

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Commodity Transactions Act:

Regal Assets LLC,  
Tyler Gallagher,  
Leah Donoso,  
Christian Howard,

Respondents.

Order No.: S-22-3482-23-FO01

ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL ORDER TO  
CEASE AND DESIST AND TO IMPOSE A CIVIL  
PENALTY AS TO REGAL ASSETS LLC, TYLER  
GALLAGHER, LEAH DONOSO, AND CHRISTIAN  
HOWARD

**THE STATE OF WASHINGTON TO:** Regal Assets LLC  
Tyler Gallagher  
Leah Donoso  
Christian Howard

On October 10, 2023, the Securities Administrator of the state of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist and Impose a Civil Penalty, Order No. S-22-3482-23-SC01 (“Statement of Charges”). The Statement of Charges, together with a Notice of Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application”), were served on Respondents Regal Assets LLC, Tyler Gallagher, Leah Donoso, and Christian Howard on October 31, 2023. The Notice advised Respondents Regal Assets LLC, Tyler Gallagher, Leah Donoso, and Christian Howard that the Application must be received within twenty days from the date of service. Respondents Regal Assets LLC, Tyler Gallagher, Leah Donoso, and Christian Howard failed to request an administrative hearing within twenty days of service.

The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enters a final order against Respondents Regal Assets

1 LLC, Tyler Gallagher, Leah Donoso, and Christian Howard to cease and desist from violations of the  
2 Commodity Transactions Act, and to impose the civil penalties sought in the Statement of Charges.

### 3 **FINDINGS OF FACT**

#### 4 **Respondents**

5 1. Regal Assets, LLC (“Regal”) was a Delaware corporation formed on December 10, 2008, with  
6 its principal place of business in Beverly Hills, California. Regal was a precious metals dealer that provided  
7 their customers the opportunity to purchase precious metals and create “Regal IRAs,” which permitted  
8 investors to invest in both precious metals and digital assets.

9 2. Tyler Gallagher (“Gallagher”) was the Chief Executive Officer and Director of Regal at all  
10 relevant times until October of 2022, and presently resides outside the United States.

11 3. Leah Kendrick a/k/a Donoso (“Donoso”) was the President of Regal at all relevant times until  
12 August of 2022, and presently resides in Waco, Texas.

13 4. Christian Howard (“Howard”) was a Chief Account Executive at Regal at all relevant times  
14 until September 9, 2022, and presently resides in Flower Mound, Texas.

#### 15 **Nature of the Conduct**

##### 16 **Overview**

17 5. Between March of 2009 and October of 2022, Regal, Gallagher, Donoso, and Howard offered  
18 commodity contracts to Washington state residents. They sold at least \$1,387,123.19 of these contracts to  
19 two Washington residents. In these offers and sales, for which they were not registered, Regal, Gallagher,  
20 Donoso, and Howard made material misrepresentations and omissions.

21 6. For much of its history, Regal sold precious metals and precious metal IRAs on its website to  
22 the general public. Regal represented itself as “the most trusted company in the business” and touted its  
23 maintenance of the highest rating profile in the precious metal industry on its website. Regal’s website also

1 informed visitors of its status as an official member of the Forbes Finance Council and its ranking as “#20  
2 in the United States for financial services.”

3 7. Until his disappearance in October of 2022, Gallagher was the Chief Executive Officer and  
4 Director of Regal. Until her disassociation with the company in August of 2022, Donoso was the President  
5 of Regal and retained control over Regal’s sales personnel and precious metals deliveries. Until his  
6 disassociation with Regal on September 9, 2022, Howard was a Chief Account Executive at Regal and  
7 managed the sales and initial communications with investors.

### 8 **The Offer and Sale of Commodity Contracts**

9 8. The Commodity Transactions Act of Washington (the “Act”) regulates the offer and sale of  
10 commodities, such as precious metals, under commodity contracts. A commodity contract does not include  
11 any commodity transaction where the seller is required to deliver the commodity to the buyer within 28  
12 days after the payment of good funds, and the seller actually does so. Any commodity transaction that takes  
13 longer than 28 days for delivery will fall under the Act unless an exemption applies.

14 9. Regal and Howard informed customers that they could expect to see their precious metals in  
15 their custodial accounts no more than 5-6 weeks after purchase. Despite this assurance, Regal routinely  
16 failed to meet that deadline by delivering the metals several months after purchase. Even in instances when  
17 Regal adhered to their advertised delivery timeline of 5-6 weeks, that delivery schedule still exceeds the  
18 28-day registration exemption in the Act. Further, in many instances Regal failed to deliver the metals at  
19 all. Regal failed to deliver precious metals valued at approximately \$567,820.00 to Washington customers  
20 who purchased those metals 12-21 months ago.

### 21 **Investor A**

22 10. Washington Investor A is a schoolteacher who, in the fall of 2021, began researching ways to  
23 roll over an existing IRA into a precious metals IRA. After some research, the investor found that Regal

1 kept coming up as a trusted name in the precious metals industry. In particular, Investor A liked the fact  
2 that Gallagher had been featured in Forbes and felt investing with Regal would therefore be safe.

3 11. In November of 2021, Investor A began the process of working with Howard to purchase  
4 \$167,820 of silver. Howard informed Investor A that, due to the holidays, Investor A would not receive the  
5 precious metals for 6-8 weeks after the custodian received Investor A's funds. In February of 2022, Investor  
6 A tried to connect with Howard after realizing the precious metals had still not been delivered, but Howard  
7 never responded.

8 12. In March of 2022, Investor A began communicating with Donoso who assured the investor  
9 that the metals had indeed arrived and cited the custodian as the reason for the error. Despite this assurance,  
10 Investor A continued trying to locate the precious metals and—throughout the summer of 2022—contacted  
11 Donoso seeking an update on the delivery of the metals. In August of 2022, Donoso informed Investor A  
12 that she was no longer associated with Regal.

13 13. In September of 2022, Gallagher contacted Investor A and informed the investor that Donoso  
14 had been the problem with deliveries all along and assured the investor that he would get to the bottom of  
15 the situation and deliver the metals. Investor A last heard from Gallagher in October of 2022 when Gallagher  
16 represented that he was close to having the accounts ironed out and assured the investor that the metals  
17 would be delivered by the next time they spoke. Despite numerous attempts since then, Investor A has not  
18 heard from Gallagher again, and has not received any of the purchased precious metals nor any refund for  
19 those metals.

### 20 **Investor B**

21 14. Washington Investor B is a retired medical equipment sales representative who, at the end of  
22 2021, began researching ways to roll over an existing IRA into a precious metals IRA. Similar to Investor  
23 A, Investor B found Regal through this research and noted that it was consistently promoted as a reputable

1 company by numerous conservative websites. Investor B also assumed that because Gallagher had appeared  
2 in Forbes that Forbes would have conducted a background check, thus ensuring Gallagher's credibility.

3 15. In February of 2022, Investor B moved \$1,219,303.19 from a traditional IRA into a Regal  
4 precious metals IRA with the help of Howard. Howard informed the investor that the precious metals would  
5 be delivered anywhere from four to six weeks after Regal received the funds. After six weeks had passed,  
6 Investor B contacted Howard to locate the metals; Howard informed the investor that these delays were  
7 typical, and the investor should not be concerned.

8 16. Over the course of the next several months, Investor B worked with Donoso to locate the  
9 precious metals. Throughout their communications, Donoso sent Investor B fake tracking information for  
10 the precious metals shipment, claimed the metals had inadvertently been sent to the wrong state, and then  
11 promised to wire transfer the purchase funds back to the Investor. Donoso later wired \$20,000 back to the  
12 investor to indicate their intention to refund the investor.

13 17. Investor B also worked with Gallagher in the latter half of 2022. Gallagher informed the  
14 investor that Donoso had been impersonating him on earlier email threads and that he had only become  
15 aware of the situation at the end of July of 2022. Gallagher assured Investor B that he would locate the  
16 metals or issue a full refund for the purchase. On August 9<sup>th</sup>, 2022, Regal wired \$806,000 back to Investor  
17 B. Gallagher spoke almost daily with Investor B until October 24, 2022, when Gallagher stopped  
18 responding.

### 19 **Misrepresentations and Omissions**

20 18. In the offering materials Regal gave to investors, Regal represented that investors would have  
21 access to a live recording of their precious metals being delivered and stored at Brink's Depositories. At  
22 least one Washington investor then relied on this representation when purchasing precious metals with  
23

1 Regal. Despite Regal's promise to deliver the live recordings, Regal never sent the recordings to at least  
2 two Washington investors.

3 19. Regal promoted their segregated storage space on their website and in the offering materials  
4 Howard sent to investors to convince customers that their precious metals would never be commingled with  
5 other customer accounts. Despite this representation, Respondents regularly commingled customers'  
6 precious metals, frequently leading to confusion about the ownership of precious metals in commingled  
7 accounts.

8 20. Additionally, on its website, Regal represented that customers could back out of any precious  
9 metals purchase by offering a buy-back metals program. Under this program, Regal informed customers  
10 that they would buy back the precious metals any business day of the week and have funds available to  
11 customers within 24 hours of the sale. Despite this promise, when Washington customers sought to utilize  
12 this program, Donoso and/or Gallagher delayed any buybacks or refunds or offered only partial buybacks  
13 or refunds.

14 21. Howard repeatedly represented to investors that they could expect delivery of their precious  
15 metals anywhere from five to nine weeks after purchase. Despite this promise, Respondents delivered the  
16 metals more than twenty weeks after purchase or failed to deliver the metals entirely without offering a  
17 refund.

### 18 **Registration Status**

19 1. Regal Assets, LLC is not currently registered with the Commodity Futures Trading  
20 Commission as a futures commission merchant or as a leverage transaction merchant. Regal is not currently  
21 registered with the Department of Financial Institutions as a commodities broker-dealer or commodities  
22 sales representative under the Commodity Transactions Act and has not previously been so registered.  
23

1 2. Tyler Gallagher is not currently registered with the Commodity Futures Trading Commission  
2 as a futures commission merchant or as a leverage transaction merchant. Gallagher is not currently  
3 registered with the Department of Financial Institutions as a commodities broker-dealer or commodities  
4 sales representative under the Commodity Transactions Act and has not previously been so registered.

5 3. Leah Donoso is not currently registered with the Commodity Futures Trading Commission as  
6 a futures commission merchant or as a leverage transaction merchant. Donoso is not currently registered  
7 with the Department of Financial Institutions as a commodities broker-dealer or commodities sales  
8 representative under the Commodity Transactions Act and has not previously been so registered.

9 4. Christian Howard is not currently registered with the Commodity Futures Trading  
10 Commission as a futures commission merchant or as a leverage transaction merchant. Donoso is not  
11 currently registered with the Department of Financial Institutions as a commodities broker-dealer or  
12 commodities sales representative under the Commodity Transactions Act and has not previously been so  
13 registered.

14 Based upon the above Findings of Fact, the following Conclusions of Law are made:

15 **CONCLUSIONS OF LAW**

16 1. Precious metals in the form of silver, gold, platinum, and palladium coins and bullion of the  
17 kind sold by Regal Assets, LLC are commodities as defined in RCW 21.30.010(9) and (17).

18 2. The offer and/or sale of the precious metals as described above constitutes the offer and/or sale  
19 of a commodity, commodity contract, or commodity option in the state of Washington as defined in RCW  
20 21.30.010(10), (11), (14) and (15).

21 3. Respondents Tyler Gallagher and Leah Donoso controlled Regal Assets, LLC and its  
22 employees in their respective roles as Director and President. Pursuant to RCW 21.30.070, Tyler Gallagher  
23

1 and Leah Donoso are therefore liable for any violation of the Commodity Transactions Act committed by  
2 Regal Assets, LLC and its employees, to the same extent as Regal Assets, LLC or its employees.

3 4. Respondents Regal Assets, LLC, Tyler Gallagher, Leah Donoso, and Christian Howard each  
4 violated RCW 21.30.050 because Respondents offered and/or sold said commodity, commodity contract, or  
5 commodity option while not registered under the Commodity Futures Trading Commission as a futures  
6 commission merchant, or as a leverage transaction merchant, and while not registered as a commodities  
7 broker-dealer or commodities sales representative under the Commodity Transactions Act.

8 5. Respondents Regal Assets, LLC, Tyler Gallagher, Leah Donoso, and Christian Howard each  
9 violated RCW 21.30.020 because Respondents offered and/or sold said commodity, commodity contract, or  
10 commodity option while not covered by an exemption under RCW 21.30.030, and the transaction or contract  
11 was not exempt under RCW 21.30.040.

12 6. Respondents Regal Assets, LLC, Tyler Gallagher, Leah Donoso, and Christian Howard each  
13 violated RCW 21.30.060 because Respondents, in connection with the offer and/or sale of a commodity, made  
14 untrue statements of material fact and/or omitted to state material facts necessary in order to make the  
15 statements made, in light of the circumstances under which they were made, not misleading.

16 Based upon the foregoing and finding it in the public interest:

17 **FINAL ORDER**

18 IT IS HEREBY ORDERED that Respondents Regal Assets LLC, Tyler Gallagher, Leah Donoso, and  
19 Christian Howard, and their agents and employees, shall each cease and desist from offering or selling  
20 commodities in a manner violating RCW 21.30.020.  
21  
22  
23



1 IT IS FURTHER ORDERED that Respondents Regal Assets LLC, Tyler Gallagher, Leah Donoso, and  
2 Christian Howard, and their agents and employees, shall each cease and desist from violating RCW 21.30.060,  
3 the anti-fraud section of the Commodity Transactions Act.

4 IT IS FURTHER ORDERED that Respondents Regal Assets LLC, Tyler Gallagher, Leah Donoso, and  
5 Christian Howard, and their agents and employees, shall each cease and desist from violating RCW 21.30.050,  
6 the registration section of the Commodity Transactions Act.

7 IT IS FURTHER ORDERED that Regal Assets LLC shall be liable for and shall pay a fine of \$50,000,  
8 that Tyler Gallagher shall be liable for and shall pay a fine of \$50,000, that Leah Donoso shall be liable for  
9 and shall pay a fine of \$50,000, and that Christian Howard shall be liable for and shall pay a fine of \$50,000.

10 **AUTHORITY AND PROCEDURE**

11 This Final Order is entered pursuant to RCW 21.30.200 and is subject to Chapter 34.05 RCW.  
12 Respondents have the right to petition the superior court for judicial review of this agency action under Part  
13 V of Chapter 34.05 RCW.

14 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

15  
16 SIGNED and ENTERED this 6th day of December, 2023.



\_\_\_\_\_ /s/ \_\_\_\_\_

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

William M. Beatty  
Securities Administrator

Approved by:

/s/

\_\_\_\_\_  
Brian J. Guerard  
Chief of Enforcement

Presented by:

/s/

\_\_\_\_\_  
Kassidy Smith  
Financial Legal Examiner

Reviewed by:

/s/

\_\_\_\_\_  
Holly Mack-Kretzler  
Financial Legal Examiner Supervisor