

IN THE MATTER OF THE *Securities Act*, RSNS 1989, c 418 (the “Act”)

-and-

GSB Gold Standard Corporation AG; GSB Gold Standard Banking Corporation AG; GSB Gold Standard Corporation USA; GSB Gold Standard Pay LTD (brand name GSDeFi operating g999main.net); GSB Gold Standard Bank LTD dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners, and GSP (marketing arm of the metaverse Lydian.World); GSB Gold Standard Banking Corporation PLC; GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay KB; GS Trade; GSB Gold Standard Trade (virtual digital-asset platform for storing, transferring, obtaining, and exchanging digital assets); GS Digital Partners LLC; GSB Gold Standard B Corporation; GSB Premier Exchange Corporation LTD; GSB Gold Standard PLC; GSB Money LTD; and Josip Heit (the “Respondents”)

ORDER

WHEREAS on February 6, 2025, the Nova Scotia Securities Commission (**Commission**) issued a Notice of Hearing to the Respondents pursuant to Part 10 of Rule 15-501 – *General Rules of Practice and Procedure*;

AND WHEREAS the Respondents entered into a Settlement Agreement with the Director of Enforcement for the Commission (**Director**) whereby they agreed to proposed terms, subject to the approval of the Commission;

AND WHEREAS the Director and the Respondents recommend approval of the Settlement Agreement;

AND UPON reviewing the Settlement Agreement and hearing submissions of counsel for the Director and counsel for the Respondents;

AND WHEREAS the Commission is of the opinion that the proposed Settlement Agreement is appropriate and in the public interest;

IT IS HEREBY ORDERED that:

1. The Settlement Agreement dated February 6, 2025, a copy of which is attached, is approved.

DATED at Halifax, Nova Scotia, this 14th day of February, 2025.

NOVA SCOTIA SECURITIES COMMISSION

(signed) "*Valerie Seager*"

Valerie Seager

TERM SHEET

WHEREAS GSB Gold Standard Corporation AG; GSB Gold Standard Banking Corporation AG; GSB Gold Standard Corporation USA; GSB Gold Standard Pay LTD (brand name GSDeFi operating g999main.net); GSB Gold Standard Bank LTD¹ dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners, and GSP (marketing arm of the metaverse Lydian.World); GSB Gold Standard Banking Corporation PLC; GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay KB; GS Trade; GSB Gold Standard Trade (virtual digital-asset platform for storing, transferring, obtaining, and exchanging digital assets); GS Digital Partners LLC; GSB Gold Standard B Corporation; GSB Premier Exchange Corporation LTD; GSB Gold Standard PLC; and GSB Money LTD (collectively, the “Respondent Entities”) are entities, brands, or platforms which were, during all or part of the time period from at least 2021 to November 16, 2023, active and controlled by Josip Heit (“Heit”) (together with the Respondent Entities, “Respondents”), and

WHEREAS, the Respondent Entities acted as a consortium of affiliated entities, brands, and platforms that conducted business globally, including in the United States and Canada, and

WHEREAS U.S. state securities regulators, as part of a working group of members of the North American Securities Administrators Association (“NASAA”) led by Alabama, Arizona, Arkansas, California, Florida, Georgia, and Texas (the “Working Group”), have conducted a multi-jurisdictional investigation (“Investigation”) and concluded that Respondents offered and sold unregistered securities to retail clients in certain jurisdictions, and

WHEREAS Respondents have reached an agreement with the Working Group to resolve the administrative and civil investigation and potential claims resulting therefrom with respect to the 50 U.S. states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam, and with respect to British Columbia and Alberta, and

WHEREAS Respondents have reached an agreement with the Director to resolve any potential claims with respect to Nova Scotia, under the following terms:

Essential Terms

1. Upon signing this Term Sheet, Respondents shall enter into an undertaking (“Undertaking”) with the Director consistent with the Essential Terms of this Term Sheet to cease and desist from the following activities:

Trading any security or derivatives in Nova Scotia without first complying with all legal requirements set forth in the laws of Nova Scotia respecting the trading of securities or derivatives.

Upon the Respondents fully complying with this Term Sheet, as confirmed by the Director, the Director will issue a letter to Respondents stating that the Director will not commence enforcement proceedings in connection with the offer and sale of unregistered securities,

¹ GSB Gold Standard Bank LTD has been dissolved, no longer conducts business, and state orders against this entity are final and not subject to appeal.

consistent with this Term Sheet (“No-Action Letter”). The No-Action Letter will not allege fraudulent acts, nor dishonest, unethical practices, nor conclude that Respondents engaged in any such conduct.

2. Respondents agree that any agreements previously entered by or between the Respondent Entities and their clients in Nova Scotia relating in any way to the imposition of financial penalties, fines, disciplinary sanctions, equitable sanctions, or monetary sanctions of any kind are immediately suspended, will remain suspended during the entirety of an agreed-upon claims process not to exceed 90 days (“Claims Process”)² administered by AlixPartners, LLP, the Director’s and Respondents’ chosen independent claims administrator (“Claims Administrator”), and, at the conclusion of the Claims Process, all such agreements will terminate. These agreements include, without limitation, the (a) terms and conditions and (b) policies and procedures published in gspartners.network, swissvalorembank.com and/or gspro.network, and specifically include Part 9 of the policies and procedures (relating to Dispute Resolution and Disciplinary Proceedings).

Nonpublic communications between the Respondent Entities’ clients, the Claims Administrator, and the Director or any staff of the Nova Scotia Securities Commission (“NSSC”) shall not subject clients to penalties under any previously entered agreements between the Respondent Entities and their clients. Respondents agree not to retaliate against clients for engaging with the Claims Administrator, and Respondents agree they will not seek claims against clients for engaging in the Claims Process.

This term does not impact Respondents’ ability to bring or defend any action that arises out of an independent and separate cause of action that is unrelated to the subject matter of this Term Sheet and the Claims Process.

3. The Working Group, the Director or any staff of the NSSC, clients, attorneys, and other parties representing or acting on behalf of clients, and any other party deemed necessary by the Claims Administrator to perform the duties described herein, shall be able to communicate confidentially with the Claims Administrator during the pendency of the Claims Process and settlement process without the participation of Respondents. Respondents and their counsel, Quinn Emanuel Urquhart & Sullivan, LLP (“Quinn Emanuel”) and Osler, Hoskin & Harcourt LLP (“Osler”), may also communicate confidentially with the Claims Administrator during the pendency of the Claims Process and settlement process without participation of the Working Group, or the Director or any staff of the NSSC.

Respondents agree they are responsible for paying all amounts due and owing to the Claims Administrator and that the NSSC shall not be responsible for compensating the Claims Administrator for any acts set forth herein or associated with or incidental hereto, and the NSSC shall incur no liability, whether monetary or otherwise.

4. Pursuant to the Claims Process administered by the Claims Administrator, Respondents shall make certain defined payments on a joint and several basis to any verified client

² The Claims Process must be acceptable to the Director and Respondents, in coordination with the Claims Administrator, and memorialized. The Claims Process will not commence until after a notice and publication period, which began on January 22, 2025.

claimants as full compensation (including, as applicable, restitution, rescission, or any other applicable form of payment) to claimants, and in lieu of payments of financial penalties to the NSSC, for all allegations against Respondents in connection with the offer and sale of unregistered securities to be described in the No-Action Letter. All compensation calculations shall be based upon the historical value denominated in Canadian dollars for each of the client claimants' payments, deposits, and withdrawals as of the earlier of (a) the date of such payments, deposits, and withdrawals, or (b) November 16, 2023, the date of the initial actions filed by certain regulators in other jurisdictions, as to any client claimants who still maintained assets with Respondents as of that date.

Respondents, through the Claims Administrator, shall pay claims to clients as follows:

Clients who transacted using digital assets, either directly or through one or more agents, will be entitled to the payment of assets calculated as (a) the quantity of each asset deposited with the Respondent Entities less the quantity of each asset withdrawn (b) with the difference between deposits and withdrawals multiplied by the closing fiat fair market value of said asset as reflected on coinmarketcap.com.

Under the Respondent Entities' terms and conditions, clients were not permitted to transact with the Respondent Entities using fiat. However, the Director is aware that certain clients, at times, may have sent fiat to agents of the Respondent Entities with the understanding that the agents would deposit digital assets into the clients' accounts with the Respondent Entities. These transactions occurred without Respondents' authorization. However, to the extent that any such transactions can be substantiated, clients will be entitled to payment of the equivalent value in fiat³ of digital assets deposited on their behalf with the Respondent Entities (which may be less than the value of fiat sent to agents) less the equivalent value of digital assets withdrawn.

Client claimants will be independently verified by the Claims Administrator through the Claims Process. The above payments to clients in Nova Scotia shall resolve any administrative proceedings by the NSSC in relation to the facts covered by this Term Sheet⁴.

5. Pursuant to this Term Sheet, payments to clients shall be made directly to clients in Nova Scotia, subject to any agreed-upon claims processes, payment plans, and structures. The No-Action Letter will only be signed after Respondents have completed the Claims Process, and the Director will waive other possible claims based on facts set forth in the No-Action Letter and this Term Sheet.
6. Respondents shall make best efforts to provide, as available, to the NSSC for all clients residing in Nova Scotia at the time of their deposit or transaction, a complete list of all

³ For any clients whose fiat transactions are substantiated, Respondents shall deposit digital assets to a digital wallet, under the control of the Claims Administrator, for the amount that is equal to the fiat value calculated as the compensation owed. The Claims Administrator shall hold any digital assets received and under its control in trust for the benefit of the client. The Claims Administrator shall exchange and/or convert the digital assets to fiat and make payments and disbursements to the clients. Respondents shall bear the cost of all administrative fees and costs related to the transfer or return of digital assets or conversion to fiat.

⁴ This provision shall not apply to any individuals or entities not named in this Term Sheet.

clients, members, and any other person or entity that created or maintained an account through g999main.net, gsb.gold, gspartners.global, gstrade.exchange, josipheit.com, gspro.network, swissvalue.info, lydian.world, gsbdswiss.tech, gs-pro.io, and gschain.world. The client lists shall include, as available upon a diligent search, all information collected by Respondents and in Respondents' custody, control, and possession, including, but not limited to, the following:

- a. All information provided by users when creating accounts with Respondents, all information received by Respondents relating to use of 2FA Authenticators by clients, and all existing Know Your Customer ("KYC") information on record with Respondents, including, as available, clients' full names, physical and/or mailing addresses, email addresses, telephone numbers, and any other method of client contact or identification;
- b. Client crypto wallet addresses and client account information; and
- c. Types and amounts of digital assets collected from the client, digital assets distributed to the client, and digital assets still owed to the client, as well as dates and transaction hashes of each transfer to or from each client.

The NSSC shall treat all information provided by Respondents as confidential and shall protect the information from disclosure or production as provided by and subject to Canadian and Nova Scotia law and regulation.

Further, while Respondents agree to make best efforts to provide a complete client list to the NSSC, Respondents have informed the NSSC that the lists may be incomplete as a result of, *inter alia*, Respondents' historical record-keeping practices or other data limitations, and likely not due to any willful, intentional, or knowing effort by Respondents to conceal or withhold information. If the NSSC or the Working Group identifies any additional clients not on the client list, Respondents shall allow the clients to be added to the list provided to the Claims Administrator for verification.

The Claims Administrator will likewise provide the NSSC with any new or updated client information they discover or obtain that is not included in the lists provided by Respondents.

7. Respondents agree to update the homepages of all relevant websites, metaverses, or online platforms under their control with detailed, step-by-step instructions on how to file a claim for payment with the Claims Administrator as defined in the Claims Process.

All information shall be posted so it is accessible by clients in Nova Scotia and in a manner that accounts for redirects. The Working Group will work with Respondents to draft language for Respondents to post.

Alternatively, Respondents may remove entire landing pages for clients in Nova Scotia and provide an automatic, uninterruptable redirect to a page that only contains information about the Claims Process. The Working Group will work with Respondents to draft language for Respondents to post on any new landing page or redirect.

In advance of posting the information contained in this paragraph as drafted by the Working Group, Respondents will provide a list of the homepages of all websites, metaverses, or online platforms under their control or with which they are affiliated to the Working Group for review and verification and shall add any additional websites, metaverses, or online platforms requested by the Working Group or the NSSC, if any.

The Working Group has identified certain of Respondents' official websites, metaverses, or online platforms, to include, but not be limited to, the following:

- Websites: g999main.net; gsb.gold; gspartners.global; gstrade.exchange; josipheit.com; gspro.network; swissvalue.info; lydian.world; gsbdswiss.tech;
- Instagram: @g999blockchain; @josipht; @lydian.world;
- X/Twitter: @g999blockchain; @josip_heit;
- Facebook: @g999blockchain; @gspartners;
- YouTube: @g999main;
- Telegram: @G999commUNITY; @lydianworld; and
- Zoom platforms.

8. Respondents agree to work with the Working Group to draft scripts for any teleconference announcements to be made by Respondents after the date of this Term Sheet regarding any elements of this Term Sheet, including, but not limited to, details of the established Claims Process.
9. Respondents agree to (1) send a written communication to clients in Nova Scotia by email that clients should coordinate with the Claims Administrator to withdraw all assets from their Respondent-hosted accounts through the Claims Process, if such communication has not already been sent, and (2) provide separate, conspicuous notifications of this directive on their website and accounts on other media platforms, in consultation with the Working Group.

Respondents agree to work with the Working Group to draft scripts for any of the referenced written communications or notifications to be made by Respondents after the date of this Term Sheet regarding any elements of this Term Sheet, including, but not limited to, details of the established Claims Process.

10. Respondents acknowledge that clients who are residents of Nova Scotia are the title, beneficial, and legal owners of all assets held in any accounts opened with Respondents. Respondents further acknowledge that, both before and after the execution of this Term Sheet, Respondents' clients have always fully owned assets held in any accounts opened with Respondents, and the ownership of assets custodialized in said accounts, as in the ordinary course of Respondents' business. Respondents agree that the claims filed by or on behalf of the clients in Nova Scotia are non-dischargeable debts in any bankruptcy proceeding.

Enforcement, Attestation & Execution

11. Attestation. Respondents attest that as of the date of execution of the Term Sheet (“Execution Date”), they have adequate digital assets and resources to do the following:
 - a. Facilitate, honor, and fulfill withdrawals of all assets belonging to clients and claims by all clients under the established Claims Process who are residents of Nova Scotia;
 - b. Pay the agreed-upon claims under the Claims Process and pay the Claims Administrator; and
 - c. Perform the foregoing actions and remain solvent, without material impact to ongoing operations.
 - i. As used herein, the term “solvent” shall mean that Respondents currently can and will continue to be able to do the following:
 - A. Pay debts as they become due;
 - B. Own property that has a fair saleable value greater than the amounts required to pay all debts (including a reasonable estimate of the amount of all contingent liabilities);
 - C. Have adequate capital to carry on Respondents’ business as a going concern.
 - ii. As used herein, the term “material impact” means that, in connection with Respondents’ products and services and related transactions, Respondents are not incurring, have not incurred, and do not plan to incur, debts beyond Respondents’ ability to pay as they become absolute and matured.
12. Undertaking. As described in the Essential Terms, Respondents agree to enter into the Undertaking with the Director consistent with this Term Sheet.
13. Limited Purpose. This Term Sheet is entered into solely for the purpose of resolving the above- referenced multi-jurisdiction securities investigations with respect to Respondents and is not intended to be used for any other purpose. Other than the obligations and provisions set forth herein, this Term Sheet and its incorporated exhibits do not limit or create liability for Respondents, nor limit or create defenses for Respondents to any claims. This Term Sheet and its incorporated exhibits and the Undertaking do not give rise to or limit any private rights of action.

Nothing in this Term Sheet, the No-Action Letter or the Undertaking shall limit the NSSC from investigating any conduct not specifically addressed in the No-Action Letter as it relates to the Respondents.
14. Binding. This Term Sheet and its incorporated exhibits shall be binding upon Respondents and the Director with respect to all conduct subject to the provisions above and all future

obligations, responsibilities, undertakings, limitations, restrictions, events, and commitments.

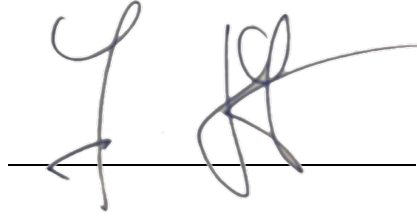
15. Failure to Comply with Term Sheet. Respondents agree that if they fail to comply with the terms of the Term Sheet, including the Claims Process, (a) the Director may, deem some or all of the Term Sheet null, void, and unenforceable, (b) the Director may opt to start any enforcement actions against one or more of Respondents, including, but not limited to, cease and desist orders and similar administrative actions, (c) the Director may take any further action pursuant to this Term Sheet and the Claims Process. Respondents shall receive notice of any failure to comply with this Term Sheet and an opportunity to cure with the Director within 30 days.
16. Information Intentionally, Willfully, or Knowingly Withheld or Misrepresented. The Term Sheet may be revoked and the Director may pursue any and all remedies available under the laws of Nova Scotia against any of Respondents if the Director discovers that Respondents have intentionally, willfully, or knowingly withheld or misrepresented information used for and relied upon in the Term Sheet or similar agreements with other securities regulators in connection with the Investigation.
17. Confidentiality. Under any established Claims Process, any client information involved in the Claims Process shall remain confidential pursuant and subject to the applicable laws, rules, and regulations of Nova Scotia and Canada. This Term Sheet may be made public and published by the NSSC.
18. Complete Document. This Term Sheet can be executed separately and in parts where the original signature(s) and/or electronic signature(s) all collected together in a single document shall be considered the complete document that confirms the Respondents and the Director as signatories to this Term Sheet.

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TERM SHEET SIGNATURE PAGE FOR JOSIP HEIT

The term sheet is being executed by Josip Heit, as follows:

Signature:

A handwritten signature in dark ink, appearing to be 'J. Heit', written over a horizontal line.

Printed Name: Josip Heit

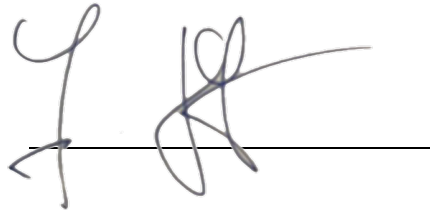
Date:

February, 4th 2025

TERM SHEET SIGNATURE PAGE FOR THE RESPONDENT ENTITIES

The term sheet is being executed by Josip Heit on behalf of GSB Gold Standard Corporation AG; GSB Gold Standard Banking Corporation AG; GSB Gold Standard Corporation USA; GSB Gold Standard Pay LTD (brand name GSDeFi operating g999main.net); GSB Gold Standard Bank LTD dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners, and GSP (marketing arm of the metaverse Lydian.World); GSB Gold Standard Banking Corporation PLC; GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay KB; GS Trade; GSB Gold Standard Trade (virtual digital- asset platform for storing, transferring, obtaining, and exchanging digital assets); GS Digital Partners LLC; GSB Gold Standard B Corporation; GSB Premier Exchange Corporation LTD; GSB Gold Standard PLC; and GSB Money LTD, as follows:

Signature:

A handwritten signature in dark ink, appearing to be 'J. Heit', written over a horizontal line.

Title:

Chairman / Founder

Printed Name:

Josip Heit

Date:

February, 4th 2025

TERM SHEET SIGNATURE PAGE FOR THE NOVA SCOTIA SECURITIES COMMISSION

The term sheet is being executed by the Director of the Nova Scotia Securities Commission, as follows:

Signature:



Printed Name:

Stephanie Atkinson
Director of Enforcement

Date:

February 6, 2025

IN THE MATTER OF THE *Securities Act*, RSNS 1989, c 418 (the “Act”)

-and-

GSB Gold Standard Corporation AG; GSB Gold Standard Banking Corporation AG; GSB Gold Standard Corporation USA; GSB Gold Standard Pay LTD (brand name GSDeFi operating g999main.net); GSB Gold Standard Bank LTD dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners, and GSP (marketing arm of the metaverse Lydian.World); GSB Gold Standard Banking Corporation PLC; GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay KB; GS Trade; GSB Gold Standard Trade (virtual digital-asset platform for storing, transferring, obtaining, and exchanging digital assets); GS Digital Partners LLC; GSB Gold Standard B Corporation; GSB Premier Exchange Corporation LTD; GSB Gold Standard PLC; GSB Money LTD; and Josip Heit (the “Respondents”)

ADDENDUM AGREEMENT

WHEREAS the Director of the Nova Scotia Securities Commission (“Commission”) and the Respondents (together the “Parties”) have executed the Term Sheet attached hereto as Schedule A subject to the approval of the Commission;

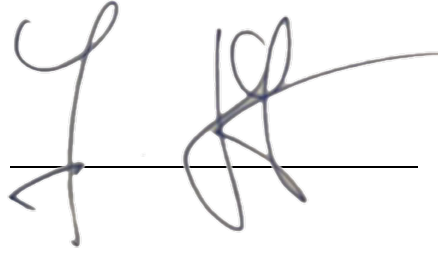
The Parties further agree as follows:

- 1) The Parties recommend to the Commission approval of the Term Sheet.
- 2) The Director will request that a Notice of Hearing be issued setting down a hearing (“Settlement Hearing”) wherein the Commission will consider whether it is in the public interest to approve the Term Sheet and issue an order to that effect. The Settlement Hearing will not be open to public attendance.
- 3) The Term Sheet constitutes the entirety of evidence to be submitted to the Commission at the Settlement Hearing.
- 4) If the Commission approves the Term Sheet, the Parties waive any right to a full hearing and judicial review and appeal of the matters addressed by the Term Sheet.
- 5) If the Term Sheet is approved by the Commission, the Parties will not in any way make any statement, public or otherwise, that is inconsistent with the Term Sheet.
- 6) The Term Sheet will be treated as confidential by the Parties until approved by the Commission, and forever if, for any reason whatsoever, it is not approved by the Commission.

SIGNATURE PAGE FOR JOSIP HEIT

The addendum to the term sheet is being executed by Josip Heit, as follows:

Signature:

A handwritten signature in dark ink, consisting of a stylized 'J' followed by a series of loops and a long horizontal stroke, written over a horizontal line.

Printed
Name:

Josip Heit

Date:

February, 4th 2025

SIGNATURE PAGE FOR THE RESPONDENT ENTITIES

The addendum to the term sheet is being executed by Josip Heit on behalf of GSB Gold Standard Corporation AG; GSB Gold Standard Banking Corporation AG; GSB Gold Standard Corporation USA; GSB Gold Standard Pay LTD (brand name GSDeFi operating g999main.net); GSB Gold Standard Bank LTD dba GS Smart Finance, Gold Standard Partners, GSPartners, GS Partners, and GSP (marketing arm of the metaverse Lydian.World); GSB Gold Standard Banking Corporation PLC; GSB Gold Standard Pay Kommanditbolag aka GSB Gold Standard Pay KB; GS Trade; GSB Gold Standard Trade (virtual digital- asset platform for storing, transferring, obtaining, and exchanging digital assets); GS Digital Partners LLC; GSB Gold Standard B Corporation; GSB Premier Exchange Corporation LTD; GSB Gold Standard PLC; and GSB Money LTD, as follows:

Signature:



Title:

Chairman / Founder

Printed
Name:

Josip Heit

Date:

February, 4th 2025

SIGNATURE PAGE FOR THE NOVA SCOTIA SECURITIES COMMISSION

The addendum to the term sheet is being executed by the Director of the Nova Scotia Securities Commission, as follows:

Signature:



Printed
Name:

Stephanie Atkinson
Director of Enforcement

Date:

February 6, 2025