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**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 by:

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

Respondents.

Order No.: S-22-3482-23-SC01

STATEMENT OF CHARGES AND NOTICE OF  
INTENT TO ENTER ORDER TO CEASE AND DESIST  
AND TO IMPOSE A CIVIL PENALTY

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

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**STATEMENT OF CHARGES**

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Please take notice that the Securities Administrator of the state of Washington has reason to believe that Respondents Regal Assets LLC, Tyler Gallagher, Leah Donoso, and Christian Howard violated the Commodity Transactions Act of Washington. The Securities Administrator believes these violations justify the entry of an order against Respondents Regal Assets LLC, Tyler Gallagher, Leah Donoso, and Christian Howard to cease and desist from such violations and to impose a civil penalty pursuant to RCW 21.30.120. The Securities Administrator finds as follows:

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**TENTATIVE FINDINGS OF FACT**

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**Respondents**

1. Regal Assets, LLC (“Regal”) was a Delaware corporation formed on December 10, 2008, with its principal place of business in Beverly Hills, California. Regal was a precious metals dealer that provided

1 their customers the opportunity to purchase precious metals and create “Regal IRAs,” which permitted  
2 investors to invest in both precious metals and digital assets.

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

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

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

### 9 **Nature of the Conduct**

#### 10 **Overview**

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

15 6. For much of its history, Regal sold precious metals and precious metal IRAs on its website to  
16 the general public. Regal represented itself as “the most trusted company in the business” and touted its  
17 maintenance of the highest rating profile in the precious metal industry on its website. Regal’s website also  
18 informed visitors of its status as an official member of the Forbes Finance Council and its ranking as “#20  
19 in the United States for financial services.”

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

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

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

9 9. Regal and Howard informed customers that they could expect to see their precious metals in  
10 their custodial accounts no more than 5-6 weeks after purchase. Despite this assurance, Regal routinely  
11 failed to meet that deadline by delivering the metals several months after purchase. Even in instances when  
12 Regal adhered to their advertised delivery timeline of 5-6 weeks, that delivery schedule still exceeds the  
13 28-day registration exemption in the Act. Further, in many instances Regal failed to deliver the metals at  
14 all. Regal failed to deliver precious metals valued at approximately \$567,820.00 to Washington customers  
15 who purchased those metals 12-21 months ago.

### 16 **Investor A**

17 10. Washington Investor A is a schoolteacher who, in the fall of 2021, began researching ways to  
18 roll over an existing IRA into a precious metals IRA. After some research, the investor found that Regal  
19 kept coming up as a trusted name in the precious metals industry. In particular, Investor A liked the fact  
20 that Gallagher had been featured in Forbes and felt investing with Regal would therefore be safe.

21 11. In November of 2021, Investor A began the process of working with Howard to purchase  
22 \$167,820 of silver. Howard informed Investor A that, due to the holidays, Investor A would not receive the  
23 precious metals for 6-8 weeks after the custodian received Investor A’s funds. In February of 2022, Investor

1 A tried to connect with Howard after realizing the precious metals had still not been delivered, but Howard  
2 never responded.

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

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

### 15 **Investor B**

16 14. Washington Investor B is a retired medical equipment sales representative who, at the end of  
17 2021, began researching ways to roll over an existing IRA into a precious metals IRA. Similar to Investor  
18 A, Investor B found Regal through this research and noted that it was consistently promoted as a reputable  
19 company by numerous conservative websites. Investor B also assumed that because Gallagher had appeared  
20 in Forbes that Forbes would have conducted a background check, thus ensuring Gallagher's credibility.

21 15. In February of 2022, Investor B moved \$1,219,303.19 from a traditional IRA into a Regal  
22 precious metals IRA with the help of Howard. Howard informed the investor that the precious metals would  
23 be delivered anywhere from four to six weeks after Regal received the funds. After six weeks had passed,

1 Investor B contacted Howard to locate the metals; Howard informed the investor that these delays were  
2 typical, and the investor should not be concerned.

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

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

### 14 **Misrepresentations and Omissions**

15 18. In the offering materials Regal gave to investors, Regal represented that investors would have  
16 access to a live recording of their precious metals being delivered and stored at Brink's Depositories. At  
17 least one Washington investor then relied on this representation when purchasing precious metals with  
18 Regal. Despite Regal's promise to deliver the live recordings, Regal never sent the recordings to at least  
19 two Washington investors.

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

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

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

### 13 **Registration Status**

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

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

22 3. Leah Donoso is not currently registered with the Commodity Futures Trading Commission as  
23 a futures commission merchant or as a leverage transaction merchant. Donoso is not currently registered

1 with the Department of Financial Institutions as a commodities broker-dealer or commodities sales  
2 representative under the Commodity Transactions Act and has not previously been so registered.

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

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

9 **CONCLUSIONS OF LAW**

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

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

15 7. Respondents Tyler Gallagher and Leah Donoso controlled Regal Assets, LLC and its  
16 employees in their respective roles as Director and President. Pursuant to RCW 21.30.070, Tyler Gallagher  
17 and Leah Donoso are therefore liable for any violation of the Commodity Transactions Act committed by  
18 Regal Assets, LLC and its employees, to the same extent as Regal Assets, LLC or its employees.

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

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

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

9                           **NOTICE OF INTENT TO ORDER THE RESPONDENT TO CEASE AND DESIST**

10           Pursuant to RCW 21.30.120, and based upon the Tentative Findings of Fact and Conclusions of  
11 Law, the Securities Administrator intends to order Respondents Regal Assets, LLC, Tyler Gallagher, Leah  
12 Donoso, Christian Howard, and their agents and employees, to each permanently cease and desist from  
13 violating RCW 21.30.050, RCW 21.30.060, and RCW 21.30.020.

14                           **NOTICE OF INTENT TO IMPOSE A CIVIL PENALTY**

15           Pursuant to RCW 21.30.120, and based upon the Tentative Findings of Fact and Conclusions of Law,  
16 the Securities Administrator intends to order that:

- 17           a. Regal Assets, LLC shall be liable for and shall pay a civil penalty of \$50,000;
- 18           b. Tyler Gallagher shall be liable for and shall pay a civil penalty of \$50,000;
- 19           c. Leah Donoso shall be liable for and shall pay a civil penalty of \$50,000; and
- 20           d. Christian Howard shall be liable for and shall pay a civil penalty of \$50,000.

21                           **AUTHORITY AND PROCEDURE**

22           This Statement of Charges is entered pursuant to the provisions of Chapter 21.30 RCW and is subject  
23 to the provisions of Chapter 34.05 RCW. Regal Assets, LLC, Tyler Gallagher, Leah Donoso, and Christian



1 Howard may each make a written request for a hearing as set forth in the Notice of Opportunity for Hearing  
2 accompanying this Order. If a respondent does not make a hearing request in the time allowed, the Securities  
3 Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and  
4 to enter a permanent order to cease and desist as to that respondent and to impose any fines sought against  
5 that respondent.

6 SIGNED and ENTERED this 10th day of October, 2023.



A handwritten signature in black ink, reading "William M. Beatty".

William M. Beatty  
Securities Administrator

14 Approved by:

A handwritten signature in black ink, reading "Brian Guerard".

Brian Guerard  
Chief of Enforcement

14 Presented by:

A handwritten signature in black ink, reading "Kassidy Smith".

Kassidy Smith  
Financial Legal Examiner

18 Reviewed by:

A handwritten signature in black ink, reading "Holly Mack-Kretzler".

Holly Mack-Kretzler  
Financial Legal Examiner Supervisor