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7 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
9 OF THE STATE OF CALIFORNIA

11 In the Matter of:)
12 THE COMMISSIONER OF BUSINESS)
OVERSIGHT,)
13 Complainant,) CONSENT ORDER
14 v.)
15 UNITED GOLD DIRECT, LLC (a California)
limited liability company) and MARC)
16 RUDOLPH HARRISON (an individual))
17 Respondents.)

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19 This Consent Order is entered into between the Commissioner of Business Oversight
20 (Commissioner) and United Gold Direct, LLC (United Gold Direct) and Marc Rudolph Harrison
21 (Harrison) (collectively the Parties) and is made with respect to the following facts:

22 I.

23 Recitals

24 A. The Commissioner is the head of the Department of Business Oversight (Department)
25 and is responsible for administering and enforcing the California Commodity Law of 1990 (CCL)
26 (Corp. Code, § 29500, et seq.).¹

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¹ All further statutory references are to the Corporations Code unless otherwise indicated.

1 B. United Gold Direct is a California limited liability company formed on July 27, 2009
2 and is authorized to conduct business in California. United Gold’s principal business address is
3 2945 Townsgate Road, Suite 200, Thousand Oaks, California 91361. United Gold Direct is a
4 precious metals dealer.

5 C. Marc Rudolph Harrison is United Gold’s chief executive officer and managing
6 member.

7 D. The Commissioner alleges that:

8 i. On or around September of 2017, the G.F. Trust purchased 200 precious
9 metals through United Gold Direct. To date, the G.F. Trust has not received 20 of the metals
10 purchased, with an approximate value of \$23,147.48.

11 ii. On or around March of 2019, West Virginia resident, R.F., sold precious
12 metals worth \$14,636.00 through United Gold Direct. To date, R.F. has not received the proceeds
13 from the sale of the precious metals from United Gold Direct.

14 iii. On or around September of 2019, Illinois resident, G.S. sold precious metals
15 worth approximately \$7,000.00 through United Gold Direct and paid \$329.00 in shipping costs. To
16 date, G.S. has not received the proceeds from the sale of the precious metals from United Gold
17 Direct, nor has he been refunded the shipping costs.

18 E. The Commissioner finds that United Gold Direct and Harrison, while acting in a
19 fiduciary capacity, used client funds to pay for operating expenses and other expenses.

20 F. The Commissioner finds that the precious metals bought and sold by and through
21 United Gold Direct and Harrison were commodities under CCL sections 29504 and 29515. The
22 Commissioner further finds that United Gold Direct and Harrison, in connection with the purchase
23 and sale of commodities and commodity contracts under the CCL, willfully misappropriated or
24 converted the funds, security, or property of the G.F. Trust, R.F., and G.S. in violation of section
25 29536, subdivision (d).

26 NOW, THEREFORE, in consideration of the foregoing, and the terms and conditions set
27 forth herein, the Parties agree as follows:

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1 **II.**

2 **Terms and Conditions**

3 1. **Purpose.** This Consent Order resolves the issues before the Commissioner
4 [allegations and findings in paragraphs D through F above] in a manner that avoids the expense of a
5 hearing and other possible court proceedings, protects consumers, is in the public interest, and is
6 consistent with the purposes, policies, and provisions of the applicable law.

7 2. **Desist and Refrain Order.** Pursuant to Corporations Code section 29542, United Gold
8 Direct and Harrison are hereby ordered to desist and refrain from the violations set forth herein, in
9 violation of Corporations Code section 29536. For the purposes of resolving the allegations and
10 findings in paragraphs D through F, without the expense and uncertainty of further proceedings,
11 United Gold Direct and Harrison admit that at a hearing, the Commissioner could establish a prima
12 facie factual basis for each of the allegations and findings contained in paragraphs D through F
13 above and that those findings constitute cause for this action and a judgment under 11 U.S.C. § 523,
14 subdivisions (a)(4) and (a)(19) (i.e. the debt herein is not dischargeable in bankruptcy). United Gold
15 Direct and Harrison further agree this estops any future denial that cause exists for this action in any
16 future proceedings before the parties herein or under 11 U.S.C. § 523 and hereby gives up the right
17 to contest that cause for discipline exists based upon these findings.

18 3. **Refunds.** United Gold Direct and Harrison agree, jointly and severally, within 36
19 months, to refund R.F. \$14,636.00, G.S. \$7,329.00, and the G.F. Trust \$23,147.48, for a total of
20 \$45,112.48. United Gold Direct and Harrison use their best efforts to make refunds as soon as
21 possible. In the event that United Gold Direct and Harrison do not provide a full refund in one
22 payment, for every repayment less than the full amount, United Gold Direct and Harrison must make
23 payments to all three clients pro rata according to the following percentages:

- 24 i. **R.F.** 33%
- 25 ii. **G.S.** 16%
- 26 iii. **G.F. Trust** 51%

27 Any refund payment owed which has not been cashed shall escheat to the State of California
28 in accordance with the Unclaimed Property Law (Code Civ. Proc., § 1500, et seq).

1 4. Quarterly Report. United Gold Direct and Harrison shall submit a report showing all
2 refunds made during each calendar quarter, and proof of those refunds to the Commissioner’s agent,
3 Danielle Stoumbos, Senior Counsel, Enforcement Division at Danielle.Stoumbos@dbo.ca.gov. The
4 report shall include:

5 i. Proof of refunds –in the form of a copy of each cashier’s check or any other
6 proof of refund acceptable to the Commissioner

7 ii. Proof of service of the refunds – in the form of a copy of the envelope mailed
8 to each client and the tracking number, or any other proof acceptable to the Commissioner.

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10 iii. Timing – the first report is due September 30, 2020. Each subsequent report
11 shall be submitted to the Commissioner at the end of the next calendar quarter (i.e. December 31,
12 March 31, June 30, September 30) for 36 months, or until all payments have been made. If the due
13 date falls on a weekend or holiday the due date shall be extended to the next business day.

14 5. Waiver of Hearing Rights. United Gold Direct and Harrison acknowledge the
15 Commissioner is ready, willing, and able to proceed with the filing of an administrative enforcement
16 action on the charges contained in this Consent Order. United Gold Direct and Harrison hereby
17 waive the right to any hearings, and to any reconsideration, appeal, or other right to review which
18 may be afforded pursuant to the CCL, the California Administrative Procedure Act, the California
19 Code of Civil Procedure, or any other provision of law. United Gold Direct further expressly waives
20 any requirement for the filing of an Accusation pursuant to Government Code section 11415.60,
21 subdivision (b). By waiving such rights, United Gold Direct and Harrison effectively consent to this
22 Consent Order and the Desist and Refrain Order becoming final.

23 6. Failure to Comply with Consent Order. United Gold Direct and Harrison agree that
24 if they fail to comply with the terms of this Consent Order, the Commissioner may summarily
25 suspend/revoke any licenses or registrations under any law the Department administers or deny any
26 application United Gold Direct or Harrison filed with the Department. United Gold Direct and
27 Harrison waive any notice and hearing rights to contest such summary suspensions which may be

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1 afforded under the laws that the Department administers, the California Administrative Procedure
2 Act, the California Code of Civil Procedure, or any other provision of law in connection therewith.

3 7. Information Willfully Withheld or Misrepresented. This Consent Order may be
4 revoked, and the Commissioner may pursue any and all remedies available under law against
5 United Gold Direct and Harrison if the Commissioner discovers that United Gold Direct or
6 Harrison knowingly or willfully withheld information used for and relied upon by the
7 Commissioner in entering into this Consent Order.

8 8. Future Actions by Commissioner. If United Gold Direct or Harrison fail to comply
9 with any terms of the Consent Order, the Commissioner may institute proceedings for any and all
10 violations otherwise resolved under this Consent Order. The Commissioner reserves the right to
11 bring any future actions against United Gold Direct, or any of its partners, owners, officers,
12 shareholders, directors, employees or successors and Harrison for any and all unknown violations of
13 the CCL.

14 9. Assisting Other Agencies. Nothing in this Consent Order limits the Commissioner’s
15 ability to assist any other government agency (whether city, county, state, or federal) with any
16 administrative, civil or criminal action brought by that agency against United Gold Direct, Harrison,
17 or any other person based upon any of the activities alleged in this matter or otherwise.

18 10. Headings. The headings to the paragraphs of this Consent Order are inserted for
19 convenience only and will not be deemed a part hereof or affect the construction or interpretation of
20 the provisions hereof.

21 11. Binding. This Consent Order is binding on United Gold Direct’s heirs, assigns,
22 and/or successors in interest. This Consent Order is not binding on Harrison’s personal heirs if
23 Harrison does not have any funds or assets upon his death so long as the Commissioner does not
24 find that any funds or assets were misappropriated.

25 12. Third Party Actions. This Consent Order does not create any private rights or
26 remedies against United Gold Direct or Harrison, create any liability for United Gold Direct or
27 Harrison, create any contractual third-party beneficiaries, or limit defenses of United Gold Direct or
28 Harrison, for any person or entity not a party to this Consent Order.

1 13. Reliance. Each of the Parties represents, warrants, and agrees that in executing this
2 Consent Order it has relied solely on the statements set forth herein and the advice of its own
3 counsel. Each of the Parties further represents, warrants, and agrees that in executing this Consent
4 Order it has placed no reliance on any statement, representation, or promise of any other party, or
5 any other person or entity not expressly set forth herein, or upon the failure of any party or any
6 other person or entity to make any statement, representation or disclosure of anything whatsoever.
7 The Parties have included this clause: (1) to preclude any claim that any party was in any way
8 fraudulently induced to execute this Consent Order; and (2) to preclude the introduction of parol
9 evidence to vary, interpret, supplement, or contradict the terms of this Consent Order.

10 14. Waiver, Amendments, and Modifications. No waiver, amendment, or modification
11 of this Consent Order will be valid or binding unless it is in writing and signed by each of the
12 Parties. The waiver of any provision of this Consent Order will not be deemed a waiver of any
13 other provision. No waiver by either party of any breach of, or of compliance with, any condition
14 or provision of this Consent Order by the other party will be considered a waiver of any other
15 condition or provision or of the same condition or provision at another time.

16 15. Full Integration. This Consent Order is the final written expression and the complete
17 and exclusive statement of all the agreements, conditions, promises, representations, and covenant
18 between the Parties with respect to the subject matter hereof, and supersedes all prior or
19 contemporaneous agreements, negotiations, representations, understandings, and discussions
20 between and among the Parties, their respective representatives, and any other person or entity with
21 respect to the subject matter covered hereby.

22 16. Governing Law. This Consent Order will be governed by and construed in
23 accordance with California law. Each of the Parties hereto consents to the jurisdiction of such court,
24 and hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient
25 forum to the maintenance of such action or proceeding in such court.

26 17. Counterparts. This Consent Order may be executed in one or more separate
27 counterparts, each of which when so executed, shall be deemed an original. Such counterparts shall
28 together constitute a single document.

1 18. Effect Upon Future Proceedings. If United Gold Direct or Harrison apply for any
2 license, registration, permit, or qualification under the Commissioner’s current or future
3 jurisdiction, or is the subject of any future action by the Commissioner to enforce this Consent
4 Order, then the subject matter hereof shall be admitted for the purpose of such application(s) or
5 enforcement proceeding(s).

6 19. Voluntary Agreement. United Gold Direct and Harrison enter into this Consent Order
7 voluntarily and without coercion and acknowledges that no promises, threats or assurances have
8 been made by the Commissioner or any officer, or agent thereof, about this Consent Order. The
9 parties each represent and acknowledge that he, she or it is executing this Consent Order completely
10 voluntarily and without any duress or undue influence of any kind from any source.

11 20. Notice. Any notice required under this Consent Order shall be provided to each
12 party at the following addresses:

13 To United Gold Direct and Harrison: United Gold Direct, LLC
14 Marc Rudolph Harrison
15 2945 Townsgate Road, Suite 200
16 Thousand Oaks, California 91361
mharrison@unitedgolddirect.com

17 To the Commissioner: Danielle A. Stoumbos, Senior Counsel
18 Department of Business Oversight
19 320 West 4th Street, Suite 750
Los Angeles, California 90013
Danielle.Stoumbos@dbo.ca.gov

20 21. Signatures. A fax or electronic mail signature shall be deemed the same as an
21 original signature.

22 22. Public Record. United Gold Direct and Harrison hereby acknowledge that this
23 Consent Order is and will be a matter of public record.

24 23. Effective Date. This Consent Order shall become final and effective when signed by
25 all Parties and delivered by the Commissioner’s agent via e-mail to United Gold Direct and Marc
26 Rudolph Harrison at mharrison@unitedgolddirect.com.
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1 24. Authority to Sign. Each signatory hereto covenants that he/she possesses all
2 necessary capacity and authority to sign and enter into this Consent Order and undertake the
3 obligations set forth herein.

4 Dated: August 12, 2020

MANUEL P. ALVAREZ
Commissioner of Business Oversight

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6 By: _____
7 MARY ANN SMITH
8 Deputy Commissioner

9 Dated: August 10, 2020

UNITED GOLD DIRECT, LLC

10 By: _____
11 MARC RUDOLPH HARRISON
12 Chief Executive Officer

13 Dated: August 10, 2020

MARC RUDOLPH HARRISON

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16 MARC RUDOLPH HARRISON
17 An individual
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