

1 7. In fact, Golden Trust Financial Bank was luring investors into what is known as a
2 High Yield Investment Program (HYIP). HYIPs are unregistered investments typically run by
3 unlicensed individuals – and are often frauds. The hallmark of an HYIP scam is the promise of high
4 returns on an annual (or even monthly, weekly, or daily) basis at little or no risk to the investor.
5 Another key element of most HYIPs is a referral program, in which the HYIP offers referral
6 commissions or bonuses to investors to recruit new investors. This usually leads to investors sharing
7 information about the HYIP with their friends and family and promoting HYIPs on social media.
8 HYIPs rarely disclose the identities of the individuals operating the HYIP.

9 8. The Deposit Schemes offered by Golden Trust Financial Bank were securities that
10 were neither qualified nor exempt from the qualification requirement under the CSL. The Department
11 has not issued a permit or other form of qualification authorizing Golden Trust Financial Bank to sell
12 these securities in California.

13 9. In connection with the offer or sale of these securities, Golden Trust Financial Bank
14 made untrue statements of material fact and material omissions to potential investors, including but
15 not limited to the following:

- 16 a. failing to disclose that the offers or sales of its Deposit Schemes were not qualified in
17 California;
- 18 b. failing to disclose the identities of the individuals operating and/or managing Golden
19 Trust Financial Bank;
- 20 c. falsely claiming to be located in California, and using a fraudulent California address
21 similar to one belonging to a legitimate company, Golden Trust;
- 22 d. engaging in the banking business while transacting business under a naming containing
23 the word “bank” without a certificate from the Commissioner, in violation of California
24 Financial code section 562.

25 Based on the foregoing findings, the Commissioner is of the opinion that the securities offered
26 or sold by Golden Trust Financial Bank were subject to qualification under the CSL and have been or
27 are being offered or sold without first being qualified in violation of Corporations Code section
28 25110.

1 Pursuant to Corporations Code section 25532, Golden Trust Financial Bank is hereby ordered
2 to desist and refrain from the further offer or sale of securities in California, including but not limited
3 to investment contracts known as Deposit Schemes, unless and until the qualification requirements of
4 the CSL have been met.

5 In addition, the Commissioner is of the opinion that Golden Trust Financial Bank offered or
6 sold securities in California by means of oral or written communications which included untrue
7 statements of material facts or omitted to state material facts necessary in order to make the
8 statements made, in the light of the circumstances under which they were made, not misleading, in
9 violation of Corporations Code section 25401.

10 Pursuant to Corporations Code section 25532, Golden Trust Financial Bank is hereby ordered
11 to desist and refrain from offering or selling or buying or offering to buy any security in California,
12 including but not limited to investment contracts known as Deposit Schemes, by means of any
13 written or oral communication which includes an untrue statement of a material fact or omits to state
14 a material fact necessary in order to make the statements made, in the light of the circumstances
15 under which they were made, not misleading.

16 Pursuant to Corporations Code section 25403, any person who controls or induces another
17 person to violate a provision of the CSL, or any person who provides substantial assistance to another
18 person in violation of the CSL, shall be liable for the violations.

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

21 Dated: April 12, 2024
22 Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner of Financial Protection and Innovation



23
24 By _____
25 MARY ANN SMITH
26 Deputy Commissioner
27 Enforcement Division
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