

TRAVIS J. ILES
SECURITIES COMMISSIONER



CLINTON EDGAR
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

GS PARTNERS AND JOSIP HEIT'S FRAUD EXPOSED BY U.S. AND CANADIAN REGULATORS

TEXAS SECURITIES BOARD ENTERS EMERGENCY ACTION ALLEGING FRAUD TIED TO INVESTMENTS IN A TOKENIZED SKYSCRAPER, A STAKING POOL IN A METAVERSE, GAMIFIED CERTIFICATES, AND CRYPTOCURRENCIES PURPORTEDLY CONVERTIBLE TO PHYSICAL GOLD

(November 16, 2023) Securities Commissioner Travis J. Iles filed [an emergency enforcement action](#) to stop an ongoing international investment scheme threatening immediate and irreparable public harm.¹ The action accuses GSB Gold Standard Bank LTD dba GS Partners and other members of GSB Group of offering numerous high-tech products, including fraudulent certificates tied to digital assets, investments in a staking pool in a proprietary metaverse, and a token that can purportedly be staked for rewards that can be converted to real physical gold. Additionally, the order alleges parties failed to raise \$175 million through the sale of cryptocurrencies that represented ownership of a skyscraper, causing significant losses for investors that purchased and held the underlying assets.

GS Partners is allegedly a member of GSB Group, a family of companies purportedly affiliated with GSB Gold Standard Corporation AG, an entity operating from Germany. The order alleges Josip Dortmund Heit controls GSB Gold Standard Corporation AG and GS Partners, and it names Dirc Zahlmann, also known as the "MetaLion" and a "MetaConsultant," Bruce Innes Wylde Hughes, and Aline Lima. They are not registered to offer or sell securities in Texas.



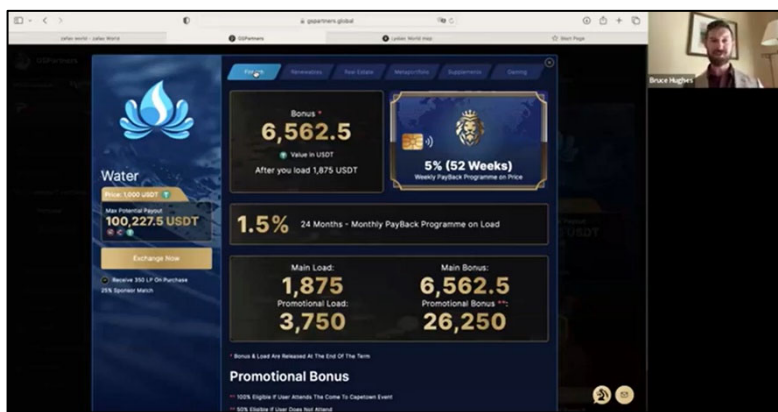
Josip Heit, left, from @josipht on Instagram

GS Partners promoted the products through a multilevel marketing scheme paying lavish commissions from up to seven different sources, according to the order. It also allegedly advertised the investments and the operations of GSB Group through numerous social media accounts and videoconferences. GS Partners also touted the support of athletes such as boxer Floyd Mayweather and footballer Roberto Carlos, according to today's action.

¹ The emergency order alleges the parties were using internet websites and social media accounts as described in the APPENDIX TO RELEASE. The images incorporated in this release are allegedly provided to the public from these social media accounts and websites using free accounts.

“Technology changes, but the rules remain the same,” said Commissioner Iles. “Social media marketing has largely replaced newspaper advertising, and promoters may now be able to quickly reach investors by using videoconferences instead of one-off cold calls. Nevertheless, present-day securities laws continue to capably protect investors from fraud and misconduct when properly utilized.”

GS Partners is currently marketing certificates tied to digital assets, according to the order. Investors allegedly purchase the certificates by paying GS Partners, and then continue to pay GS Partners to unlock the certificate’s features. These features purportedly increase the value of the certificate and activate the payment of weekly and monthly profits. In some cases, investors that unlock streams of income must continue to pay to prevent the lapse of income, according to the order.



Bruce Hughes allegedly describes an Elemental Certificate

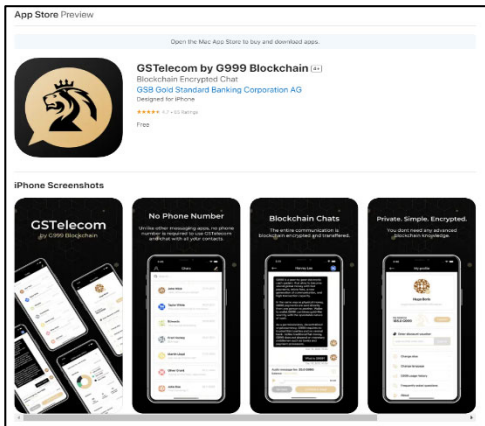
In October 2023, GS Partners allegedly announced losses tied to trading, and these losses negatively impacted many purchasers of certificates. According to the order, these losses led to the implementation of a “Market Protection System” or “MPS.” The MPS allegedly limited many investors’ ability to withdraw certain types of profits by taking up to 50% of the withdrawal and transferring it to an undisclosed “13 month lock up vehicle.” It also allegedly increased fees paid with receiving assets.



Image allegedly promoting G999 Tower and the tokenized real estate offering

“The order essentially alleges the terms of the deal were changed *after* investors parted with their principal,” said Enforcement Director Joe Rotunda. “It describes a situation where investors may have gone to bed thinking their assets were safe and profits were liquid, only to wake up and learn about the losses, restrictions and increased fees. That’s not just a red flag, it’s a big, bright, scandalous red flag.”

GS Partners is also allegedly promoting G999, a digital asset and blockchain that interfaces with smartphone applications listed in the Apple App Store and Google Play Store. According to the order, owners of G999 Coin are told they can stake G999 Coin and exchange coins obtained through staking for gold coins, and then to physical gold.



Apple App Store Listing

The action was the product of a working group of securities regulators from the United States and Canada. Today's filings mark the most recent effort by the working group to protect investors. Regulators from Canada previously warned the public about GS Partners and other members of GSB Group.

In addition to the parties identified in this release, the order names GSB Gold Standard Banking Corporation PLC, GSB Gold Standard Corporation AG, GSB Gold Standard Pay Kommanditbolag, GSB Gold Standard Pay Ltd. dba GSDeFi, GSB Gold Standard Trade, and Swiss Valorem Bank Ltd. They have 31 days to challenge the order.

Commissioner Iles recognizes the valuable assistance of other U.S. and Canadian members of the working group, and thanks them for the coordinated efforts that led to today's enforcement actions.

Contact: Joe Rotunda, TSSB Enforcement Director, at jrotunda@ssb.texas.gov
Seth Oufnac, TSSB Financial Examiner, at soufnac@ssb.texas.gov
Kristen McCourt, TSSB Enforcement Attorney, at kmccourt@ssb.texas.gov

APPENDIX TO RELEASE

The emergency order alleges Respondents have been collectively promoting GSB Group, investments, themselves, and their businesses through online media, including the internet websites and social media accounts listed in this appendix. The images published in this release are allegedly from one or more of these websites or accounts.

	<u>ACCOUNT/URL</u>	<u>TYPE</u>		<u>ACCOUNT/URL</u>	<u>TYPE</u>
1	gspartners.global	Website	23	@dirc.zahlmannlion	Facebook
2	swissvalorembank.com	Website	24	@d.zahlmann	Facebook
3	gsb.gold	Website	25	@zahlmannconsulting	Facebook
4	g999main.net	Website	26	@bruce.i.hughes	Facebook
5	gspeventssweeden.com	Website	27	@g999blockchain	Facebook
6	gstrade.exchange	Website	28	@gspartners	Facebook
7	Josipheit.com	Website	29	@gsdigitalpartnerstrainerch2984	YouTube
8	metaconsultant.net	Website	30	@g999main	YouTube
9	dirczahlmann.com	Website	31	@gsbgoldstandardcorporate237	YouTube
10	zahlmann.com	Website	32	@thetrainer-qw7il	YouTube
11	@brucehughes_official	Instagram	33	@dirczahlmann- derumsatzgara6831	YouTube
12	@dirc.metalion	Instagram			
13	@dirczahlmann	Instagram	34	@zahlmannconsulting	YouTube
14	@zahlmann.dirc	Instagram	35	+6C2Vh-qB53Y0MzQ0	Telegram
15	@g999blockchain	Instagram	36	+cOonPhLSqqRINmNk	Telegram
16	@josipht	Instagram	37	@G999commUNITY	Telegram
17	@lydian.world	Instagram	38	@lydianworld	Telegram
18	@zahlmann	LinkedIn	39	@metalionacademy	Telegram
19	@zahlmann-consulting	LinkedIn	40	@zahlmann	Telegram
20	@g999blockchain	X (formerly Twitter)	41	@CK532ec	Discord
21	@josip_heit	X (formerly Twitter)			
22	@zahlmannconsult	X (formerly Twitter)			

App Store Preview

Open the Mac App Store to buy and download apps.



GS Telecom by G999 Blockchain (TV)
Blockchain Encrypted Chat
G999 Gold Standard Ranking Corporation AS
Download for iPhone

4.5 ★

iPhone Screenshots

