

\*Via Electronic Mail and Overnight Mail

March 18, 2024

Eddie Britton, Executive Officer  
Roderick Frietes, Executive Officer  
Therese Hoard, Director  
AmeriStar, LLC  
1712 Pioneer Avenue, Suite 500  
Cheyenne, Wyoming 82001  
[info@ameristarinvestment.com](mailto:info@ameristarinvestment.com)

Salvatore Palmieri, Executive Officer  
Roderick Frietes, Executive Officer  
Therese Hoard, Executive Officer  
HighLine Gold, LLC  
1712 Pioneer Avenue, Suite 500  
Cheyenne, Wyoming 82001  
[info@backedgold.com](mailto:info@backedgold.com)  
[orders@backedgold.com](mailto:orders@backedgold.com)

RE: Potential Violations of Section 18(a)(4) of the Federal Deposit Insurance Act

Dear Messrs. Britton, Frietes, and Palmieri, and Mme. Hoard:

The Federal Deposit Insurance Corporation (“FDIC”) has reason to believe that AmeriStar, LLC (“AmeriStar”) and HighLine Gold, LLC (“HighLine”) have made false and misleading statements, directly or by implication, concerning AmeriStar’s and HighLine’s insured status, in violation of section 18(a)(4) of the Federal Deposit Insurance Act (“FDI Act”), 12 U.S.C. § 1828(a)(4) (“Section 18(a)(4)”), and its implementing regulation, 12 C.F.R. Part 328, Subpart B (“Part 328”). We hereby demand that you cease and desist and take immediate corrective actions to address these false and misleading statements, as more fully set forth below.

Section 18(a)(4) and Part 328 prohibit any person from representing that an uninsured financial product is insured or from knowingly misrepresenting the extent or manner in which a deposit or obligation is insured under the FDI Act, whether by making affirmative statements or by omitting material information. Under Part 328, no person may represent or imply that any uninsured financial product is insured or guaranteed by the FDIC as part of an advertisement, solicitation, or other publication or dissemination. 12 C.F.R. § 328.102(a)(2). This prohibition applies to an advertisement

Legal Division  
550 17th Street NW, Washington, D.C. 20429-9990

for any uninsured financial product that features or includes FDIC-associated terms or images without a clear, conspicuous, and prominent disclaimer that the products are not FDIC-insured or guaranteed. 12 C.F.R. § 328.102(a)(3)(i). Part 328 also prohibits the publication or dissemination of information that suggests or implies that the party making the representation is an FDIC-insured institution if this is not in fact true. 12 C.F.R. § 328.102(a)(3)(iv). Moreover, a statement regarding deposit insurance would be deemed to omit material information if the absence of such information could result in a reasonable consumer being unable to understand the extent or manner of deposit insurance provided. See generally 12 C.F.R. § 328.102(b). For example, under Part 328, it is a material omission for a non-insured entity that advertises deposit insurance to fail to identify the insured depository institution(s) (IDI) with which the representing party has a direct or indirect business relationship for the placement of deposits and into which the consumer's deposits may be placed. 12 C.F.R. § 328.102(b)(5). The FDIC has the authority to enforce these provisions against any person or entity. Enforcement tools available to the FDIC include the authority to issue cease-and-desist orders and to assess civil money penalties for violations of Section 18(a)(4) and Part 328. See 12 C.F.R. §§ 328.104-107.

Certain statements by AmeriStar, which appear on AmeriStar's website and other media (such as social media), have come to the attention of the FDIC as containing apparent misrepresentations about FDIC deposit insurance. These statements include, but are not limited to, the following:

- AmeriStar claims on its website that customers' "investments" in AmeriStar's "High Yield Certificate of Deposit Program" ("CD Investment Program") are "FDIC Insured."<sup>1</sup>
- AmeriStar states on its website that there is "no maximum amount," on customer investments, and that all investments "are fully insured by FDIC insurance at all times..."<sup>2</sup>
- AmeriStar's website features a number of putative customer "reviews" stating that AmeriStar's product is "FDIC-insured."<sup>3</sup>

<sup>1</sup> See, e.g., AmeriStar homepage, *Frequently Asked Questions* (FAQs), AMERISTARINVESTMENT.COM, <https://www.ameristarinvestment.com> (last visited Mar. 1, 2024); *id.*, *Certificates of Deposit*, <https://www.ameristarinvestment.com/certificates-of-deposit>.

<sup>2</sup> AmeriStar, *How it Works*, AMERISTARINVESTMENT.COM, <https://www.ameristarinvestment.com/howitworks> (last visited Mar. 1, 2024).

<sup>3</sup> See, e.g., Ameristar, *John's review of Ameristar's investment product*, AMERISTARINVESTMENT.COM, <https://www.ameristarinvestment.com/?pgid=kkv1q09z-5046f016-ff82-4a51-84ca-d0e1aef83cb1> (last visited Mar. 1, 2024). At least one of these appears to have been generated using artificial intelligence. AmeriStar.Review5.mp4, AMERISTARINVESTMENT.COM, <https://www.ameristarinvestment.com/?pgid=kkv1q09z-059cdd0c-1925-4202-98e6-281d836a3a95> (last visited March 4, 2024).

- AmeriStar’s Instagram and YouTube accounts also contain videos in which individuals state that AmeriStar’s CD Investment Program “is backed by FDIC insurance.”<sup>4</sup>
- AmeriStar claims on its website that customer investments “qualify for up to a maximum of \$2,500,000 in FDIC insurance when placed at program banks in the deposit . . . program.” However, AmeriStar’s website fails to clearly identify the insured depository institutions (IDIs) with which AmeriStar has an existing relationship for the placement of deposits in violation of Part 328.<sup>5</sup>
- On the bottom of its homepage, AmeriStar provides a hyperlink to a sweep program at an IDI and a list of its alleged program banks. Upon information and belief, the IDI has no relationship with AmeriStar.

Additionally, certain statements by HighLine, which appear on HighLine’s website and other media, have come to the attention of the FDIC as containing apparent misrepresentations about FDIC deposit insurance.<sup>6</sup> These statements include, but are not limited to, the following:

- Highline states on its website that customers’ “investments” in its “high-yield CDs” product (“Hybrid CDs”) are insured by the FDIC,” and HighLine uses both the FDIC name and logo in a video advertising its Hybrid CDs.<sup>7</sup>
- Highline similarly uses the NCUA’s logo, and states that certain deposits and withdrawals and references “various bank and credit union products.”<sup>8</sup>

<sup>4</sup> See, e.g., @ameristarinvest, INSTAGRAM.COM (Oct. 10, 2023), <https://www.instagram.com/reel/CyO4GYUxxZ2/>; @ClientRepresentative, YOUTUBE.COM, <https://www.youtube.com/shorts/mfslRn8gg1l> (last visited Mar. 1, 2024).

<sup>5</sup> See AmeriStar homepage, FAQs, AMERISTARINVESTMENT.COM, <https://www.ameristarinvestment.com> (last visited Mar. 1, 2024)(stating that AmeriStar “does not publicly advertise the name of the institutions that we work with, due to fraud and compliance issues”); *but see Understanding Our High Yield Certificate of Deposit Program*, AMERISTARINVESTMENT.COM, [https://www.ameristarinvestment.com/files/ugd/276975\\_1aa7e9bbb25544d1bba56048d5d6e1a3.pdf](https://www.ameristarinvestment.com/files/ugd/276975_1aa7e9bbb25544d1bba56048d5d6e1a3.pdf), at 5 (last visited Mar. 1, 2024) (AmeriStar uses the logos of several IDIs in its program brochure).

<sup>6</sup> The FDIC directs this letter jointly to AmeriStar and HighLine because it appears that these two entities are related or that they may be engaged in a joint enterprise. We have inferred this relationship based on evidence available to the FDIC, including, but not limited to AmeriStar’s and HighLine’s Securities and Exchange Commission Form D filings, which show that both entities have the same address with Mr. Frietes and Ms. Hoard listed as principals; and HighLine’s website, which advertises financial products offered by AmeriStar. *See Learn More about Certificate of Deposit*, BACKEDGOLD.COM, <https://www.backedgold.com/about-3> (last visited Mar. 1, 2024).

<sup>7</sup> *See How Does BackedGold Work?*, BACKEDGOLD.COM, <https://www.backedgold.com/general-8> (last visited Mar. 1, 2024).

<sup>8</sup> FDIC deposit insurance does not cover deposits at credit unions.

- While HighLine states elsewhere on its homepage that it maintains relationships “with banks that are insured by the Federal Deposit Insurance Corporation (FDIC),” HighLine fails to clearly identify the IDIs with which HighLine has an existing relationship for the placement of deposits in violation of Part 328.<sup>9</sup>

Based upon a review of the representations on AmeriStar’s and HighLine’s websites, the FDIC has reason to believe that neither AmeriStar’s CD Investment Program nor HighLine’s Hybrid CDs are insured by FDIC for the benefit of individual consumers in the manner or to the extent described on these websites. As such, descriptions that these investments are fully “FDIC Insured” or “backed by FDIC insurance” appear to be false and misleading. FDIC deposit insurance does not cover investment products. FDIC deposit insurance does not cover deposits at credit unions. FDIC deposit insurance only insures funds in accounts held at an IDI(s) in the event of the IDI’s failure. Accordingly, AmeriStar’s and HighLine’s statements appear to violate Section 18(a)(4) and Part 328.

Furthermore, various AmeriStar and HighLine representations regarding the availability of FDIC deposit insurance fail to name the IDIs into which consumers’ funds may be placed, which is necessary for a consumer to understand the extent or manner of deposit insurance provided, while others provide conflicting information as to the IDIs involved. These material omissions are violations of Part 328.

Based on the information available to the FDIC, it appears that the statements discussed above on the AmeriStar and HighLine websites regarding deposit insurance violate Section 18(a)(4) of the FDI Act and Part 328. Consequently, the FDIC hereby demands the following corrective actions:

1. You shall immediately remove any and all statements, representations, or references that suggest in any way, explicitly or implicitly, that: (a) AmeriStar or HighLine themselves are insured by the FDIC; (b) AmeriStar’s CD Investment Program or HighLine’s Hybrid CDs are insured by the FDIC; (c) FDIC deposit insurance may provide coverage for any event other than the failure of an IDI; or that (d) FDIC deposit insurance provides protection or coverage in any manner or extent other than as set forth in the FDI Act from AmeriStar’s and HighLine’s websites (including any pop-ups, hyperlinks, or chatbots) and any other websites, X (formerly known as “Twitter”), Instagram, TikTok, YouTube, and any other social media platforms (including both corporate accounts and personal accounts of senior management of AmeriStar and HighLine), any mobile apps, online outlets, and any other forms (electronic or hard copy) of marketing, advertising, or other consumer-facing publications.

<sup>9</sup> At the bottom of its homepage, HighLine states that “[t]he Custodian Bank does not dictate the terms of these products nor offer advice to customers regarding them. The Service Bank, operating under the name Key Bank and Member FDIC, is Key Bank and Live Oak Bank.” However, Highline does not identify which IDI, if any, is the “Custodian Bank.”

2. You shall cease and desist from making any statements, representations, or references that suggest in any way, explicitly or implicitly, that: (a) AmeriStar or its CD Investment Program, or HighLine or its Hybrid CDs, are FDIC-insured; (b) FDIC deposit insurance may provide coverage for any event other than the failure of an IDI; or that (c) FDIC deposit insurance provides protection or coverage in any manner or extent other than as set forth in the FDI Act.
3. Within fifteen (15) days of receipt of this letter, you shall provide written confirmation to the FDIC that AmeriStar and HighLine have fully complied with the requests set forth above. Such confirmation shall detail all efforts undertaken to comply with this letter, including all efforts to identify and locate all deposit insurance misrepresentations and the specific actions you took.
4. To the extent that you are operating other websites or entities that make any representations with respect to FDIC deposit insurance, we demand that you identify in writing all such websites or entities within 15 days of this letter. Further, if any of those websites or entities are making misrepresentations with respect to FDIC deposit insurance similar to the ones described above, we demand that you immediately cease and desist from making those misrepresentations.

If you believe that any statement AmeriStar, HighLine, or their officers have made related to FDIC deposit insurance is true and accurate, please provide a full listing of all such statements together with information and documentation supporting the basis for your belief in their accuracy no later than fifteen (15) days from the date of this letter.

Failure to timely respond to this letter may result in the FDIC taking appropriate action as authorized by the FDI Act and any other applicable law or regulation.

This letter constitutes an advisory letter within the meaning of 12 C.F.R. § 328.106. Accordingly, pursuant to 12 C.F.R. § 328.102(b)(6), future false or misleading representations regarding deposit insurance may be deemed to have been knowingly made.

Finally, this letter is intended to address only potential violations of Section 18(a)(4) and Part 328, as described above. This letter does not confirm or otherwise suggest the legitimacy of AmeriStar's or HighLine's websites or businesses.

Your response to this matter may or may not affect our conclusions as to the potential violations identified above, and does not preclude the FDIC from taking any further action, as appropriate, with respect to the foregoing or any other violations of laws or regulations. Moreover, nothing in this matter bars or estops any other federal or state agency from investigating, or pursuing actions for, violations of other laws and regulations.



Should you have any questions about the contents of this letter, please contact Sean Greene-Delgado at (571) 647-5946 or [segreene@fdic.gov](mailto:segreene@fdic.gov).

Sincerely,

Seth P. Rosebrock  
Assistant General Counsel, Enforcement Section  
Federal Deposit Insurance Corporation

cc: AmeriStar, LLC  
400 Lakeview Parkway  
Vernon Hills, Illinois 60061