

BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO. S-23-0028

ORDER NO. S-23-0028-23-OR01

IN THE MATTER OF:

**GS PARTNERS GLOBAL
SWISS VALOREM BANK &
JOSIP HEIT**

RESPONDENTS

CEASE AND DESIST ORDER

On November 22, 2023, the Staff of the Arkansas Securities Department (“Staff”) filed its request for a Cease and Desist Order (“Request”) stating that it has received certain information and has in its possession certain evidence indicating that GS Partners Global, Swiss Valorem Bank, and Josip Heit (collectively “Respondents”), have violated provisions of the Arkansas Securities Act (“Act”), Ark. Code Ann. §§ 23-42-101 through 23-42-509, and the Rules of the Arkansas Securities Commissioner (“Rules”).

The Arkansas Securities Commissioner (“Commissioner”) has reviewed the Request, and based upon the representations made therein, finds as follows:

FINDINGS OF FACT

The Request contains the following representations of fact:

1. GS Partners Global (“GS Partners”) is an international coalition of affiliated entities controlled by Josip Heit (“Heit”) that purports to be involved in digital banking, corporate finance, and investment solutions and conducts business in the United States. Upon information and belief, GS Partners has ties to Germany, Kazakhstan, the United Arab Emirates (“UAE”), and the United Kingdom (“UK”), but it is unclear where it is headquartered. GS Partners has never been registered with the Arkansas Securities Department (“Department”) in any capacity, including, but not

limited to, as a broker-dealer or investment adviser, and has not made any registration or exemption filings with the Department as an issuer for the offer and sale of securities in Arkansas.

2. Swiss Valorem Bank (“Swiss”) is an entity with ties to Kazakhstan that claims to be a platform for digital banking, corporate finance, and investment solutions for investors in GS Partners. Swiss administers the online introducing partnership program that grants access to the GS Partners investment platform. GS Partners investors create accounts with Swiss and purchase investments issued by GS Partners. Swiss is not an FDIC-insured or state-chartered bank. Swiss shares the same Dubai, UAE mailing address as GS Partners and maintains another address in Germany. Swiss has never been registered with the Department in any capacity and has never made filings with the Department to offer or sell securities.

3. Josip Heit (“Heit”) is the CEO, Chairman of the Board, and/or control person of GS Partners, as well as other companies associated or affiliated with GS Partners. Heit is not a United States citizen. Heit maintains the same Dubai, UAE mailing address as GS Partners and Swiss, another in Romania, and a residential address in London, UK. Heit has never been registered with the Department in any capacity, including, but not limited to, as a broker-dealer agent, investment adviser representative, or agent of an issuer.

4. The Respondents are affiliated with and conduct business through and under the names of numerous entities, including, but not limited to, GSB Gold Standard Bank LTD dba GS Smart Finance; Gold Standard Partners; 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; GSB Gold Standard Trade; GSTrade; GSDeFi; GSB Gold Standard Trade; G999; Lydian World; and WealthBuilders WorldWide (Collectively “Other

Entities”). The Other Entities all share the same registered mailing address in Dubai, UAE, as GS Partners and Heit.

5. GS Partners does business through the following individuals and leaders in its group of affiliated entities and platforms (collectively “Other Individuals”). Michael Lynn “El” Dalcoe (“Dalcoe”) is a resident of the state of Georgia identified as a GS Partners Crown Ambassador and a representative of WealthBuilders. Bruce Innes Wylde Hughes (“Hughes”) is identified on GS Partners presentations as the GSB corporate trainer. Aline Lima (“Lima”) is the Partner Relationship Manager, serves as an Advisory Member of GSBDSwiss, a partner of Respondent Swiss, and is described by Respondent Heit as a “high executive.” Dirc Zahlmann (“Zahlmann”) is identified in GS Partners presentations as GSB Head of M&A and Marketing Advisor. Hughes, Lima, and Zahlmann all share the same Dubai, UAE business address as the Other Entities.

6. The Staff recently learned that the Respondents are conducting ongoing business activities in the state of Arkansas in violation of the Act and Rules and began an investigation in October 2023, in coordination with other United States and Canadian regulatory agencies. The Staff believes GS Partners, controlled by Respondent Heit, is perpetrating numerous fraudulent investment schemes that are threatening immediate and irreparable public harm to investors located in Arkansas, nationwide, and internationally.

7. GS Partners has undertaken a complex multi-level marketing scheme through which it issues for sale securities called MetaCertificates through a global network of commission-based multi-level marketers (“Promoters”). MetaCertificates are marketed online and at seminars where Promoters of GS Partners recruit potential investors to purchase MetaCertificates. The Promoters then encourage the potential investors to become commission-based Promoters

themselves to propagate the scheme. Existing investors are compensated when they and their Promoters recruit new investors. To recruit Promoters, GS Partners touts the ability to earn lavish sales-based commissions from up to seven different income streams, pools, and sources.

8. GS Partners markets its products as a unique opportunity to earn lucrative profits and secure generational wealth through proprietary cryptocurrencies, a metaverse, liquidity and staking pools, a tokenized skyscraper, and digital assets purportedly convertible to physical gold. GS Partners' schemes are driven by its dedicated Promoters and further amplified through its recruitment of famous individual to promote its brand.

9. GS Partners offers gamified MetaCertificates tied to digital assets that purportedly pay lucrative returns. After purchasing the MetaCertificates, investors must continue to invest additional principal to unlock different streams of income and increase the value of the product.

10. In October 2023, GS Partners experienced significant trading losses and informed purchasers that these trading losses negatively impacted many and investors. GS Partners thereafter implemented a "market protection system" that, among other things, placed new restrictions on investor withdrawals and increased fees for converting profits from an internal illiquid token to liquid external tokens.

11. Securities regulators from the United States and Canada identified the threat presented by GS Partners and organized a working group to collectively investigate its conduct.

PUBLIC ADVERTISEMENTS,
MULTI-LEVEL MARKETING AND THE OFFER OF INVESTMENTS

12. The Respondents, Other Entities, and Other Individuals have been collectively promoting GS Partners, the MetaCertificate investments, and their businesses through online

media, including the following internet websites and social media accounts, accessible by residents of Arkansas:

- a. The internet websites include dennisuitz.com, 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 @alex.cocindau, @brucehughes_official, @dirc.metalion, @dirczahlmann, @g999blockchain, @josipht, @lydian.world, @the_real_dlu and @zahlmann.dirc,
- 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, @dennis.werweiss, @dirc.zahlmannlion, @g999blockchain, @gspartners, and @zahlmannconsulting,
- 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, @metalionacademy and @zahlmann, and
- h. The Discord servers include @CK532ec.

13. Respondents GS Partners, Swiss, and Heit; Other Individuals; and Promoters discussed herein have hosted and/or participated in videoconferences and published recorded videos that promote the operations of GS Partners, encourage prospective investors to purchase investments from Respondent GS Partners, and train multi-level marketers to sell investments as

Promoters of Respondent GS Partners. These trainings are available to the residents of Arkansas.

Examples of these trainings include:

- a. <https://www.youtube.com/watch?v=K02PZtmBzyw> (GS Partners Corporate Presentation 6-26-2023)
- b. <https://www.youtube.com/watch?v=BhA0IFMU6Yo> (GS Partners Corporate call 8-12-2023)
- c. https://www.youtube.com/watch?v=60Ds_kHtS98 (GS Partners Corporate Call 9-13-2023)
- d. <https://www.youtube.com/watch?v=PjiCzRCuAbk> (GS Partners Corporate Call 10-6-2023)
- e. <https://www.youtube.com/watch?v=PCPS3TkXrnQ> (GS Partners Corporate Call 10-7-2023)

THE METACERTIFICATES

14. Respondent GSP is selling its investments through an online platform (the “GSP Platform”) accessible from either gspartners.global (the “GSP Website”) or swissvalorembank.com (the “Swiss Website”). To purchase investments, prospective investors must first create accounts through either the GSP Website or the Swiss Website. After creating an account, prospective investors may use their credentials to access the GSP Platform. After accessing the GSP Platform, investors may mint NFTs, purchase event tickets, manage multi-level marketing matrixes, access Lydian World, attend courses at a blockchain academy, and invest in many different products, including the MetaCertificates.

15. For investors to purchase or invest in products, the investors must convert fiat currency to crypto currency, USDT (Tether). Investors cannot use fiat currencies to purchase any products on the GSP Platform. The USDT must be transferred to a wallet on the GS Partners website where the investors can browse and invest in different products. These products include

Elemental Certificates (“Elemental MetaCertificates”) and Success Series Certificates (“Success Series MetaCertificates”).

16. Respondent GS Partners uses the following terminology to describe the terms of the MetaCertificates:

- a. Investors purchase Elemental or Success Series MetaCertificates by transferring digital assets, and then “load” their products by transferring additional principal.
- b. Investors can “load” principal into their Elemental or Success Series MetaCertificates until the value of their principal meets or exceeds certain thresholds. Elemental MetaCertificates 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.
- c. Success Series MetaCertificates 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.”

17. Investors that fully load a main load, fully load main load 1, or fully load main load 2 unlock income streams or increase the value of the product as follows:

- a. The purported value of Elemental or Success Series MetaCertificates 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 MetaCertificate when loading principal tied to supplements and gaming blockfolios.

18. Respondent GS Partners frequently incentivizes investors by encouraging the loading of additional principal through various promotions. These promotions may increase the value of a MetaCertificate or unlock weekly or monthly income streams.

19. Each MetaCertificate is associated with six different “blockfolios” that represent specific industries or sectors: fintech, renewables, real estate, metaportfolio, supplements, or gaming. Investors in MetaCertificates must select one or more of the six blockfolios. The selected blockfolios determine the value of the main load, main load 1, main load 2, and/or promotional load, as well as the terms of any bonuses, monthly payments, and weekly payments. Investors in the MetaCertificates who meet the main load requirements are entitled to receive guaranteed profits, returns, bonuses, and/or income.

20. Respondents are offering Elemental MetaCertificates that include the Terra, Light, Water, Wind, Nature, Fire, Heart, Space, and Prana MetaCertificates. The Elemental MetaCertificates range from 150 USDT purchase value with an alleged maximum payout of 10,579 USDT to 100,000 USDT purchase value with an alleged maximum payout of 10,579,000 USDT.

21. Respondents are offering Success Series MetaCertificates that include the Rise, Grow, Prosper, Flourish, Thrive, Advance, Triumph, Epic, and Victorious Success Series MetaCertificates. These MetaCertificates range from 150 USDT purchase value with an alleged maximum payout of 17,612 USDT to 100,000 USDT purchase value with an alleged max payout of 17,612,000 USDT.

22. When an investor funds an account and purchases a MetaCertificate, either the Elemental or Success Series, the investor then selects a blockfolio sector in which to invest. These sectors – fintech, renewables, real estate, metaportfolio, supplements, and gaming – pay different rates of return and bonuses.

CANADIAN REGULATORS WARN THE PUBLIC

23. Canadian securities regulators have warned the public about the Respondents, Other Entities, and Other Individuals, as described herein.

24. 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.”

25. 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 consumer not to send money to companies that are not registered in Saskatchewan, as they may not be legitimate businesses.”

26. 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.”

27. 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.

28. 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.”

ARKBIT CAPITAL PROMOTION – ARKANSAS CEASE AND DESIST ORDER

29. On June 1, 2023, the Commissioner entered a Cease and Desist Order (“Order”)¹ against ArkBit Capital LLC, BeefyBit Capital LLC, and NanoX Invest LLC (collectively “ARKBIT Entities”), and related persons or entities, for the fraudulent and unregistered sale of securities in Arkansas. The ARKBIT Entities also falsely claimed to be based in the state of Arkansas and falsely touted control persons who they claimed were from Arkansas but who did not exist.

30. The Staff subsequently informed the registrar for the websites affiliated with the ARKBIT Entities, Namecheap, Inc. (“Namecheap”), of its Order against the ARKBIT Entities and requested that Namecheap shut down the ARKBIT Entities’ fraudulent websites. While Namecheap complied with the Staff’s initial request, and the original versions of the websites were not accessible, the Staff has contacted Namecheap several times in the interim to have new versions of the ARKBIT Entities’ websites shut down. The ARKBIT Entities continue to retool their websites under new addresses to evade the Commissioner’s Order and detection by regulators and to continue their fraudulent business practices.

31. Coincidentally, on October 18, 2023, while viewing a GS Partners Facebook page during the pendency of this investigation, the Staff discovered an ARKBIT Entities promotional post created by GS Partners.

32. The post highlighted features of the ARKBIT Entities’ websites, as follows:

- a. “Investment Options- Our Doors are open to everyone! Arkbit welcomes investments starting from \$50, with a maximum cap of \$49,999.”
- b. “Daily Returns- Experience daily returns that range from 1.2% to an impressive 2.85%. Your investments work for you, day in and day out.”

¹ Arkansas Securities Department; Order No. S-23-0002-23-OR01; <https://securities.arkansas.gov/wp-content/uploads/2023/06/Cease-and-Desist-Order-060123-1.pdf> (entered June 1, 2023).

- c. "Referral and Binary Commission- Join our thriving community and benefit from our referral commission of 6% and binary commission of 10%. Grow your wealth while sharing the Arkbit success story."

33. The above statements and claims are similar to the facts that the Commissioner found fraudulent in the Order against the ARKBIT Entities.

34. The Staff has not found a connection between the Respondents and the ARKBIT Entities other than GS Partners' direct promotion of this fraudulent enterprise on Facebook. The Staff is highly concerned that the ARKBIT Entities are, in fact, connected to the Respondents and that the Respondents are attempting to continue to perpetrate fraud through the ARKBIT Entities or assist the ARKBIT Entities in perpetrating fraud on Arkansas investors.

ARKANSAS INVESTORS

35. During its investigation, the Staff has identified financial transactions into and out of the state of Arkansas, by Arkansas investors with GS Partners. Arkansas investors have to transferred USDT to a wallet held by GS Partners to purchase products such as the above-referenced MetaCertificates and other investments.

ARKANSAS PROMOTERS

36. On October 12, 2023, the Staff identified a potential Promoter for GS Partners located in Arkansas ("Arkansas Promoter") and subsequently initiated contact with the Arkansas Promoter on social media. The Arkansas Promoter regularly posts on various social media about Respondent GS Partners and opportunities for residents of Arkansas to invest with GS Partners.

37. During the Staff's communications with the Arkansas Promoter, the Staff affirmatively stated they were located in Arkansas. The Arkansas Promoter touted the supposed investment success that GS Partners had provided investors. The Arkansas Promoter stated that GS Partners and Lydian World pay daily and weekly returns to investors. The Arkansas Promoter

provided a blog link with additional information about Respondent GS Partners and exactly how a potential investor could get started making 5%-25% weekly.

38. The Arkansas Promoter shared two charts depicting the benefits of investing with GS Partners. The first chart showed a comparison of the amount an investor would earn by depositing \$2,000.00 in a traditional bank account versus investing \$2,000.00 in a GS Partners MetaCertificate. The first chart showed that if an investor were to deposit the funds in a bank account for two years with a 0.40% interest, the investor would only earn \$16.00 in interest. However, the chart showed that the same investor could make \$13,237.00 over an 18-month period by investing in a GS Partners MetaCertificate with a 4.15% interest rate.

39. The second chart showed a breakdown of the Success Series MetaCertificates. Specifically, it depicted how an investor's initial investment would grow over an 18-month period. For example, if an investor chose the "Rise" Success Series MetaCertificate and invested 700 USDT, the chart showed that the investor would earn 4,900 USDT after 18 months. Additionally, the second chart showed the four-step process an investor could follow to receive rewards from GS Partners: 1) Buy MetaCertificates of Choice; 2) Load Fintech Blockfolio with Main Loads 1 and 2; 3) Compound [their] weekly and monthly rewards; and 4) Receive up to 7,000 USDT in rewards over 18 months. The chart encouraged investors to repeat this every month and set up their own monthly perpetual payback plan.

40. When asked follow-up questions regarding the specifics of investing in GS Partners, the Arkansas Promoter would either redirect the conversation or not respond at all. The Arkansas Promoter's responses appeared to be scripted to encourage the use of, and to drive potential investors to, the GS Partners website. The Arkansas Promoter provided no additional disclosures or information about the generation of returns through investing with GS Partners.

LACK OF REGISTRATIONS OR EXEMPTIONS

41. As discussed herein, Respondents GS Partners and Swiss have never been registered with Department in any capacity, including, but not limited to, as a broker-dealer or investment adviser, and have not made any registration or exemption filings with the Department as issuers for the offer and sale of securities in Arkansas.

42. The Elemental MetaCertificates and the Success Series MetaCertificates have not been registered, exempt from registration, or notice filed as covered securities in Arkansas. No approval has been granted for the offer and sale of the MetaCertificates in Arkansas at any time material hereto.

CONCEALMENT OF OPERATIONAL INFORMATION

43. In connection with the offer and sale of securities, Respondents are intentionally failing to disclose the following material facts:

- a. The identity of all officers, directors, and persons in control of GS Partners and other related entities.
- b. The business repute, qualifications and experience of all officers, directors, and persons in control of GS Partners and other related entities.
- c. The physical location of the offices of GS Partners and other related entities.
- d. The assets, liabilities, revenue, and other financial information for Respondents and other related persons and entities.
- e. The legal relationship, including the existence and material terms of any contracts or affiliations, between GS Partners and other related persons and entities.

LACK OF DISCLOSURE REGARDING ELEMENTAL AND SUCCESS SERIES
METACERTIFICATES

44. In connection with the offer and sale of Elemental MetaCertificates and Success Series MetaCertificates, the Respondents are intentionally failing to disclose following:

- a. The use of principal tendered by investors to purchase Elemental MetaCertificates and Success Series MetaCertificates;
- b. The use of principal tendered by investors to load Elemental MetaCertificates and Success Series MetaCertificates;
- c. The source of funds used to pay profits to investors in Elemental MetaCertificates and Success Series MetaCertificates;
- d. Any information about the liquidity of the Elemental MetaCertificates and Success Series MetaCertificates, including information showing GS Partners will have sufficient capital to purchase, redeem, or otherwise pay investors in the Elemental MetaCertificates and Success Series MetaCertificates at the end of term;
- e. Any information reflecting the principals of said companies, organizations, and projects, as well as information relevant to their operations, their revenue, their capitalization, their profitability, and their location.

THE USE OF THE TERM "BANK"

45. The Swiss Website referenced herein at swissvalorembank.com states, in pertinent part, as follows, regarding its services:

At Swiss Valorem Bank we believe that technology and finance should work together seamlessly in real time. That's why we have created a cutting-edge banking platform that combines the latest in technological innovation with the unparalleled expertise of our financial professionals. Whether you are looking to invest in stocks, manage your portfolio, simply open a che[ck]ing account or do all three, Swiss Valorem Bank has the tools and resources you need to achieve your aims. Join us in revolutioni[z]ing the banking industry with our real-time technology and financial solutions.

.....

Are you tired of feeling like you have to choose between the convenience of digital banking and the stability of traditional banking? At Swiss Valorem Bank, we believe you shouldn't have to. That's why we are bridging the gap between the digital economy and traditional banking. Our

innovative approach to banking combines the best of both worlds, offering cutting-edge digital solutions alongside the stability and security of traditional banking

Furthermore, Swiss claims to provide services including digital banking, corporate finance, custody, investment solutions, and trading and credit solutions.

46. As described herein, Respondents Swiss and GS Partners are using the term “bank” in the name of their investment platform and are touting traditional banking and financial services despite the fact that they are not FDIC-insured or licensed or chartered as a bank by the Arkansas State Bank Department, or registered with the Department.

47. The use of the term “bank” creates an air of legitimacy and is materially misleading and likely to deceive the public because investors in Elemental MetaCertificates, Success Series MetaCertificates, and other products promoted by Respondents Swiss and GS Partners residing in Arkansas are not protected by FDIC insurance or state laws designed to protect banking consumers.

MISSING DISCLOSURES

48. Respondents fail to disclose certain information to investors in the MetaCertificates, including, but not limited to, the following:

- a. That the MetaCertificates are securities, and that anyone who offers or sells securities in the state of Arkansas must be registered or exempt from registration;
- b. The general and specific risks of investing;
- c. Material information related to the offer and sale of the MetaCertificates, including the warnings issued by Canadian securities regulators;
- d. GS Partners’ financial condition, business, results of operations, management, and use of funds invested by investors;
- e. Respondents’ relationship with the ARKBIT Entities and that the Commissioner an Order against the ARKBIT Entities for the fraudulent and

unregistered sale of securities in Arkansas on June 1, 2023, despite promoting the ARKBIT Entities on social media; and

- f. That the investment opportunities offered by the ARKBIT Entities are not registered with the Department, exempt from registration, or covered securities.

APPLICABLE LAW

49. Ark. Code Ann. § 23-42-102(17)(A)(xi) defines “security” to include investment contracts.

50. Ark. Code Ann. § 23-42-102(1)(A)(i) means an individual, other than a broker-dealer, who represents a broker-dealer or issuer in effecting or attempting to effect purchases or sales of securities.

51. Ark. Code Ann. § 23-42-102(10) defines “issuer” to mean every person who issues or proposes to issue any security.

52. Ark. Code Ann. § 23-42-301(a) states that it is unlawful for a person to transact business in this state as a broker-dealer or agent unless he or she is registered pursuant to the Act.

53. Ark. Code Ann. § 23-42-501 states that it is unlawful for any person to offer or sell any security in this state unless it is registered under the Act; the security or transaction is exempted under Ark. Code Ann. § 23-42-503 or § 23-42-504; or it is a covered security.

54. Ark. Code Ann. § 23-42-507(2) states that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statement made, in light of the circumstances under which they are made, not misleading.

55. Ark. Code Ann. § 23-42-507(3) states that it is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, to engage in any

act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

56. Ark. Code Ann. § 23-42-209(a) states that whenever it appears to the Commissioner, upon sufficient grounds or evidence satisfactory to the Commissioner, that any person has engaged or is about to engage in any act or practice constituting a violation of any provision of the Act, the Commissioner may summarily order the person to cease and desist from the act or practice.

CONCLUSIONS OF LAW

57. The Elemental MetaCertificates and the Success Series MetaCertificates offered by the Respondents where investors invest monetary value into a MetaCertificate, a common enterprise, with a reasonable expectation of profits to be derived from the Respondents' efforts, and through no efforts of the investor, are securities in the form of investment contracts under Ark. Code Ann. § 23-42-102(17)(A)(xi) and *Securities and Exchange Commission v. W. J. Howey Co.*, 328 U.S. 293, 298-99 (1946) (“[A]n investment contract . . . means a contract, transaction or scheme whereby a person invests his money in a common enterprise and is led to expect profits solely from the efforts of the promoter or a third party . . .”).

58. Respondents GS Partners and Swiss acted as issuers under Ark. Code Ann. § 23-42-102(10), by engaging in the business of issuing investment contract securities in the form of MetaCertificates as described above.

59. Respondent Heit acted as an unregistered agent of the issuers Respondents GS Partners and Swiss in violation of Ark. Code Ann. § 23-42-301(a).

60. The securities offered by Respondents were not registered with the Department, exempt from registration with the Department, or covered securities under federal law. Therefore,

the Respondents violated Ark. Code Ann. § 23-42-501 when they offered securities to the public through various platforms, including, but not limited to, websites, social media platforms, videoconferences, and marketing material.

61. The Respondents violated Ark. Code Ann. § 23-42-507(2) by making false and misleading statements of material facts including, not limited to, the following: failing to disclose that they are not registered with the Department in any capacity; concealing material facts relating to the Respondents' operational information; failing to provide the proper disclosures regarding the Elemental and Success Series MetaCertificates; using the term "bank" without being properly licensed or chartered; failing to provide necessary key material disclosures relating to the registration of MetaCertificates as securities; failing to provide investors material information related to the Canadian warnings; failing to disclosure risks relating to investing; and failing to disclose the Respondents' relationship with the ARKBIT entities.

62. The Respondents violated Ark. Code Ann. § 23-42-507(3) by operating websites, running social media accounts, hosting videoconferences, and creating other marketing material that published false and misleading statements, documents, and other information for the purpose of soliciting investors.

63. The Respondents' conduct, acts, and practices violate the Act and threaten immediate and irreparable public harm on an ongoing basis. Therefore, a cease and desist order is in the public's interest and is appropriate under Ark. Code Ann. § 23-42-209(a).

64. This matter is brought in connection with violations of the Act and Rules and is therefore properly before the Commissioner in accordance with Ark. Code Ann. § 23-42-209.

ORDER

IT IS THEREFORE ORDERED that the Respondents GS Partners Global, Swiss Valorem Bank, and Josip Heit immediately CEASE AND DESIST from the following activity and from all other activity in violation of the Act and Rules:

1. Respondents GS Partners and Swiss shall immediately cease and desist from further violations of Ark. Code Ann. § 23-42-501 and refrain from acting as issuers of unregistered, nonexempt securities until such securities are properly registered or shown to be exempt from registration pursuant to the Act.
2. Respondent Heit shall immediately cease and desist from further violations of Ark. Code Ann. § 23-42-301(a) and refrain from acting as an agent of the issuer until properly registered pursuant to the Act.
3. Respondents shall immediately cease and desist from further violations of Ark. Code Ann. § 23-42-507(2) and (3) and refrain from perpetrating securities fraud.


A hearing on this order shall be held if requested by the Respondents in writing within thirty (30) days of the entry of this order, or if otherwise ordered by the Commissioner. Such request should be addressed to the Commissioner and submitted to the following address:

Arkansas Securities Commissioner
1 Commerce Way
Suite 402
Little Rock, Arkansas 72202

If no hearing is requested and none is ordered by the Commissioner, this order will remain in effect against the Respondents until it is modified or vacated by the Commissioner. Ark. Code Ann. § 23-42-209(a)(2)(B).

WITNESS MY HAND this the 20th day of November, 2023.

SUSANNAH T. MARSHALL
ARKANSAS SECURITIES COMMISSIONER

By: 
J. Campbell McLaurin III
Deputy Commissioner
Arkansas Securities Department
1 Commerce Way, Suite 402
Little Rock, Arkansas 72202