CHAPTER 80G

BULLION PRODUCTS DEALERS

80G.01	DEFINITIONS.	80G.06	SURETY BOND.
80G.02	REGISTRATION.	80G.07	PROHIBITED CONDUCT.
80G.03	REGISTRATION DENIAL, NONRENEWAL, REVOCATION, AND SUSPENSION.	80G.08	CRIMINAL VIOLATION.
		80G.09	OTHER ACTION; LOCAL AUTHORITY.
80G.04	CRIMINAL CONVICTIONS.	80G.10	INVESTIGATIONS AND CIVIL ENFORCEMENT.
80G.05	SCREENING.	80G.11	NOTIFICATION TO COMMISSIONER.

80G.01 [Renumbered 80G.02, subd 5]

80G.01 DEFINITIONS.

Subdivision 1. **Scope.** For purposes of this chapter, the following terms have the meanings given to them in this section.

Subd. 2. **Bullion product.** "Bullion product" means any coin, round, bar, or ingot containing silver, gold, platinum, palladium, or other precious metal.

Subd. 3. **Dealer.** (a) Subject to the exceptions in paragraph (b), a "dealer" means any person who buys, sells, solicits, or markets bullion products or investments in bullion products to consumers and conducts Minnesota transactions.

(b) A dealer does not include any of the following persons:

(1) a person who engages only in wholesale bullion product transactions with other persons who engage only in wholesale bullion product transactions or with dealers who buy or sell at retail and are properly registered under this chapter;

(2) a person who engages only in transactions at occasional garage or yard sales held at the seller's residence, farm auctions held at the seller's residence, or estate sales held at the decedent's residence;

(3) a person who is properly registered pursuant to chapter 80A, or the federal Securities Exchange Act of 1934 and rules promulgated thereunder as a securities broker dealer or broker dealer agent;

(4) an auctioneer who auctions bullion products on behalf of an owner, if the auctioneer does not take title or ownership of the bullion products, or the operator of an Internet website that allows users to offer the sale of bullion products through that website, does not set the price, is not the seller of record, and does not take possession of any bullion products to be offered;

(5) a person who engages only in transactions at no more than 12 trade shows per year where the consumer is present and the transaction is made at the trade show; or

(6) a federally or state-chartered bank, bank and trust, savings bank, savings association, or credit union or any operating subsidiary of them.

Subd. 4. **Dealer representative.** "Dealer representative" means any natural person acting as an employee, contractor, or agent of a dealer and who has interactions with consumers for the purpose of the buying, selling, solicitation, or marketing of bullion products or investments in bullion products. This term does not mean a natural person who has interactions with consumers solely for administrative purposes.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 5a. **Minnesota transaction.** "Minnesota transaction" means a bullion product transaction conducted:

(1) by a dealer located in Minnesota;

(2) by a dealer representative at a location in Minnesota;

(3) between a dealer and a consumer in Minnesota; or

(4) between a dealer and a Minnesota consumer when the transaction involves:

(i) delivering or shipping a bullion product to an address in Minnesota; or

(ii) making payment to a consumer or receiving a payment from a consumer at an address in Minnesota, unless the transaction occurs when the consumer is outside of Minnesota.

Subd. 6. **Owner.** "Owner" means any person who has an ownership interest in a dealer, regardless of whether directly or indirectly, of more than ten percent and who is actively engaged in the direction, management, oversight, or operation of the dealer or its business affairs.

Subd. 7. **Person.** "Person" has the same meaning given in section 325F.68, subdivision 3.

Subd. 8. **Precious metal content.** "Precious metal content" means the quantity, measured in grams or troy ounces, of gold, silver, platinum, palladium, or other precious metal in a bullion product and the percentage that the precious metal constitutes of the total weight of the bullion product.

History: *2013 c 85 art 6 s 4; 2013 c 120 s 1; 2016 c 134 s 1; 2022 c 75 s 1,2; 2026 c 124 art 1 s 51*

80G.02 REGISTRATION.

Subdivision 1. **Registration required.** It is unlawful for a dealer or dealer representative to conduct a Minnesota transaction without being registered by the commissioner as provided for in this chapter. A dealer must submit an application to register itself and each of its dealer representatives within 45 days of reaching $25,000 in the aggregate of Minnesota transactions between July 1 and June 30 of any year, as determined by the transactions' sale or purchase prices. Once a dealer is required to register itself and its dealer representatives, the dealer must thereafter renew its registration and the registration of each of its dealer representatives in accordance with this chapter unless the person ceases to be a dealer. A dealer representative may not buy, sell, solicit, or market bullion products or investments in bullion products on behalf of a dealer unless the dealer is properly registered with the commissioner under this section.

Subd. 2. **Registration obligations.** Registrations issued or renewed by the commissioner under this chapter shall expire on June 30 and must be renewed.

Subd. 3. **Registration application and renewal.** The application and renewal forms shall include the following information, as applicable, which shall be considered by the commissioner in determining whether to issue a registration and whether to thereafter renew the registration:

(1) the name, assumed names, doing business as names, including caller identification names, and business addresses of the dealer, the name of each owner and officer, and the name and primary work location of each dealer representative. A dealer who desires to carry on business in more than one location shall identify each address where business is conducted;

(2) if a dealer is doing business under any name other than the dealer's legal name, documentation that the assumed name has been properly filed with the secretary of state or appropriate government office;

(3) the dealer's primary telephone number, email address, and website domain name used or intended to be used by the dealer and its dealer representatives to buy, sell, solicit, market, or deliver to consumers bullion products or investments in bullion products;

(4) the disclosure of all criminal convictions by any court, including military courts, within the last ten years, except those relating to misdemeanor traffic citations and misdemeanor convictions involving driving under the influence, driving while intoxicated, driving without a license, reckless driving, or driving with a suspended or revoked license, and juvenile offenses, for the dealer and each officer and owner of the dealer and for each of its dealer representatives;

(5) the disclosure of any civil judgments in favor of a government entity or government entity orders entered, filed, or issued against the dealer, its officers and owners, or its dealer representatives within the last ten years for violation of consumer protection laws or unfair trade practice laws or for failure to account to a consumer for money or property received from the consumer;

(6) the disclosure of any settlement or other agreement with any government entity within the last ten years resolving concerns that the dealer, its officers and owners, or its coin dealer representatives violated consumer protection or unfair trade practice laws, or for failure to account to a consumer for money or property received from the consumer; and

(7) the disclosure of any instance in which the dealer, its officers and owners, and its dealer representatives were at any time permanently or temporarily prohibited by any court of competent jurisdiction or ordered to cease and desist as the result of a government agency action from engaging in buying, selling, soliciting, or marketing of bullion products or investments in bullion products. A dealer may rely on the screening process provided for in section 80G.05 and the statements of its dealer representatives for the purposes of complying with the disclosure requirements of this clause relating to dealer representatives, provided that such reliance is reasonable, in good faith, and the dealer has no knowledge of information suggesting that the screening results or statement are inaccurate.

Subd. 4. **Notice of change in registration information.** A registered dealer must provide the commissioner written notice of a change in the dealer's name, assumed names, doing business as names, business addresses, including all business addresses at which it or its dealer representatives conduct business, owners, email addresses, website domain names, or primary telephone number used by it or its dealer representatives to buy, sell, solicit, or market to consumers bullion products or investments in bullion products no later than 30 days after the change occurs.

Subd. 5. **Registration fee.** (a) The fee for each registration under this chapter shall be as follows:

(1) dealers, $25; and

(2) dealer representatives, $10.

(b) The commissioner, based on the cost of processing registrations, may adjust the registration fee on an annual basis as needed.

History: *2013 c 85 art 6 s 4; 2013 c 120 s 2; 2016 c 134 s 2; 2022 c 75 s 3,4*

80G.03 REGISTRATION DENIAL, NONRENEWAL, REVOCATION, AND SUSPENSION.

Subdivision 1. **Authority.** The commissioner may, by order, suspend, revoke, or refuse to issue or renew a dealer or dealer representative registration for any one or more of the following causes:

(1) providing incorrect, false, misleading, or incomplete information to the commissioner or refusing to allow a reasonable inspection of information and documents in the possession of the dealer, dealer representative, or a third party or to allow a reasonable inspection of premises;

(2) obtaining or attempting to obtain a registration through misrepresentation or fraud;

(3) having a dealer or dealer representative registration or its equivalent, including licensure under section 325F.73, denied, suspended, or revoked by any locality within the state or other state, province, district, or territory;

(4) being permanently or temporarily enjoined by any court of competent jurisdiction or being ordered to cease and desist by a government agency from engaging in or continuing any conduct or practice involving the buying, selling, soliciting, or marketing of bullion products, investments in bullion products, or precious metal to consumers;

(5) violating the provisions of this chapter or sections 45.027, 325D.43 to 325D.48, 325F.67, 325F.68 to 325F.69, 325F.694, and 325F.73 to 325F.744, or federal or state taxation or labor law; or

(6) violating a subpoena or order of the commissioner or a court issued pursuant to this chapter or sections 45.027, 325D.43 to 325D.48, 325F.67, 325F.68 to 325F.69, 325F.694, 325F.70, and 325F.73 to 325F.744.

Subd. 2. **Dealer responsibility for actions of dealer representatives.** The commissioner may take action against a dealer for any violations of this chapter by its dealer representatives conducting Minnesota transactions on behalf of or at the direction of the dealer. The commissioner may also take action against the dealer representative.

Subd. 3. **Other authority of the commissioner.** If a registration lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the registration was last effective and enter a revocation order as of the last date on which the registration was in effect, and impose a civil penalty as provided for in section 45.027, subdivision 6.

Subd. 4. **Effect of revocation.** A revocation of a registration prohibits the dealer or dealer representatives from making a new application for a registration for at least two years from the effective date of the revocation.

History: *2013 c 120 s 3; 2016 c 134 s 3; 2022 c 75 s 5*

80G.04 CRIMINAL CONVICTIONS.

Subdivision 1. **Dealer registration precluded.** The commissioner must deny an application for registration or renewal of a dealer, or revoke such registration, if the bullion product dealer or its owners or officers have within the last ten years been convicted in any court of any financial crime or other crime involving fraud or theft.

Subd. 2. **Dealer representative registration precluded.** The commissioner must deny an application for registration or renewal of a dealer representative, or revoke such registration, if the dealer representative

has within the last ten years been convicted in any court of any financial crime or other crime involving fraud or theft.

History: *2013 c 120 s 4; 2016 c 134 s 4; 2022 c 75 s 6*

80G.05 SCREENING.

Subdivision 1. **Screening process required.** Each registered dealer must establish procedures to screen each of its owners and officers and each of its dealer representatives prior to submitting the application to the commissioner for initial registration and at each renewal. The results of such screenings shall be kept on file by the dealer and, if requested by the commissioner, provided to the commissioner as part of the initial registration and all renewal registrations.

Subd. 2. **Initial screening.** The screening process for initial registration must be done no more than 60 days before the submission of an application for registration. The process must include a national criminal history record search, a judgment search, and a county criminal history search for all counties where the owner, officer, or dealer representative has resided within the immediately preceding ten years. Each dealer shall use a reputable, reliable, and accurate vendor authorized to do business in any state to conduct the background screening process on its owners, officers, and dealer representatives.

Subd. 3. **Renewal screening.** The screening process for the renewal of a registration must include a national criminal history record search, a judgment search, and county criminal history search for all counties where the owner, officer, or dealer representative has resided since satisfactorily completing the last screening process conducted pursuant to this section. Screening for renewal of the owner, officer, and dealer representative registrations must take place no more than 60 days before the submission of an application for renewal of a registration.

History: *2013 c 120 s 5; 2016 c 134 s 5; 2022 c 75 s 7*

80G.06 SURETY BOND.

Subdivision 1. **Surety bond requirement.** (a) Every dealer shall maintain a current, valid surety bond issued by a surety company admitted to do business in Minnesota in an amount based on the Minnesota transactions during the 12-month period prior to registration, or renewal, whichever is applicable.

(b) The amount of the surety bond shall be as specified in the table below:

Transaction Amount in Preceding 12-month Period	Surety Bond Required
$25,000 to $200,000	$25,000
$200,000.01 to $500,000	$50,000
$500,000.01 to $1,000,000	$100,000
$1,000,000.01 to $2,000,000	$150,000
Over $2,000,000	$200,000

Subd. 2. **Action on bond permitted.** A consumer involved in a Minnesota transaction who is injured in money or property by a dealer's or dealer representative's failure to comply with this chapter may file a claim with the surety and if the claim is not paid, is authorized to bring an action based on the bond and

recover against the surety. The commissioner or attorney general may also file a claim and bring an action on the bond and recover against the surety on behalf of a consumer so injured.

History: *2013 c 120 s 6; 2016 c 134 s 6; 1Sp2021 c 4 art 3 s 19; 2022 c 75 s 8,9*

80G.07 PROHIBITED CONDUCT.

Subdivision 1. **Sales practices.** When conducting a Minnesota transaction, a dealer or dealer representative must not:

(1) prior to a transaction regarding bullion products, or concurrent with the delivery thereof, fail to provide to the consumer an invoice, which, in a clear and conspicuous manner, discloses the dealer's registration number, the Department of Commerce's email address and telephone number, the sale or purchase price, the quantity of the bullion products, and specifically identifies and describes the bullion products, as well as their precious metal content, but only if it differs from the precious metal content specified by a government mint issuing the product and struck on the product, or if the product is not issued by a government mint;

(2) fail to investigate any consumer complaint and retain records of all consumer complaints, the results of its investigations, and the dealer's response and resolution of the complaint;

(3) fail to deliver by common carrier bullion products to a consumer within the time agreed upon with the consumer or, if no such agreement exists, within 30 days after the consumer has paid for the bullion products;

(4) fail to pay a consumer for purchased bullion products within the time agreed upon with the consumer or, if no such agreement exists, within 30 days after the consumer has provided the bullion products;

(5) misrepresent the delivery date of bullion products or payment for bullion products, or the dealer or representative's professional qualifications, affiliations, or registration;

(6) misrepresent any material aspect of a bullion product, including its performance, efficacy, nature, investment value, central characteristics, liquidity, earnings potential, or profitability;

(7) misrepresent the manner in which any bullion products a consumer provides will be stored or otherwise handled once received;

(8) renegotiate the terms of a sale or purchase after receiving a consumer's payment or bullion products without first obtaining the consumer's agreement to renegotiate and offering the consumer the option to have the payment fully refunded or the entirety of the bullion products returned;

(9) fail to respond within three business days to a consumer inquiry about the delivery status of bullion products that the consumer has paid for but not yet received or the status of a payment for bullion products that the consumer has already provided;

(10) telephone or solicit a consumer, or sell or provide the consumer's name to any other dealer or dealer representative, after the consumer requests not to be contacted;

(11) violate a subpoena or order of the commissioner or a court;

(12) make any communication to a potential buyer or seller of bullion products that misrepresents the relationship, if any, between the dealer or dealer representative and any government agency or mint;

(13) improperly withhold, misappropriate, or convert any money or properties received in the course of buying, selling, soliciting, or marketing bullion products or investments in bullion products to consumers;

(14) misrepresent the terms of an actual or proposed purchase or sale of bullion products or investment in bullion products to a consumer; or

(15) violate any other federal, state, or local law or rule related to selling, purchasing, soliciting, or marketing of bullion products, investments in bullion products, or precious metals, or any federal, state, or local law related to fraudulent, coercive, or dishonest practices, or federal, state, or local law related to taxation or labor standards.

Subd. 2. [Repealed, 2016 c 134 s 10]

History: *2013 c 120 s 7; 2016 c 134 s 7; 2022 c 75 s 10*

80G.08 CRIMINAL VIOLATION.

A person who conducts business as a dealer or as a dealer representative without having first registered with the commissioner as required in section 80G.02, subdivision 1, or who carries on such business after the revocation, suspension, or expiration of a registration, or who violates section 80G.07, subdivision 1, clause (3) or (4), is guilty of a misdemeanor.

History: *2013 c 120 s 8; 2016 c 134 s 8*

80G.09 OTHER ACTION; LOCAL AUTHORITY.

Nothing in this chapter precludes an action under chapter 80A or preempts local government authority under section 325F.742.

History: *2013 c 120 s 9*

80G.10 INVESTIGATIONS AND CIVIL ENFORCEMENT.

Subdivision 1. **Civil action instituted by commissioner.** If the commissioner believes that a person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has, is, or is about to engage in an act, practice, or course of business that materially aids a violation of this chapter or a rule adopted or order issued under this chapter, the commissioner may maintain an action in the district court to enjoin the act, practice, or course of business and to enforce compliance with this chapter or a rule adopted or order issued under this chapter.

Subd. 2. **Relief available.** In an action under this section and on a proper showing, the court may:

(1) issue a permanent or temporary injunction, restraining order, or declaratory judgment;

(2) order other appropriate or ancillary relief, which may include:

(i) an asset freeze, accounting, writ of attachment, writ of general or specific execution, and appointment of a receiver or conservator, that may be the commissioner, for the defendant or the defendant's assets;

(ii) ordering the commissioner to take charge and control of a defendant's property, including investment accounts and accounts in a depository institution, rents, and profits; to collect debts; and to acquire and dispose of property;

(iii) imposing a civil penalty up to $10,000 for each violation; an order of rescission, restitution, or disgorgement directed to a person that has engaged in an act, practice, or course of business constituting a violation of this chapter or a rule adopted or order issued under this chapter or the predecessor act; and

(iv) ordering the payment of prejudgment and postjudgment interest; or

(3) order such other relief as the court considers appropriate.

Subd. 3. **No bond required.** The commissioner may not be required to post a bond in an action or proceeding under this chapter.

Subd. 4. **Commissioner authority.** (a) If the commissioner determines that a person has engaged, is engaged, or is about to engage in an act, practice, or course of conduct constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of conduct constituting a violation of this chapter or rule adopted or order issued under this chapter the commissioner may:

(1) issue an order directing the person to cease and desist from engaging in the act, practice, or conduct or to take other action necessary or appropriate to comply with this chapter; or

(2) issue an order denying, suspending, revoking, or conditioning the registration of the dealer or dealer representative.

(b) Upon issuance of an order, the commissioner shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been issued. The order must include a statement of the reasons for the order and whether the commissioner will seek a civil penalty or costs of the investigation, and notice that the person must within 30 days of being served with the order, request in writing a hearing and that within 15 days after receipt of a written hearing request from the person, the matter will be scheduled for a hearing. If a person subject to the order does not request a hearing within 30 days after the date of service of the order, the order becomes final as to that person by operation of law. If a hearing is requested, the commissioner, after notice of an opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

(c) If a hearing is requested pursuant to paragraph (b), a hearing must be held under chapter 14 and a final order may not be issued unless the commissioner makes findings of fact and conclusions of law in a record according to chapter 14. The final order may make final, vacate, or modify the order issued under paragraph (a).

(d) If a petition for judicial review of a final order is not filed in accordance with chapter 14, the commissioner may file a certified copy of the final order with the clerk of a court of competent jurisdiction. The order so filed has the same effect as a judgment of the court and may be recorded, enforced, or satisfied in the same manner as a judgment of the court.

(e) If a person does not comply with an order under this section, the commissioner may petition a court of competent jurisdiction to enforce the order. The court may not require the commissioner to post a bond in an action or proceeding under this section. If the court finds, after service and opportunity for hearing, that the person was not in compliance with the order, the court may adjudge the person in civil contempt of the order. The court may impose a further civil penalty against the person for contempt in an amount up to $10,000 for each violation and may grant any other relief the court determines is just and proper in the circumstances.

(f) In addition to the authority granted under this chapter, the commissioner has all the authority provided under section 45.027 to ensure compliance with this chapter.

History: *2013 c 120 s 10; 2016 c 134 s 9*

80G.11 NOTIFICATION TO COMMISSIONER.

A registered dealer must notify the commissioner of any dealer representative termination within ten days of the termination if the termination is based in whole or in part on a violation of this chapter.

History: *1Sp2021 c 4 art 3 s 20; 2022 c 75 s 11*