

**STATE OF FLORIDA
OFFICE OF THE ATTORNEY GENERAL,
DEPARTMENT OF LEGAL AFFAIRS**

IN THE INVESTIGATION OF:

Case No. 09-3-1211

**GREEN BULLION FINANCIAL SERVICES,
LLC., a Florida Limited Liability Company d/b/a
CASH 4 GOLD f/k/a CASH4GOLD, LLC., a Florida
Limited Liability Company, by and through
PHIL VON KAHLE, ASSIGNEE, JEFFREY
ARONSON, and HOWARD MOFSHIN,**

Respondents

**ASSURANCE OF VOLUNTARY COMPLIANCE AS TO
GREEN BULLION FINANCIAL SERVICES, LLC**

1. PURSUANT to the provisions of Chapter 501, Part II of the Florida Statutes, Florida's Deceptive and Unfair Trade Practices Act, the Office Of The Attorney General, Department Of Legal Affairs (hereinafter referred to as the "Department"), caused an investigation to be made into certain acts and practices of GREEN BULLION FINANCIAL SERVICES, LLC., a Florida Limited Liability Company d/b/a CASH 4 GOLD f/k/a CASH4GOLD, LLC., a Florida Limited Liability Company (hereinafter, "Green Bullion"), as well as its principals and primary participants.¹

2. Green Bullion is a Florida company with its former principal place of business registered as 2800 Gateway Drive, Pompano Beach, Florida 33069. Green Bullion made an Assignment for the Benefit of Creditors on or about July 3, 2012, in which Green Bullion assigned all of its right, title and interest in and to all of its assets to Assignee Philip Von Kahle, as Assignee for the benefit of Creditors of Cash for Gold (and not individually) (hereinafter

¹ Only the Office of the Attorney General and the Assignee are signatories to this Agreement. The Office of the Attorney General reserves all rights against the other named Respondents.

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“Assignee”), 3613 North 29th Ave., Hollywood FL 33020, pursuant to Florida Statutes Section 727.101 *et seq.*

3. Assignee is, to the extent of his interest, prepared to enter into this Assurance of Voluntary Compliance (hereafter referred to as the “AVC”) without an admission that Green Bullion violated Florida Deceptive and Unfair Trade Practices Act or any other law and solely for the purpose of resolution of this matter with the Department.

4. Pursuant to Section 501.207(6), Florida Statutes, the Department agrees to accept this AVC in termination of its investigation solely as to Respondent Green Bullion as to the acts and practices that were the subject of the investigation. The parties to this Agreement expressly stipulate and agree that this AVC has no effect and does not resolve the investigation to the extent of any former owner(s), operator(s), or other individuals or entities other than Green Bullion.

5. Stipulated Facts. The Department and the Assignee² hereby agree and stipulate to the following:

a. During the time frame beginning at least January 1, 2009 through June 1, 2012, Green Bullion engaged in the business of mail-in secondhand precious metal dealer in trade and commerce with consumers in Florida and elsewhere.

b. The Department has investigated allegations that prior to the date of the Assignment, Green Bullion and the other Respondents committed various acts and practices that were unfair and/or misleading, including without limitation misrepresenting the status and value of consumers’ precious metals, failing to comply with the

² The Assignee has no direct knowledge of any aspect of Green Bullion or its operations prior to accepting the Assignment on July 3, 2012. Therefore, in engaging in the agreements, *infra*, the Assignee’s position is that to the extent that he has been able to investigate, he does not contest the veracity of the Stipulated Facts, but lacks personal knowledge of same.

requirements of the hold period required by Florida Statutes Section 538.35, failing to return consumers' items upon request, misrepresenting or not fairly disclosing the amount and existence of insurance on any shipment and that valuation was based solely on melt value and exclusive of the value of gemstones, artistic value, or collector value, and failing to respond to consumer inquiries or complaints.

6. Assignee represents and warrants that he has taken full and complete control of the assets and operations of Green Bullion since the Assignment date to the extent that such assets have been disclosed to him by the other Respondents or otherwise reflected in the books and records of Green Bullion, which was, for a limited time, operating under Assignee's supervision and in accordance with the requirements of Florida Statutes Section 538.101 *et seq.*

7. Assignee further represents and warrants that the books and records of Green Bullion, exclusive of any recoveries from fraudulent transfers or other recoveries against third parties and/or insiders that the Assignee may obtain at some point in the future, to the best of his knowledge and based upon his investigation, demonstrate that Green Bullion is and was insolvent as of the Assignment date and without the financial ability to pay restitution to injured consumers to the extent such may exist. Assignee represents that the claimed secured obligations of Green Bullion are, based upon recorded security interests, in excess of \$7,000,000, and the unsecured obligations of Green Bullion are unknown as the deadline for submitting claims against the Assignment estate has not as yet expired.

8. This AVC is based upon the stipulated and/or acknowledged facts set forth above. The Department shall not be estopped from taking further action in this matter against responsible persons should the facts described herein be shown to be incorrect in any material way or should this AVC not be complied with in full by Assignee. The parties agree that this

AVC has been entered into based on the truthfulness of the information provided by or acknowledged by the Assignee.

9. Assignee agrees and stipulates that the ongoing and future operations of Green Bullion (including, without limitation, the operations of any subsequent assignee or successor of Green Bullion who may have acquired the assets of Cash4Gold as a going concern, and not any purchaser of the individual assets of Green Bullion):³

- a. Shall comply with the Florida Deceptive and Unfair Trade Practices Act, Chapter 501, Part II, Florida Statutes;
- b. Shall comply with Florida Statutes Sections 538.101 *et seq.*;
- c. Shall not sell, melt, alter, adulterate, use, or in any way dispose of any goods purchased from a seller within the latter of (i) 10 business days after the date payment is mailed to the consumer for acquisition of the goods or (ii) 10 days after the date on which the monetary payment is offered to the consumer via electronic mail at the address provided by the consumer, unless Green Bullion has received a written affirmative acceptance of such offer from the consumer to whom such offer was made;
- d. Shall not compensate, promote, award, incentivize, or otherwise provide any incentives, bonuses or benefits of any kind to employees or independent contractors tied or based in whole or in part upon the consumer's acceptance of an initial or revised offer of purchase;
- e. Provide clear and conspicuous written disclosures in all marketing and advertising that Green Bullion offers are estimates of the melt value of the gold, exclusive of any gemstones, artistic value, collector value, or other embellishments; to the extent that Green Bullion or any of its affiliates offer payment for any precious stones or diamonds, Green Bullion shall employ the services of a Certified Gemologist to oversee the valuation of precious stones and diamonds;
- f. Shall set its offer price for consumers' secondhand gold based on the London Bullion Market Association London Gold Fixing on the first regular business day of each week for all jewelry received during that week, and provide (either directly on the Green Bullion website or a link prominently featured on the Green


³ Notwithstanding the commitments set forth in this paragraph, the Assignee has not and will not sell Green Bullion as an operating going concern, but rather, has separately sold the furniture, fixtures and equipment utilized by Green Bullion and is separately attempting to liquidate the intellectual property owned by Green Bullion. As such, the Assignee does not contemplate any further operations of Green Bullion under his ownership or supervision.

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Bullion website) a specific URL/webpage for consumers to calculate the approximate melt value of their gold based upon data submitted by the consumer;

- g. To the extent that they presently exist, shall maintain fully functioning scales that are independently calibrated and sealed not less frequently than every 6 months, documentation of which shall be retained for a period of 5 year and made available upon request by the Department;
- h. Provide clear and conspicuous written disclosures on every jewelry mailing package provided to consumers of the limits of insurance coverage (e.g., \$100.00) applicable to the shipment, unless the consumer purchases other or additional insurance;
- i. Clearly and conspicuously disclose in all offers to consumers (i) the manner of return shipment and (ii) the amount of insurance of any return shipment of the consumer's precious metals, as well as provide a reasonable mechanism for the consumer to obtain additional insurance on the return shipment at the consumer's expense;
- j. Utilize return packs of sufficiently sturdy materials to be reasonably expected to survive transit intact, giving reasonable consideration to any recommendations by the United States Postal Service regarding such packaging;
- k. Provide a dedicated telephone line and email address as well as sufficient staffing and resources such that all consumer communications seeking to reject the melt value offer are received and acknowledged within 24 hours of receipt and the consumer's secondhand jewelry is promptly prepared for return shipment to the consumer;
- l. Shall not advertise that Green Bullion will pay more than its competitors for consumers' gold unless such claim is based upon an accurate comparison, the party subject of this paragraph, as defined, *supra*, maintains documentation to establish such accuracy, and any conditions upon such statement are included on the same page as the statement with reasonable prominence; and
- m. Shall not offer or use a "fast cash" program whereby the customer waives the right to the 10 or 12-day return policy in exchange for receiving their payment in the form of a direct deposit.

10. Assignee, but not any purchaser of assets, shall preserve and retain all relevant business records that were located at premises of Green Bullion as of the date of the Assignment or generated during the brief period of operation of Green Bullion by the Assignee relating to the acts and practices at issue in this AVC and other information reasonably sufficient to establish

Initials: 

compliance with the provisions of this AVC, to the extent such information exists or may exist, was actually surrendered to the Assignee and has entered into the actual possession of the Assignee for two (2) years from the date of this AVC, and shall provide access to such documents and information to the Department upon request, including without limitation in response to any investigative subpoena or other legal process issued or as may be issued by the Department. Any personal or financial information of consumers in the custody, control or possession of Respondents shall be securely stored in such a manner as to reasonably protect against inadvertent disclosure of consumer information. Assignee, including any representatives, agents, employees, successors, and assigns, shall not, directly or indirectly, market, sell, share or otherwise disclose the name, contact information, or financial information of any consumer in the care, custody or control of Assignee, other than by way of a sale of such data to a third party pursuant to an order authorizing such sale by the Assignment Court.

11. The obligations imposed by this AVC, including the limitations provided for herein, are continuing in nature and shall apply to Assignee and any purchaser or assignee of the intellectual property (other than by way of a sale of such data to a third party pursuant to an order authorizing such sale by the Assignment Court) as well as any and all new officers, employees, agents, representatives or any other persons who become engaged in the business or activities of Green Bullion, to the extent that such may exist.

12. Other than a transfer, sale or reorganization proposed by the Assignee and/or approved by a court of competent jurisdiction, Assignee shall not affect any change in the form of doing business or the organizational identity of any of the existing business entities or create any new business entities as a method of avoiding the obligations and terms and conditions set

forth in this AVC, provided, that on the closing of the Assignment, Green Bullion may be dissolved either voluntarily or administratively.

13. Subject to Assignee's full, complete and timely compliance with the terms of this AVC, as identified and limited herein under the circumstances of the Assignment and in consideration of the financial condition of Green Bullion, the Department is waiving pursuant to this settlement and in consideration of Assignee's performance hereunder the restitution and civil penalties that would otherwise be due for the acts and practices at issue under FDUPTA. The total consumer restitution and civil penalties that would otherwise be due, but for Green Bullion's and the Assignee's full and complete compliance with this AVC, is stipulated to be at least \$408,000.00.

14. The original AVC bearing the notarized signatures of Respondents will be delivered to the attention of Assistant Attorney General René D. Harrod, Office of Attorney General, Economic Crimes Division, 110 SE 6th Street, 10th Floor, Fort Lauderdale, FL 33301.

15. It is hereby agreed by the parties that any failure to comply with the terms and conditions of this AVC by the Assignee, to the extent of his interest as set forth in footnote 2, *supra*, or the other Respondents is by statute prima facie evidence of a violation of Chapter 501, Part II, Florida Statutes, and will subject the violating party to any and all civil penalties and sanctions authorized by law, including attorneys' fees and costs. In the event that a court of competent jurisdiction makes a determination that a violation of any condition of this AVC has occurred, then the violating party shall be liable to a consent judgment against such party in the amount of \$500,000.00 (Five Hundred Thousand Dollars) in civil penalties, as well as attorney's fees and costs and any other legal or equitable relief as the court may determine appropriate.



16. The effective date of this AVC shall be the date of its execution and delivery by the Department. Acceptance by the Department shall be established by the signature of the Director of Economic Crimes.

17. It is further agreed that facsimile copies of signatures and notary seals may be accepted as original for the purposes of establishing the existence of this agreement, and this AVC may be executed in counterparts the compilation of which shall constitute the full and final agreement.

18. Notice to any of the parties to this AVC as may be required shall be made by certified mail and email at the addresses set forth below unless any party notifies the other parties in writing of another address to which notices should be provided.

To Green Bullion:

Assignee Philip Von Kahle
Attn: Green Bullion
3613 North 29th Ave.
Hollywood FL 33020

With a copy to:

James H. Fierberg, Esq.
Rice Pugatch Robinson & Schiller, P.A.
One N.E. Third Avenue; 18th Floor
Fort Lauderdale, FL 33301

To the Department:

Rene D. Harrod
Office of the Attorney General, Economic Crimes Division
110 S.E. 6th Street, 10th Floor
Ft. Lauderdale, Florida 33301

19. Nothing in this AVC is to be construed as a waiver of any private rights of any person or release of any private rights, causes of action, or remedies of any person against Green Bullion or any other person or entity related to Green Bullion, to the extent of their interest(s).

20. This AVC is the final, complete, and exclusive statement of the parties' agreement on the matters contained in this AVC, and it supersedes all previous negotiations and agreements. Other than any representation expressly stated in this AVC, the parties have not made any representations or warranties to each other, and neither party's decision to enter into this AVC is based upon any statements by the other party outside of those in this AVC.

21. It is further agreed that the parties jointly participated in the negotiation of the terms of this AVC. No provision of this AVC shall be construed for or against any party on the grounds that one party had more control over establishing the terms of this AVC than another.

22. By my signature, I hereby affirm that I have authority to execute this AVC on behalf of the party indicated and, to the extent I am acting in a representative capacity, I am acting within the scope of my authority as corporate representative, and that by my signature I am binding the party/parties indicated to the terms and conditions of this AVC.

SIGNATURES ON SEPARATE PAGE(S)

By: _____

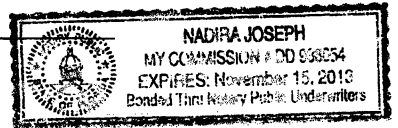
Philip Von Kahle, Assignee of
GREEN BULLION FINANCIAL SERVICES,
LLC, a Florida Limited Liability Company d/b/a
CASH 4 GOLD f/k/a CASH4GOLD, LLC, a Florida
Limited Liability Company

STATE OF FLORIDA)
) ss:
COUNTY OF BROWARD)

BEFORE ME, an officer duly authorized to take acknowledgments in the State of Florida, personally appeared Philip Von Kahle as Assignee of, GREEN BULLION FINANCIAL SERVICES, LLC, a Florida Limited Liability Company d/b/a CASH 4 GOLD f/k/a RESPONDENT, LLC, a Florida Limited Liability Company. He acknowledged before me that he executed the foregoing instrument for the purposes therein stated on the 7th day of November, 2012.

Subscribed to before me this 7th day of November, 2012.

Nadira Joseph
NOTARY PUBLIC



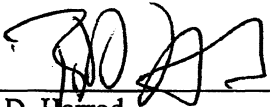
NADIRA JOSEPH
(print, type, or stamp commissioned Notary Public)

Personally known or Produced Identification _____ (check one)

Type of Identification Produced: _____

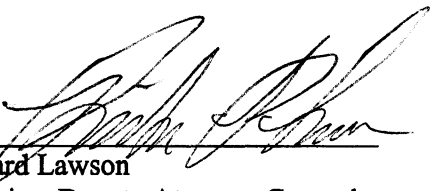
Initials: _____

PV

By: 
René D. Harrod

Assistant Attorney General
110 S.E. 6th Street, 9th Floor
Fort Lauderdale, FL 33301
(954) 712-4600
(954) 527-3708 facsimile

Dated: 11/13/12

By: 
Richard Lawson

Associate Deputy Attorney General
Department of Legal Affairs
OFFICE OF THE ATTORNEY GENERAL
The Capitol
Tallahassee, FL 32399-1050

Dated: 11/13/12

Initials: 