

STATE OF CALIFORNIA
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY
DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION

TO: GSB Gold Standard Bank Ltd. d/b/a GSPartners, GSP, and Gold Standard Partners
c/o Moheli Corporate Services Ltd.
P.B. 1257, Bonovo Road
Fomboni, Mwali, Comoros
www.gspartners.global

Emgate Building, Office 343-745, 212 Sheikh Zayed Road
Al Wasl, Dubai, United Arab Emirates

Swiss Valorem Bank Ltd.
www.swissvalorembank.com

GSB Gold Standard Corporation AG
Königsallee 61, 40215
Düsseldorf, Germany
www.gsb.gold

Josip Heit
Bruce Innes Wylde Hughes
Dirk Zahlmann

DESIST AND REFRAIN ORDER
(For violations of sections 25110 and 25401 of the Corporations Code)

The Commissioner of Financial Protection and Innovation (Commissioner) finds that:

1. The Department of Financial Protection and Innovation (Department) regulates the offer and sale of securities in California under the Corporate Securities Law of 1968 (Cal. Corp. Code §§ 25000-25707) (CSL).

2. At all relevant times, GSB Gold Standard Bank Ltd. d/b/a GSPartners, GSP, and Gold Standard Partners is and was a business entity of unknown type with a purported principal place of business in Comoros. GBS Gold Standard Bank Ltd. operated and continues to operate the website www.gspartners.global.

3. At all relevant times, Swiss Valorem Bank Ltd. is and was a business entity of unknown type with an unknown principal place of business. Swiss Valorem Bank Ltd. operated and continues to operate the website www.swissvalorembank.com.

1 4. At all relevant times, GSB Gold Standard Corporation AG is and was a company
2 incorporated in Germany with a principal place of business at Königsallee 61, 40215, Düsseldorf,
3 Germany.

4 5. GSB Gold Standard Bank Ltd., Swiss Valorem Bank Ltd., and GSB Gold Standard
5 Corporation AG are part of a group of affiliated entities known as GSB Group (collectively,
6 GSPartners).

7 6. At all relevant times, Josep Heit (Heit) is and was the founder and Chairman of the
8 Board of GSPartners.

9 7. At all relevant times, Heit controlled and induced or provided substantial assistance to
10 GSPartners within the meaning of Corporations Code section 25403, subdivisions (a) and (b).

11 8. At all relevant times, Bruce Innes Wylde Hughes (Hughes) is and was the Corporate
12 Trainer for GSPartners.

13 9. At all relevant times, Hughes controlled and induced or provided substantial assistance
14 to GSPartners within the meaning of Corporations Code section 25403, subdivisions (a) and (b).

15 10. At all relevant times, Dirc Zahlmann (Zahlmann) is and was the Head of M&A and
16 Marketing Advisor for GSPartners.

17 11. At all relevant times, Zahlmann controlled and induced or provided substantial
18 assistance to GSPartners within the meaning of Corporations Code section 25403, subdivisions (a)
19 and (b).

20 12. Beginning at least as early as 2023, GSPartners offered and sold securities in the form
21 of investment contracts in California through general solicitations on its website. GSPartners referred
22 to these investment contracts as “Certificates,” “MetaCertificates,” “Elemental Certificates,” and
23 “Success Certificates” (collectively, Certificates).

24 13. GSPartners held itself out as an investment platform. The purported purpose of the
25 securities offerings was for GSPartners to use investor funds to trade in the forex market and to invest
26 in a diverse collection of real-world industry sectors, including real estate, fintech, payments systems,
27 renewable energy, supplements, and gaming, which in turn would generate returns for investors who
28 purchased Certificates.

1 14. GSPartners offered investors several different Certificates. After purchasing a
2 Certificate, an investor would then “load” it with additional principal. When loading the Certificate
3 the investor selects one or more different “Blockfolios,” each of which representing a different
4 industry sector. The investor’s principal would be locked-up for the Certificate term. At the end of
5 the Certificate term, the investor would purportedly be able to withdraw their principal, in addition to
6 bonuses earned on the Certificate.

7 15. GSPartners represented that its Certificates paid investors fixed weekly returns
8 ranging from 2.5% to 5% in addition to monthly returns of 1.5%. GSPartners represented that
9 investors could withdraw the weekly and monthly returns at any time or could choose to compound
10 the returns. The weekly and monthly returns were determined by the combination of Certificates and
11 Blockfolios that the investor chose. The Certificates were publicly available to investors in California
12 via GSPartners’ websites: www.gspartners.global and www.swissvalorembank.com.

13 16. GSPartners represented to investors and prospective investors that it was partnered
14 with a specific forex broker. According to GSPartners, this broker would provide services to
15 GSPartners’ investors, including trading and managing investor funds deposited into GSPartners via
16 Certificates. Investors were told that this broker was one of the largest in the world, was licensed,
17 regulated, and had a trustworthy reputation, and that purchasing GSPartners’ Certificates would give
18 investors exclusive access to this broker’s experience and knowledge. GSPartners was purportedly
19 able to pay such high returns on the Certificates in a sustainable manner because of the profitable
20 trades conducted by this broker’s expert traders. However, GSPartners’ representations were false. In
21 reality, no such partnership existed, and the purported returns were not being generated by the broker
22 managing and trading GSPartners’ investors’ funds.

23 17. After investors created their accounts on the GSPartners website, investors could log
24 into their account using their username and password to monitor their purported balance and returns,
25 deposit funds, and request withdrawals.

26 18. GSPartners facilitated investor deposits and withdrawals using crypto assets.

27 19. GSPartners charged investors a fee to withdraw their funds from the platform.
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1 20. As part of its solicitation efforts, GSPartners used a multi-level marketing (MLM)
2 structure that would pay investors to induce others to send money to GSPartners. According to this
3 program, investors would be paid a commission based on the amount of funds deposited by the
4 investors that they recruited. Investors would also be paid additional commissions when the investors
5 that they recruited, in turn, recruited new investors.

6 21. Investors seeking to take advantage of GSPartners' MLM compensation plan created
7 and posted videos to YouTube and posted content on other social media websites to recruit others to
8 invest in GSPartners.

9 22. GSPartners made efforts to prevent the dissemination of any negative information
10 about GSPartners and its investments. GSPartners investors were required to agree to a non-
11 disparagement agreement in order to participate in the MLM program. The non-disparagement
12 agreement prevented these investors from making "negative remarks" about GSPartners and its
13 officers. In addition, GSPartners initiated litigation in the United States and Europe to suppress
14 criticism of its investments, particularly against websites and social media content that described
15 GSPartners as a Ponzi scheme or a fraud. GSPartners branded the creators of these websites as
16 "criminals" and threatened to take action against anyone "found to be spreading this illegal content."

17 23. GSPartners, through its website and marketing, represented that it was a regulated
18 bank. For example, in addition to using the term "bank" in the name Swiss Valorem Bank,
19 GSPartners also represented that it was a "licensed bank with a solid balance sheet and digital
20 custody insurance." GSPartners also represented that it was "revolutionising the banking industry,"
21 that its "innovative approach to banking combines the best of both worlds, offering cutting-edge
22 digital solutions alongside the stability and security of traditional banking," and that it could be
23 "trusted" because it was a "fully regulated bank." GSPartners also claimed to "deliver attractive
24 returns in digital assets markets in a safe and fully regulated way," and touted its "strict adherence to
25 regulatory framework as is required of a licensed banking and securities dealer."

26 24. The GSPartners website and marketing material included misleading statements
27 claiming that GSB Gold Standard Bank Ltd. had been granted a banking license by a local regulator
28 in Comoros.

1 25. On June 15, 2022, the Central Bank of Comoros issued an official warning to the
2 public that GSB Gold Standard Bank Ltd. was falsely claiming to be approved by competent
3 Comorian authorities for offshore banking activities. The Central Bank of Comoros further warned
4 that GSB Gold Standard Bank Ltd. was operating illegally and that its purported banking license had
5 been issued by a fictitious regulator.

6 26. Heit, Hughes, and Zahlmann all hosted and/or participated in webinars for investors
7 and prospective investors on behalf of GSPartners, in which they promoted GSPartners' Certificates,
8 explained GSPartners' business, illustrated GSPartners' MLM compensation plan, and described how
9 investors would make money with GSPartners.

10 27. On or around October 2, 2023, GSPartners announced that it had lost significant
11 amounts of investor funds. GSPartners stated that as a result, the company would limit the ability for
12 some investors to withdraw their funds from the GSPartners platform and would stop investors'
13 ability to earn weekly returns unless those investors deposited more funds.

14 28. The Certificates offered by GSPartners were securities that were neither qualified nor
15 exempt from the qualification requirement under the CSL. The Department has not issued a permit or
16 other form of qualification authorizing GSPartners to sell these securities in California.

17 29. In connection with the offer or sale of these securities, GSPartners, Heit, Hughes, and
18 Zahlmann made, or caused to be made, untrue statements of material fact and material omissions to
19 investors and potential investors, including but not limited to the following:

- 20 a. falsely representing that GSPartners was partnered with a particular forex broker to
21 provide services to GSPartners' investors, including trading and managing investors'
22 funds deposited into GSPartners;
- 23 b. representing that GSPartners was a licensed bank while omitting the fact that its
24 "license" was granted by a fictitious regulator;
- 25 c. using the terms "bank" and "banking" while omitting the fact that GSPartners was not
26 licensed to engage in the business of banking in California and that investor funds
27 were not FDIC-insured;
- 28 d. misrepresenting the expected profits and risk of loss; and

1 e. failing to disclose that the offer or sale of GSPartners' securities was not qualified in
2 California.

3 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
4 or sold by GSB Gold Standard Bank Ltd. d/b/a GSPartners, GSP, and Gold Standard Partners, Swiss
5 Valorem Bank Ltd., and GSB Gold Standard Corporation AG were subject to qualification under the
6 CSL and have been or are being offered or sold without first being qualified in violation of
7 Corporations Code section 25110.

8 Moreover, the Commissioner is of the opinion that Josip Heit, Bruce Innes Wylde Hughes,
9 and Dirc Zahlmann have violated Corporations Code section 25110 by knowingly, directly or
10 indirectly controlling or inducing or providing substantial assistance to GSB Gold Standard Bank
11 Ltd. d/b/a GSPartners, GSP, and Gold Standard Partners, Swiss Valorem Bank Ltd., GSB Gold
12 Standard Corporation AG to violate Corporations Code section 25110 within the meaning of
13 Corporations Code section 25403, subdivisions (a) and (b).

14 Pursuant to Corporations Code section 25532, GSB Gold Standard Bank Ltd. d/b/a
15 GSPartners, GSP, and Gold Standard Partners, Swiss Valorem Bank Ltd., GSB Gold Standard
16 Corporation AG, Josip Heit, Bruce Innes Wylde Hughes, and Dirc Zahlmann are hereby ordered to
17 desist and refrain from the further offer or sale of securities in California, including but not limited to
18 investment contracts known as Certificates, unless and until the qualification requirements of the
19 CSL have been met.

20 In addition, the Commissioner is of the opinion that GSB Gold Standard Bank Ltd. d/b/a
21 GSPartners, GSP, and Gold Standard Partners, Swiss Valorem Bank Ltd., GSB Gold Standard
22 Corporation AG, Josip Heit, Bruce Innes Wylde Hughes, and Dirc Zahlmann offered or sold
23 securities in California by means of oral or written communications which included untrue statements
24 of material facts or omitted to state material facts necessary in order to make the statements made, in
25 the light of the circumstances under which they were made, not misleading, in violation of
26 Corporations Code section 25401.

27 Pursuant to Corporations Code section 25532, GSB Gold Standard Bank Ltd. d/b/a
28 GSPartners, GSP, and Gold Standard Partners, Swiss Valorem Bank Ltd., GSB Gold Standard

1 Corporation AG, Josip Heit, Bruce Innes Wylde Hughes, and Dirc Zahlmann are hereby ordered to
2 desist and refrain from offering or selling or buying or offering to buy any security in California,
3 including but not limited to investment contracts known as Certificates, by means of any written or
4 oral communication which includes an untrue statement of a material fact or omits to state a material
5 fact necessary in order to make the statements made, in the light of the circumstances under which
6 they were made, not misleading.

7 Any person who with knowledge directly or indirectly controls and induces another person to
8 violate any provision of the CSL, or knowingly provides substantial assistance to another person to
9 violate any provision of the CSL, is deemed to be in violation of that provision to the same extent as
10 the other person. Cal. Corp. Code § 25403(a) and (b).

11 This Order is necessary, in the public interest, for the protection of investors, and is consistent
12 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

13 Dated: November 16, 2023
14 San Diego, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



15 By _____
16 MARY ANN SMITH
17 Deputy Commissioner
18 Enforcement Division
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