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CONTACT: Anna Sventek, Communications Director  
[Anna.Sventek@sos.nh.gov](mailto:Anna.Sventek@sos.nh.gov) / (603) 731-2286

Michael Kirwin, Staff Attorney  
[Michael.Kirwin@sos.nh.gov](mailto:Michael.Kirwin@sos.nh.gov) / (603) 271-1463

## **New Hampshire Bureau of Securities Regulation Files Joint Action Against Alleged Global Fraud Scheme**

*New Hampshire's joint action with U.S. and Canadian Regulators alleges fraudulent sales of a skyscraper through cryptocurrency and investments through a metaverse.*

**CONCORD, NH (November 16, 2023):** The New Hampshire Bureau of Securities Regulation, under the leadership of Secretary of State David M. Scanlan, has issued an order following an action filed to stop an ongoing international scheme causing and threatening immediate and irreparable public harm, including in New Hampshire. The action accuses GSB Gold Standard Bank LTD dba GS Partners and other members of GSB Group of offering and selling fraudulent certificates tied to digital assets, as well as investments in a proprietary metaverse, or a virtual world where individuals can make virtual real estate purchases with cryptocurrency, for example.

Additionally, the order alleges the 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. These individuals are not registered to offer or sell securities in New Hampshire.

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

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 money to prevent the features from lapsing.

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” (MPS). The MPS allegedly limited the value of many withdrawals by transferring up to 50% of the withdrawal to an undisclosed “13-month lock up vehicle”, meaning the money is inaccessible for 13 months, and increased fees paid with receiving assets.

A working group of securities regulators from the United States and Canada led the action. Today’s filings mark the most recent efforts to protect the public from alleged misconduct. Regulators from Canada previously warned the public about GS Partners and other members of GSB Group.

In addition to GS Partners, 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, Swiss Valorem Bank Ltd., Bruce Innes Wylde Hughes, Aline Lima, and Dirc Zahlmann have 30 days to challenge the order.

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*Anyone who has invested with GS Partners can contact the New Hampshire Bureau of Securities Regulation with questions or concerns.*