONCEALMENT OF THE PERFORMANCE OF CERTIFICATES AND THE MPS

175. In connection with the offer of APTM, Respondents Heit, Zahlmann and Hughes are intentionally failing to disclose the following material facts about Elemental Certificates and Success Series Certificates:
- A. GSB Gold Standard Corporation AG and GS Partners previously issued, offered and/or sold investments known as Elemental Certificates and Success Series Certificates,
 - B. Respondent Heit, Respondent Zahlmann and Respondent Hughes offered and sold Elemental Certificates and Success Series Certificates,
 - C. In October 2023, GS Partners announced that a blockfolio tied to certificates referred to as “metaportfolio” had incurred losses, the losses resulted in certain owners of certificates not receiving unlocked benefits such as weekly profits,
 - D. GS Partners thereafter implemented its MPS, which applied to many owners of Elemental and Success Series Certificates that were entitled to withdraw weekly, monthly or certain other profits, and
 - E. Per the MPS, these investors received either 50% or 75% of the value of their withdrawal – not 100% - with the unpaid portion transferred to a “13 month lock up vehicle.”

FRAUD AND THE CONCEALMENT OF
THE OPERATIONS AND ORGANIZATION OF GSB GROUP

176. In connection with the offer of APTM, Respondent Heit is intentionally failing to disclose the following material facts about the operations and organization of members of GSB Group:
- A. GSB Gold Standard Pay KB was part of GSB Group, was controlled by Respondent Heit, and provided digital cryptocurrency storage solutions for GS Trade. On or about November 14, 2024, it was declared bankrupt,
 - B. GSB Gold Standard Pay LTD was part of GSB Group, operated the webpage for G999, and provided various services for GS Trade. On or about January 13, 2025, it was de-registered because it was in liquidation,
 - C. GS Partners was part of GSB Group and issued the products found to be securities in Order 1879, including the Elemental and Success Series Certificates. Its registration with the Comoros Union became inactive and GS Partners was dissolved,

- D. GSB Premier Exchange Corporation LTD was part of GSB Group and was controlled by Respondent Heit. On or about May 7, 2024, it was dissolved,
- E. GSB Asset Financial LTD was part of GSB Group and was controlled by Respondent Heit. On or about May 7, 2024, it was dissolved,
- F. GSB Gold Standard PLC was part of GSB Group and was controlled, in part, by Respondent Heit. On or about May 14, 2024, it was dissolved,
- G. On November 15, 2023, the Australian Securities & Investments Commission warned to gspartners.global was “not authorized by license” and the public should “[b]e wary of dealing with this business,”
- H. On November 22, 2023, the Financial Sector Conduct Authority of South Africa issued a press release titled “FSCA warns the public against GS Partners” that explained “GS Partners is not licensed under any financial sector law to provide financial products or financial services in South Africa” and “[t]he FSCA is concerned about the unrealistic returns offered by GS Partners,”
- I. On February 7, 2024, the New Zealand Financial Markets Authority “recommended caution when dealing with GS Partners/GSPartners,”
- J. On March 21, 2024, the UK Financial Conduct Authority published a warning for G999 that explained “[t]his firm may be providing or promoting financial services or products without our permission. You should avoid dealing with this firm and beware of scams,” and
- K. On August 7, 2024, the Securities Commission of the Bahamas issued a public notice that GSB Gold Standard Corporation, GS Partners, G999 and others may be “conducting activities that are either registrable/licensable or illegal...”

**FRAUD AND THE CONCEALMENT OF INFORMATION
RELATING TO RESPONDENT APERTUM FOUNDATION AND APERTUM HOLDING**

177. In connection with the offer of APTM, Respondents are intentionally failing to disclose the following material facts about Respondent Apertum Foundation:
- A. The identity of the officers, directors and managers of Respondent Apertum Foundation,
 - B. The business repute, qualifications and experience of the officers, directors and managers of Respondent Apertum Foundation, and
 - C. The authorities, rights and responsibility described in its organizational records and governance documents.

178. In connection with the offer of APTM, Respondents are intentionally failing to disclose the following material facts about Respondent Apertum Foundation:
- A. Its use of the 100 million pre-minted APTM, including the amount of APTM already used for marketing, listing, liquidity and other purposes, and the amount of APTM that is currently available for marketing, listing, liquidity and other purposes, and
 - B. The risk that a bad actor may attempt to breach or hack security systems or otherwise obtain private keys and gain control of the 100 million pre-minted APTM, as well as the consequences of any such breach or hack.
179. In connection with the offer of APTM, Respondents Heit and Zahlmann are intentionally failing to disclose the following material facts relating to Apertum Holding:
- A. The identity of the officers, directors and managers of Respondent Apertum Holding,
 - B. The business repute, qualifications and experience of the officers, directors and managers of Respondent Apertum Holding,
 - C. The authorities, rights and responsibility described in its organizational records and governance documents,
 - D. The relationships between Apertum Holding and Respondent Apertum Foundation and the between Apertum Holding and the Apertum blockchain,
 - E. Respondent Heit's responsibilities as a "Strategy Advisor" for Apertum Holding, and
 - F. Respondent Zahlmann's responsibilities as a "Strategy Advisor" for Apertum Holding.

**FRAUD AND DECEIT AND THE CONCEALMENT OF INFORMATION
RELATING TO GSB GOLD STANDARD CORPORATION AG AND GSB GROUP**

180. Respondent Heit is presenting himself as the Chairman of the Board of GSB Group, and as described herein, GSB Gold Standard Corporation AG controls affiliated entities that collectively act as GSB Group. His statements identifying himself as Chairman of the Board of GSB Group are materially misleading or otherwise likely to deceive the public because:
- A. Respondent Heit resigned as Chairman of the Board of GSB Gold Standard Corporation AG on November 22, 2024, and

- B. Rustam Shoyket currently serves as the Chairman of the Board of GSB Gold Standard Corporation AG.
181. In connection with the offer of APTM, Respondents are intentionally failing to disclose the following material facts relating to GSB Gold Standard Corporation AG:
- A. GSB Gold Standard Corporation AG controls GSB Group, and GSB Group was planning to launch the Apertum blockchain prior to the entry of Order 1879,
 - B. Rustam Shoyket serves as Chairman of the Board of GSB Gold Standard Corporation AG,
 - C. The qualifications, experience and business repute of Rustam Shoyket,
 - D. The identity of other officers of GSB Gold Standard Corporation, as well as their qualifications, experience and business repute, and
 - E. The responsibilities of GSB Gold Standard Corporation and its role in migrating GS Partners, GS Pro, Lydian.World and other platforms to the Apertum blockchain.

**FRAUD AND
THE CONCEALMENT OF INFORMATION RELATING TO MINING APTM**

182. As described herein, the Apertum blockchain uses the Snowman++ (Chain) consensus mechanism, Respondents are representing the Apertum blockchain uses a virtual mining protocol to confirm transactions and only one address has mined almost all of the blocks of the Apertum blockchain.
183. In connection with the offer of APTM, Respondents are intentionally failing to disclose the following material facts relating to APTM mining:
- A. That only one address has ever mined APTM,
 - B. The address mining APTM has retained all or almost all rewards purportedly received from mining APTM, and it has not distributed these tokens to any other address, and
 - C. The risks that the only address mining APTM may stop mining APTM, thereby leaving the Apertum blockchain without a means of confirming transactions.

DECEIT AND THE MIGRATION OF GS PARTNERS,
GS PRO, LYDIAN WORLD AND OTHER PLATFORMS TO APERTUM

184. As described herein, Respondents Heit, Zahlmann and Hughes are describing their experience with GS Partners, GS Pro and Lydian World and representing these and other platforms they developed are migrating to the Apertum blockchain. Their statements are materially misleading or otherwise likely to deceive the public because they are not disclosing that:
- A. GS Partners is defunct,
 - B. GS Pro is controlled by Luka Beruashvili,
 - C. Order 1879 found GS Partners engaged in fraud in connection with the offer and sale of securities in Texas,
 - D. Order 1879 found Respondents Zahlmann and Hughes illegally and fraudulently offered certificates issued by GS Partners (later rebranded as GS Pro) in Texas
 - E. Order 1879 found Respondents Zahlmann and Hughes illegally and fraudulently offered investments in a staking pool in Lydian World in Texas,
 - F. Order 1879 accused Respondent Heit of illegally and fraudulently offered certificates issued by GS Partners (later rebranded as GS Pro) in Texas,
 - G. Order 1879 accused Respondent Heit of illegally and fraudulently offered investments in a staking pool in Lydian World in Texas, and
 - H. A contested case is set at the State Office of Administrative Hearings, SOAH Docket No. 312-25-13515, to resolve the challenge to Order 1879 and the hearing is set to commence on April 14, 2025.

FRAUD AND
THE DEPLOYMENT OF FIAT BANKING ON THE APERTUM BLOCKCHAIN

185. In connection with the offer of APTM, Respondents are representing they will deploy fiat banking services on the Apertum blockchain and they are failing to disclose the following material facts about the fiat banking services:
- A. The identity of the organization providing fiat banking services on the Apertum blockchain,
 - B. The country and agency that licensed the organization to provide fiat banking services on the Apertum blockchain, and

- C. The risks associated with the use of the organization for banking services on the Apertum blockchain, including any regulations that protect assets and funds owned by clients.

**FRAUD AND
THE CONCEALMENT OF INFORMATION RELATING TO DECENTRALIZATION**

186. As described herein, Respondents are representing that owners of APTM are able to vote on matters relating to governance. As also described herein, Respondent Apertum Foundation has control of 100 million pre-minted APTM and the maximum supply of 2.1 billion APTM are only released through APTM mining over the course of many years. Their statements regarding voting and governance are materially misleading or otherwise likely to deceive the public because Respondent Apertum Foundation will control voting until or unless 100 million or more APTM are deployed in market and owners acquire sufficient APTM to outvote Respondent Apertum Foundation.
187. As described herein, Respondents are representing that Apertum is a decentralized blockchain and users acquire, take custody of and control its assets. Their statements are materially misleading or otherwise likely to deceive the public in light of the undisclosed authority of Respondents to burn tokens deployed on the Apertum blockchain held in owners' wallets.

DECEIT AND REPRESENTATIONS REGARDING THE AUDIT

188. As described herein, Respondents are claiming that Certified Kernel Tech LLC dba CertiK conducted and published an audit. This statement is materially misleading or otherwise likely to deceive the public because CertiK has not published the audit on the webpage it publishes audits tied to digital assets and Respondents are not disclosing the results of the audit.
189. Respondents are claiming their decentralized exchange was audited by an undisclosed auditor. Their statements are materially misleading or otherwise likely to deceive the public because Respondents are not disclosing the auditor of the decentralized exchange or the results of the audit of the decentralized exchange.

FRAUD AND THE LISTING OF APTM ON THE FIRST EXCHANGE

190. In connection with the offer of APTM, Respondents are intentionally failing to disclose that they fail to meet the listing criteria on the First Exchange, and this information constitutes a material fact.
191. In connection with the offer of APTM, Respondents are intentionally failing to disclose the risk that APTM may be delisted from one or more cryptocurrency exchanges and the effect delisting will have on the price of APTM, and this information constitutes a material fact.

CONCLUSIONS OF LAW

1. APTM is a security as that term is defined in Section 4001.068 of the Securities Act.
2. Respondents are violating Section 4003.001 of the Securities Act by offering securities for sale in Texas at a time when the securities are not registered with or permitted by the Securities Commissioner.
3. Respondents are violating Section 4004.051 of the Securities Act by offering securities for sale in Texas without being registered pursuant to the provisions of Section 4004.051 of the Securities Act.
4. Respondents are engaging in fraud in connection with the offer for the sale of securities.
5. Respondents are making offers containing statements that are materially misleading or otherwise likely to deceive the public.
6. Respondents' conduct, acts, and practices threaten immediate and irreparable public harm.
7. The foregoing violations constitute bases for the issuance of an Emergency Cease and Desist Order pursuant to Section 4007.104 of the Securities Act.

ORDER

1. It is therefore ORDERED that Respondents immediately CEASE AND DESIST from offering for sale any security in Texas until the security is registered with the Securities Commissioner or is offered for sale pursuant to an exemption from registration under the Texas Securities Act.
2. It is further ORDERED that Respondents immediately CEASE AND DESIST from acting as securities dealers, agents, investment advisers, or investment adviser representatives in Texas until they are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.
3. It is further ORDERED that Respondents immediately CEASE AND DESIST from engaging in any fraud in connection with the offer for sale of any security in Texas.
4. It is further ORDERED that Respondents immediately CEASE AND DESIST from offering securities in Texas through an offer containing a statement that is materially misleading or otherwise likely to deceive the public.

NOTICE

Pursuant to Section 4007.104 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 4007.206 of the Securities Act that any knowing violation of an order issued by the Securities Commissioner under the authority of Section 4007.104 of the Securities Act is a criminal offense punishable by a fine of not more than \$10,000.00, 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 20th day of March 2025.



TRAVIS J. ILES
Securities Commissioner

EXHIBIT A: SERVICE OF PROCESS

1. The Enforcement Division is serving the Apertum Foundation pursuant to Section 4007.104(b) of the Securities Act and Board Rule 105.6(b)(1) as follows:
 - A. Registered mail addressed to the Apertum Foundation at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - B. Registered mail addressed the Apertum Foundation at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - C. Registered mail addressed the Apertum Foundation at Königsallee 61, 40215, Düsseldorf, Germany,
 - D. Registered mail addressed the Apertum Foundation at 30 Hans Place, SW1X 0JY London, and
 - E. Registered mail addressed the Apertum Foundation at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania.

2. The Enforcement Division is serving **Josip Heit** pursuant to Section 4007.104(b) of the Securities Act and Board Rule 105.6(b)(1) as follows, and it is sending this Emergency Cease and Desist Order to counsel as follows:
 - A. Registered mail addressed to Josip Heit at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - B. Registered mail addressed to Josip Heit at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - C. Registered mail addressed to Josip Heit at Königsallee 61, 40215, Düsseldorf, Germany,
 - D. Registered mail addressed to Josip Heit at 30 Hans Place, SW1X 0JY London,
 - E. Registered mail addressed to Josip Heit at Str Alexandru Cel Bun Nr 22, Galati, Galati, 800193, Romania.
 - F. Email addressed to Avi Perry, counsel for Josip Heit in connection with Order 1879, at aviperry@quinnemanuel.com, and
 - G. Certified mail, return receipt requested, addressed to Avi Perry at Quinn Emmanuel Urquhart & Sullivan LLP, 1300 I Street NW, 9th Floor, Washington, D.C. 20005.

3. The Enforcement Division is serving **Dirc Zahlmann** pursuant to Section 4007.104(b) of the Securities Act and Board Rule 105.6(b)(1) as follows, and it is sending this Emergency Cease and Desist Order to counsel as follows:
 - A. Registered mail addressed to Dirc Zahlmann at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - B. Registered mail addressed to Dirc Zahlmann at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - C. Registered mail addressed to Dirc Zahlmann at Königsallee 61, 40215, Düsseldorf, Germany,
 - D. Registered mail addressed to Dirc Zahlmann at Baarerstrasse 141, 6300 Zug, Switzerland,
 - E. Registered mail addressed to Dirc Zahlmann at Zahlmann Consulting International GmbH, Steinacherstr. 2a, 9327 Tübach, Switzerland,
 - F. Registered mail addressed to Dirc Zahlmann at Zahlmann Consulting Europe Ltd., 1 Berkeley Street, Mayfair, London, UK,
 - G. Registered mail addressed to Dirc Zahlmann at L3-2-21B, Pelangi Promenade, Jalan Pekan Baru 36, 41050 Klang, Selangor Darul Ehsan, Malaysia,
 - H. Registered mail addressed to Dirc Zahlmann at Nerotal 44, Wiesbaden, Hessen 65193 DE,
 - I. Email addressed to Scott O'Brien, counsel for Dirc Zahlmann before the Texas State Securities Board, at scott.obrien@alston.com,
 - J. Certified mail, return receipt requested, addressed to Scott O'Brien at Alston & Bird LLP, 90 Park Avenue, 15th Floor, New York, NY 10016, and
 - K. Email addressed to Albert B. Stieglitz, Jr., counsel for Dirc Zahlmann before the Texas State Securities Board, at albert.stieglitz@alston.com, and
 - L. Certified mail, return receipt requested, addressed to Albert B. Stieglitz, Jr., Alston & Bird LLP, The Atlantic Building, 950 F. Street, NW, Washington, DC 20004.
4. The Enforcement Division is serving **Bruce Innes Wylde Hughes** pursuant to Section 4007.104(b) of the Securities Act and Board Rule 105.6(b)(1) as follows, and it is sending this Emergency Cease and Desist Order to counsel as follows:

- A. Registered mail addressed to Bruce Innes Wylde Hughes at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - B. Registered mail addressed to Bruce Innes Wylde Hughes at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - C. Registered mail addressed to Bruce Innes Wylde Hughes at Königsallee 61, 40215, Düsseldorf, Germany,
 - D. Email addressed to Scott O'Brien, counsel for Bruce Innes Wylde Hughes before the Texas State Securities Board, at scott.obrien@alston.com,
 - E. Certified mail, return receipt requested, addressed to Scott O'Brien at Alston & Bird LLP, 90 Park Avenue, 15th Floor, New York, NY 10016,
 - F. Email addressed to Albert B. Stieglitz, Jr., counsel for Bruce Innes Wylde Hughes before the Texas State Securities Board, at albert.stieglitz@alston.com, and
 - G. Certified mail, return receipt requested, addressed to Albert B. Stieglitz, Jr., Alston & Bird LLP, The Atlantic Building, 950 F. Street, NW, Washington, DC 20004.
5. The Enforcement Division is serving **Dennis Christopher Loos** pursuant to Section 4007.104(b) of the Securities Act and Board Rule 105.6(b)(1) as follows:
- A. Registered mail addressed to Dennis Christopher Loos at Willy-Brandt-Platz 2, Berlin, 12529, Germany,
 - B. Registered mail addressed to Dennis Christopher Loos at the Emgate Building, Office 343-745, 212 Sheikh Zayed Road, Al Wasl, Dubai, United Arab Emirates,
 - C. Registered mail addressed to Dennis Christopher Loos at Königsallee 61, 40215, Düsseldorf, Germany,
 - D. Registered mail addressed to Dennis Christopher Loos at Dubai Silicon Oasis, DDP, Building A1, Dubai, UAE,
 - E. Registered mail addressed to Dennis Christopher Loos as 6068 Mills, Reschweg 2,
 - F. Registered mail addressed to Dennis Christopher Loos at 6020 Innsbruck, Luigenstrabe 3/2, and

- G. Registered mail addressed to Dennis Christopher Loos c/o Bey at Al Hebiah First Ribbon Mall, Motor City, Dubai, UAE.

From: [Alex Rossmiller](#)
To: [Travis Iles](#)
Cc: [Jeremy Heintz](#); [Kristen McCourt](#); [Avi Perry](#); [Juliette Turner-Jones](#); [Alex Rossmiller](#)
Subject: RE: TSSB Order No. ENF-25-CDO-1889
Date: Tuesday, April 1, 2025 10:55:51 AM
Attachments: [Order 1889, challenge and hearing request.pdf](#)

Counsel,

Please see the attached correspondence.

Regards,

Alex Rossmiller
Of Counsel
Quinn Emanuel Urquhart & Sullivan, LLP

295 Fifth Avenue
New York, NY 10016
212-849-7632 Direct
212-849-7000 Main Office Number
alexrossmiller@quinnemanuel.com

NOTICE: The information contained in this e-mail message is intended only for the personal and confidential use of the recipient(s) named above. This message may be an attorney-client communication and/or work product and as such is privileged and confidential. If the reader of this message is not the intended recipient or agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by e-mail, and delete the original message.

April 1, 2025

Travis Iles
Securities Commissioner
Texas State Securities Board
tiles@ssb.texas.gov

Re: Order No. ENF-25-CDO-1889

Dear Commissioner Iles:

I represent Respondents Josip Heit and The Apertum Foundation in connection with Texas State Securities Board (“TSSB” or the “Board”) Order No. ENF-25-CDO-1889 (the “Order”). My clients are challenging the Order under Tex. Gov’t Code § 4007.104(c). They request a hearing.

The Order alleges that the Apertum token (APTM) is a security. That is fundamentally wrong. APTM is a native, subnet, utility token on the Avalanche blockchain. APTM does not represent or constitute shares in any company, entity, or project. It is not an investment stake. It does not provide ownership rights to any asset, nor does it provide claims to any revenue stream. Therefore, possession of APTM does not represent or confer any expectation of profits through the success of any enterprise.

No court would classify APTM as a security under *Howey* or any other test.¹ In fact, the Order itself acknowledges that “APTM is only deployed through mining,” and the SEC clarified just last month that crypto mining does not involve the offer and sale of securities.²

Additionally, my clients are not offering APTM for sale in Texas.³ Mr. Heit has said so publicly. Nor is APTM being “sold” by my clients *anywhere*. APTM can either be bought on a third-party exchange, or it can be mined. The only way to mine APTM is to buy a mining bot through DAO1. The Order acknowledges—in fine print in a footnote—that it is *not* alleging “that DAO1 is acting in Texas or that its mining bot or sniper bot are being offered for sale in Texas.”

To our knowledge, not a single U.S. resident has been able to deposit funds or otherwise transact on the DAO1 platform. DAO1 uses geo-blocking to block U.S. IP addresses, precisely because it is *not* marketing to U.S. residents. The TSSB Enforcement Director was only able to access DAO1’s website from Texas through a VPN. Even using a VPN, a foreign-ISP-identified browser can only view informational material on the website, and cannot otherwise interact with the

¹ *SEC v. W.J. Howey Co.*, 328 U.S. 293 (1946).

² See <https://www.sec.gov/newsroom/speeches-statements/statement-certain-proof-work-mining-activities-032025> (Mar. 20, 2025).

³ To be clear, my clients *could* lawfully offer APTM in Texas, because it is not a security.

website without submitting KYC documentation. Any user who submits U.S. KYC documentation is rejected. The United States does not even appear in the dropdown list of available countries during the DAO1 registration process.

As alleged in the Order, during DAO1's migration to decentralization and in clear violation of DAO1's published policy prohibiting U.S. users, the TSSB enforcement director used a VPN, failed to comply with KYC requirements, and was airdropped—for *free*—a DID NFT and 1.01 APTM for gas. That is not evidence of a transaction, much less a domestic securities transaction. The Enforcement Director was not even assigned a deposit wallet. And in fact, as the Order concedes, the DID NFT was burned after the migration—because the Enforcement Director did not pass a KYC check.

Additionally, the Order fails to disclose that the anonymized third-party exchanges on which APTM is intended to be offered are *non-U.S.* exchanges. To the extent that those exchanges' KYC protocols are lacking, that is the concern of the exchanges themselves and not imputable to my clients. Put simply, the fact that APTM is tradable on non-U.S. exchanges is not evidence that my clients affirmatively offered any security in Texas.⁴

With respect to the Order's characterization of the Board's prior dealings with Mr. Heit and other respondents in connection with Order No. ENF-23-CDO-1879, the facts demonstrate that the respondents fully complied with the settlement term sheet. It was the Board that breached by purporting to terminate the agreement on contrived and pretextual grounds with inadequate notice or opportunity to cure. You are aware that the Board's Enforcement Director told us on February 18, 2025, that the TSSB was proceeding with the multi-state settlement and agreed to "table" for several weeks any concerns the Board had about compliance with the term sheet. The next day, you abruptly notified me via email that the Board was withdrawing from the settlement. The Board's inexplicable about-face stands in stark contrast to forty-two other U.S. states and Canadian provinces that have maintained their settlement agreements with the respondents.

Finally, to the extent that the TSSB's order alleges fraud, there is not a single false representation cited in the entire Order. Instead, the Order relies on alleged omissions without establishing any plausible preexisting duty to disclose the allegedly omitted facts. Those allegations will not stand up to even the barest legal scrutiny.

As you are aware, Mr. Heit stopped doing business in the U.S. more than a year ago. Neither he nor the Apertum Foundation has offered any security in Texas, both because APTM is not a security and because my clients have not made the DAO1 platform available to U.S. residents. As a result, the Board lacks jurisdiction, and any factual or legal basis, to pursue the conduct at issue here. The Order raises serious questions about why the Texas State Securities Board is using limited taxpayer funds to target a compliant non-U.S. crypto project that is neither a security nor in Texas. Going after a single utility token that is available exclusively on non-U.S. exchanges is a waste of resources, inconsistent with precedent, and completely out of sync with prevailing understandings of how U.S. securities laws apply to digital assets.

⁴ Even if APTM were listed on a U.S. exchange, its availability would be governed by that exchange's policies, not my clients'.

My clients reserve all rights to amend or supplement the grounds on which they seek relief, and to challenge the Order in any appropriate venue.

Yours,

A handwritten signature in black ink, appearing to read "Avi Perry", with a stylized flourish at the end.

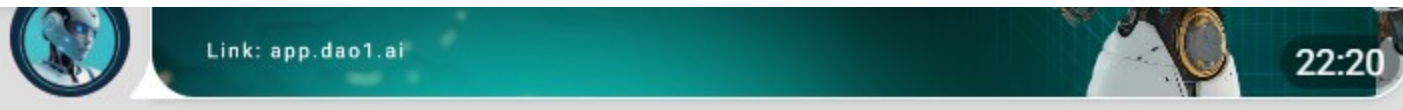
Avi Perry

Pinned message #50
DAO1 Community Update: Response to Meritless TSSB Allegations Dear DAO1 Community, We are issuing this statement to respond to a meritless order issued yesterday by the Tex...

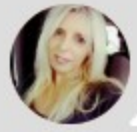
when you claim your current amount released, it should reflect in your mm.
 Be mindful the amount will fluctuate over time depending on how many people own the same miner.
 11:27 PM

Garth Richmond :)
 The Universe → The Universe
 BREAKING NEWS – SPORTSFUTURE ON APERT...
 This looks interesting. Will buy and hodl to see how it unfolds
 11:28 PM

BruceHughes_Official Reply
 DAO1
DAO1 Community Update: Response to Meritless TSSB ...
 Texas, we need to talk.
 TSSB just claimed DAO1 is committing securities fraud...
 Even though:
 • We geo-block the entire U.S. and Canada
 • Our KYC denies every U.S. & Canadian applicant
 • We don't sell financial products
 • Our token, Apertum, is just gas for our subnet
 So... what are you "sharing", Texas?
 Because it sure ain't facts.
 We're decentralized. We're compliant. We're global.
 You're just not on the guest list.
 #DAO1 #Web3 #DecentralizedAF #Apertum #CryptoTruths
 #TexasWho #NotTodayTSSB
 30 24 12 4 2 2
 11:29 PM



Jacqx Bryanna
QUESTION RE MARKET ANALYSER BOT:
Is DAO1 supposed to be making any money out of the transactions that we make purchasing any of the recommended coins?
It appears to go through 3rd party brokerages so don't see how any apertum is involved in this process ... perhaps I'm missing something??

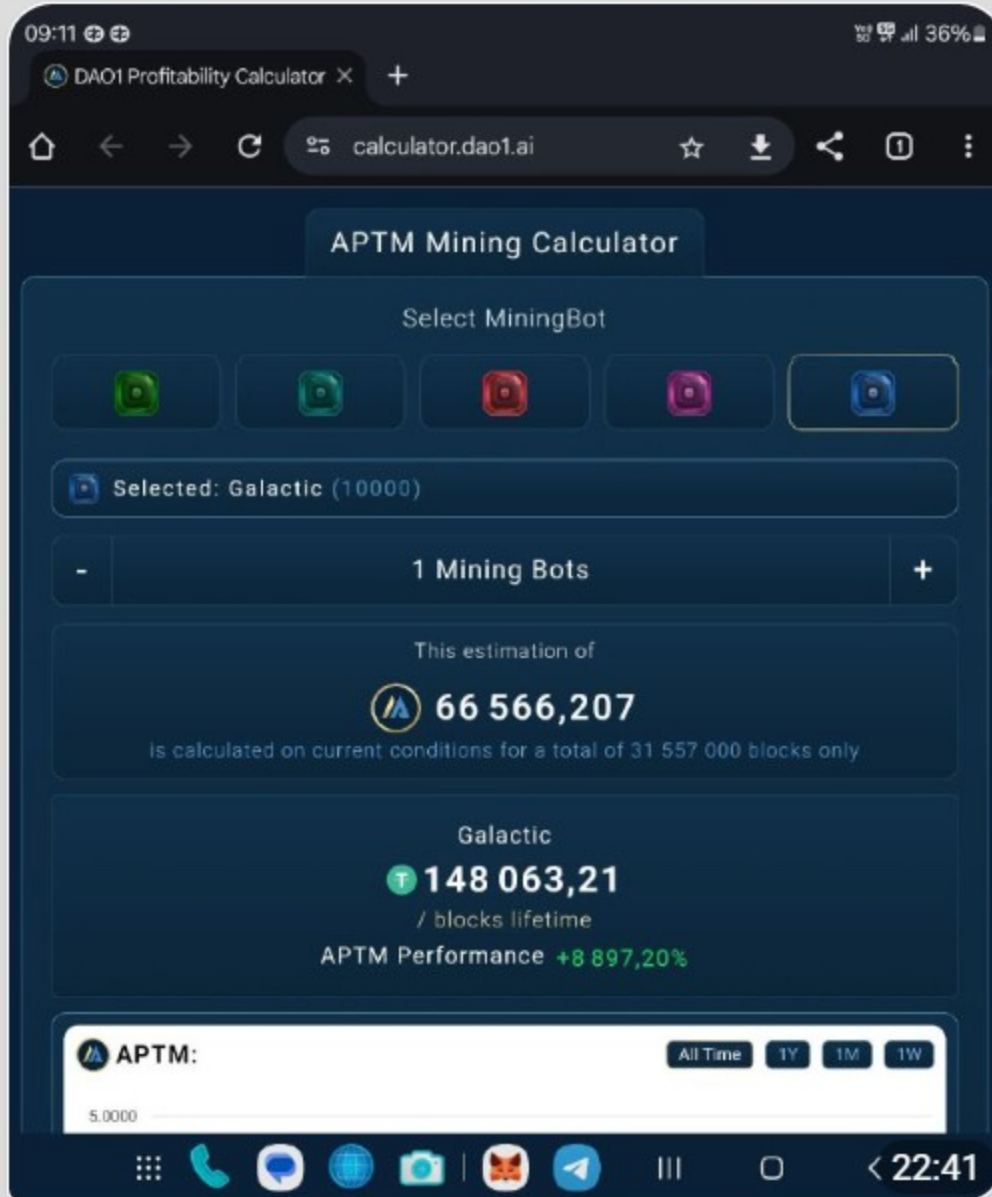


22:30



Link: app.dao1.ai

22:30



Can anyone explain that what is 66 566, 207 ??

22:42

Kurioumind2

C.K Lohiya
Can anyone explain that what is 66 566, 207 ??



66566.207 APTM is mined in the lifetime of that mining bot, at the current rate of those miners.

22:54

Jessica Klinger admin
market analysis bot



1 swap click - CEX or DEX ? 22:54



DAO1 Community Update: Response to Meritless TSSB Allegations

Dear DAO1 Community,

We are issuing this statement to respond to a meritless order issued yesterday by the Texas State Securities Board (TSSB), which alleges fraudulent conduct in connection with the Apertum token (APTM) and that APTM is intentionally being offered to Texas residents.

Let us be clear: **these claims are false**. The TSSB's order is based on a **fundamental misunderstanding of decentralized technologies, is out of step with recent developments in securities law, and is a local regulator's attempt to overreach beyond its jurisdictional authority**.

Strict KYC Enforcement & Geo-Blocking

We take regulatory compliance seriously. As we have previously stated publicly, residents of the U.S. and Canada should not access the DAO1 platform, and should not purchase APTM.

We use IP address geo-blocking to prevent U.S. and Canadian residents from accessing the DAO1 platform. This includes Texas. TSSB staff was only able to access our platform by using a VPN to disguise their location.

Users also are required to provide Know Your Customer (KYC) documentation to do anything other than view informational materials on the DAO1 platform.

The TSSB's order even acknowledges that the "Order is not alleging that DAO1 is acting in Texas or that its mining bot or sniper bot are being offered for sale in Texas."

DAO1 Does Not Offer Securities

DAO1 is a decentralized technology platform, not an issuer of securities. **We do not sell or offer any securities. Period.** Our suite of tools and services are designed to empower individuals with technological capabilities such as:

Decentralized Business Identities;
Market analysis bots;
Sniper Copy bots;
A decentralized mining ecosystem; and
A multi-tier affiliate and referral platform.

These tools are **utility-based software products**—they are not investments.

APTM Is Not a Security

The TSSB also claims that APTM is an unregistered security. That is wrong.

- **APTM is the native gas utility token** for the DAO1 platform. APTM is used to power transactions, pay mining fees, and interact with smart contracts within our ecosystem.
- Built as a **subnet on the Avalanche network**, APTM functions as the **fuel of the DAO1 ecosystem**, not as a security or investment contract.

The TSSB has misunderstood blockchain infrastructure and the role of native utility tokens within decentralized systems.

The TSSB's position also is inconsistent with the U.S. Securities and Exchange Commission's (SEC) current views on digital assets. For example, the TSSB's order acknowledges that "APTM is only deployed through mining." Yet just yesterday, [the U.S. SEC issued guidance](#) that protocol mining does not involve the offer and sale of securities.

Business As Usual for DAO1

The TSSB is attempting to flex beyond its reach and smear a global decentralized platform. As noted, it has not alleged that DAO1 is acting in Texas, and we have specifically prohibited U.S. and Canadian residents from accessing the platform or buying any product or using any DAO1 or Apertum service. And APTM is not a security. A single state regulator should not be reaching outside its jurisdiction, and certainly should not be pushing in the opposite direction from the U.S. SEC. This is a vendetta, not regulation.

Despite the TSSB's flawed order, **DAO1 continues to operate as usual**. Our commitment to decentralization, technological empowerment, and community-first development remains unchanged.

Advisory Review Underway

Our legal and advisory teams are reviewing the TSSB's baseless claims and will determine how to respond.

In the meantime, **our focus remains on serving our global user base and continuing to grow DAO1 and Apertum blockchain technology as a beacon of decentralized innovation.**

We thank our community for its unwavering support and clarity in moments like this.

Truth, transparency, and decentralization will always guide us forward.


Yours in decentralization,
The DAO1 Core Team

🌟 100 ❤️ 53 👍 23 🔥 22 🚀 14
🎉 4 🏆 2

13 📶 3.9K 👁 23:00



Harry

 **DAO1** 🇬🇧
Photo, DAO1 Community Update: Response to Meritless TSSB Al...

Very rightly said. Truth, transparency and decentralisation will always guide us forward. " Let us Focus on Good"

H 👍 11

23:07

Forwarded from
 **The Universe**



🚀 **BREAKING NEWS – SPORTSFUTURE ON APERTUM**
🚀

🔥 **The Future of SPORTS FUNDING is HERE!** 🔥

Our **SPORTSFUTURE TOKEN** is now **LIVE** and ready to be added to your MetaMask wallet!

🎯 How does it work?
➦ Add your **SPORTSFUTURE TOKENS** from <https://explorer.apertum.io/tokens> to your MetaMask

Apertum DAO1 Roadmap 2025 Estimations

Due to the rapid growth of the community in 2025 and the global acceptance and expansion of DAO1 and Apertum Blockchain Technology, the integration of smart contracts within Web3 communities is estimated to grow up to 300x by the end of Q4 of 2025. This estimation is based on calculations of historical factors, such as:



Integrated Community



Integrated Smart Contracts



WEB3.0 Integrated Web3 DApps



Integrated Listings

DAO1

Community



300k +

Smart contract



100k +

Listings on CEX/DEX & community and holding support



15 +

Web3 DApps



10k +

BINANCE



UPBIT



HUOBI



BITTREX



EXX



HitBTC



OKEx



KRAKEN



POLONIEX



COINBASE



BTCC



WEX



KUCCOIN



EXMO



bitFlyer



GERMINI



CoinEgg



Bitstamp



GDAX



Bit-Z



BITFINEX



Bits Blockchain



BITHUMB



THE APERTUM FOUNDATION CHALLENGES TEXAS REGULATOR'S MISGUIDED CRYPTO CRUSADE

quinn emanuel trial lawyers
quinn emanuel urquhart & sullivan, llp

NEWS PROVIDED BY
Quinn Emanuel Urquhart & Sullivan, LLP →
Apr 03, 2025, 15:37 ET

SHARE THIS ARTICLE



Law firm Quinn Emanuel calls TSSB's latest allegations "meritless"

NEW YORK, April 3, 2025 /PRNewswire/ -- Digital asset technology developer The Apertum Foundation and Josip Heit have hired Quinn Emanuel Urquhart & Sullivan, LLP to defend against an unlawful cease-and-desist order issued by the Texas State Securities Board (TSSB).

After Mr. Heit and other respondents entered into a settlement agreement with forty-three U.S. and Canadian securities regulators in a related matter, Quinn Emanuel alleges the TSSB violated the terms of the settlement and abandoned it without adequate notice and on contrived grounds. The settlement remains on track with the other forty-two jurisdictions.

Shortly after the TSSB's alleged violation of the settlement terms, it issued a new cease-and-desist order, alleging that the Apertum token (APTUM) is an unregistered security. The Apertum Foundation and Mr. Heit have challenged the order as an abuse of the TSSB's jurisdiction.

"APTUM is a utility token, not an investment contract," said Avi Perry, co-Chair of the Securities Litigation Group at Quinn Emanuel. "Neither the SEC nor any court would classify APTUM as a security. In fact, the TSSB's order itself acknowledges that APTUM is only deployed through mining, and the SEC recently clarified that crypto mining does not involve the offer and sale of securities. The TSSB's accusations are entirely incorrect: APTUM isn't a security, and our clients didn't offer it for sale in Texas."

Neither The Apertum Foundation nor Mr. Heit offers APTUM for sale anywhere. APTUM can either be mined, or it can be purchased and sold on third-party crypto exchanges. The only way to mine APTUM is to buy a mining bot through the DAO1 platform, and the TSSB's order concedes that DAO1's mining bot is not being offered for sale in Texas. To the extent APTUM is tradeable on third-party exchanges, those secondary market transactions have been held by courts not to constitute securities sales.

The DAO1 platform clearly prohibits U.S. residents from accessing the platform and uses geo-blocking to block U.S. IP addresses, precisely because it is *not* marketing to U.S. residents (including Texans). Nor can users who provide U.S. Know Your Customer (KYC) documentation deposit funds or otherwise transact on the platform. The United States does not even appear in the dropdown list of available countries during the DAO1 registration process.

"The TSSB's order raises serious questions about why the Texas State Securities Board is using limited taxpayer funds to target a compliant non-U.S. crypto project that is neither a security nor in Texas," said Mr. Perry of Quinn Emanuel. "The TSSB's decision to go after a single utility token that is not marketed to U.S. residents is a waste of resources, inconsistent with precedent, and completely out of sync with prevailing understandings of how U.S. securities laws apply to digital assets. Our clients will defend themselves vigorously."

Quinn Emanuel Urquhart & Sullivan, LLP is a 1000+ lawyer business litigation firm—the largest in the world devoted solely to business litigation and arbitration with 34 global office locations. Surveys of major companies around the world have named it the "most feared" law firm in the world three times. Firm lawyers have tried over 2,500 cases, winning 86% of them. When representing defendants, Quinn Emanuel's trial experience gets better settlements or defense verdicts. When representing plaintiffs, Quinn Emanuel lawyers have won nearly \$80 billion in judgments and settlements. Quinn Emanuel has also obtained seven nine-figure jury verdicts, four 10-figure jury verdicts, 51 nine-figure settlements, and 20 10-figure settlements.

Quinn Emanuel has been named the No. 1 "most feared" law firm by *The BTI Consulting Group* three times in its annual "Most Feared Law Firms in Litigation" guide, in which in-house counsel named 46 firms they "want to steer clear of" when it comes to litigation. *The American Lawyer* named Quinn Emanuel the top IP litigation firm in the U.S. and the firm as one of the top six commercial litigation firms in the country. The UK legal periodical, *The Lawyer* named us "International Firm of the Year." *Law360* has most recently selected us as having Banking, Class Action, International Arbitration, and Trials "Practice Groups of the Year." *Managing IP* twice recognized us as having the "Best ITC Litigation Practice" and honored us with the "Patent Contentious West" award. *Legal Business* has named us "US Law Firm of the Year" three times, and our German offices have twice been named both "IP Litigation Firm of the Year" and "Patent Litigation Firm of the Year" by *JUVE*, Germany's most prestigious legal publication. *Global Investigations Review*, a leading legal

periodical covering global white-collar investigations, named us the "Most Impressive Investigations Practice of the Year." *Global Arbitration Review* named us the 3rd best arbitration practice in the world. *Global Competition Review* named our antitrust and competition practice among the "25 Global Elite," and has included us in their list of the world's top 10 competition litigation practices.

SOURCE Quinn Emanuel Urquhart & Sullivan, LLP

WANT YOUR COMPANY'S NEWS FEATURED ON PRNEWSWIRE.COM?

440k+ Newsrooms & Influencers | 9k+ Digital Media Outlets | 270k+ Journalists Opted In

GET STARTED

Also from this source

- QUINN EMANUEL BECOMES FIRST AMLAW 100 FIRM TO REPRESENT WILDFIRE VICTIMS**
Quinn Emanuel Urquhart & Sullivan has filed a lawsuit on behalf of Plaintiffs Alexander and Jessica Davis and their three young children, against...
- RAJAT RANA RETURNS TO QUINN EMANUEL**
Quinn Emanuel Urquhart & Sullivan, LLP, the global litigation powerhouse, today announced that Rajat Rana has rejoined the firm as a partner in the...

[More Releases From This Source →](#)

Explore

- Cryptocurrency
- Cryptocurrency
- Banking & Financial Services
- Legal Issues

[News Releases in Similar Topics →](#)

Contact PR Newswire

Call PR Newswire at 888-776-0942 from 8 AM - 9 PM ET

Chat with an Expert

Contact Us ^



Products

- For Marketers
- For Public Relations
- For IR & Compliance
- For Agency
- For Small Business
- All Products

About

- About PR Newswire
- About Cision
- Become a Publishing Partner
- Become a Channel Partner
- Careers
- Accessibility Statement
- Global Sites ^

My Services

- All New Releases
- Online Member Center
- ProfNet
- Data Privacy
- Do not sell or share my personal information:
 - Submit via Privacy@cision.com
 - Call Privacy toll-free: 877-297-8921

Automated Certificate of eService

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Katy Miner on behalf of Joseph Rotunda
Bar No. 24029808
kminer@ssb.texas.gov
Envelope ID: 99296415
Filing Code Description: Notice of Hearing
Filing Description: Notice of Hearing
Status as of 4/4/2025 1:05 PM CST

Case Contacts

Name	BarNumber	Email	TimestampSubmitted	Status
Jeremy Heintz		jheintz@ssb.texas.gov	4/4/2025 12:57:49 PM	SENT
Avi Perry		aviperry@quinnemanuel.com	4/4/2025 12:57:49 PM	SENT
Brian Shepherd		bshepherd@ssb.texas.gov	4/4/2025 12:57:49 PM	SENT
Joseph Rotunda		jrotunda@ssb.texas.gov	4/4/2025 12:57:49 PM	SENT
Cheryn Netz Howard		cnetzhoward@ssb.texas.gov	4/4/2025 12:57:49 PM	SENT
Kristen McCourt		kmccourt@ssb.texas.gov	4/4/2025 12:57:49 PM	SENT