



Herbert H. Slatery III Attorney General & Reporter

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ATTORNEY GENERAL'S OFFICE AND COMMERCE & INSURANCE JOIN CFTC TO STOP NATIONWIDE PRECIOUS METALS IRA, BULLION COIN SCHEME

Solicited More Than \$185 Million from Defrauded Senior Investors

Nashville-The Tennessee Attorney General's Office and the Tennessee Department of Commerce & Insurance announced today that they are participating in a consolidated nationwide enforcement action to disrupt a fraudulent precious metals scheme that has solicited more than \$185 million from seniors and other investors across the United States.

This week, the Tennessee Attorney General's Office – on behalf of the Tennessee Department of Commerce & Insurance – joined the U.S. Commodity Futures Trading Commission ("CFTC") and 29 other states to file a complaint in the U.S. District Court for the Northern District of Texas alleging that Metals.com, "Had a reckless disregard for the truth that virtually every one of their...investors...lost the majority of the funds invested in fraudulently overpriced Precious Metals Bullion."

"The defendants solicited more than \$180 million from seniors and other vulnerable investors nationwide by touting precious metals at grossly inflated prices," said Tennessee Commissioner of Commerce & Insurance Hodgen Mainda. "They capitalized on investors' fear of market instability and economic uncertainty. Many investors suffered substantial losses from retirement savings by relying on the false representations made by the defendants and their sales representatives."

"This nationwide scheme that targeted many vulnerable Tennesseans was a blatant violation of our state's securities laws and resulted in many losing their retirement funds," said Tennessee Attorney General Herbert H. Slatery III. "Our Office is going after people who do something like this. We won't hesitate in seeking justice for the victims."

"We want to protect Tennessee consumers from these alleged fraudsters and other unscrupulous actors. I encourage any Tennessean who believes they were involved with Metals.com or companies and/or individuals like them – to let us know immediately," said Assistant Commissioner of Securities Elizabeth Bowling. "We know of a couple dozen victims in Tennessee and anticipate more through the discovery process and further reporting from Tennesseans."

The complaint names TMTE Inc., also known as Metals.com, Chase Metals Inc., Chase Metals LLC, Barrick Capital Inc., Simon Batashvili, Lucas Asher and Tower Equity LLC. The unregistered Beverly Hills, Calif. based firm and its sales representatives are accused of targeting



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elderly investors through traditional and social media, providing unregistered investment advisory services designed to “instill fear in elderly and retirement-aged investors and build trust with investors based on representations of political or religious affinity,” according to the complaint.

Investors were advised to liquidate their holdings at registered investment firms to fund investments in precious metals through self-directed individual retirement accounts and bullion coins, the complaint said.

The defendants also are accused of failing to disclose, among other things, what Metals.com and Barrick charged investors for their precious metals bullion products and that investors could lose the majority of their funds immediately upon completing a transaction. The defendants charged investors prices for gold or silver bullion averaging from 100% to more than 300% the melt value or spot price of that gold or silver bullion. In many cases, the market value of the precious metals sold to investors was substantially lower than the value of the securities and other retirement savings investors had liquidated to fund their purchase.

The complaint requests the Court order the defendants to cease sales activity, return money to investors and stop defrauding investors and violating federal and state laws going forward. The complaint also requests that a receiver be appointed to take over the companies to marshal funds for the benefit of investors across the country.

Metals.com and its agents have been under regulatory scrutiny for the past two years. Prior to today’s action, 12 states have taken separate enforcement actions against the firm and its sales representatives. Despite these regulatory measures, the firm, in new iterations, continued to prey on elderly investors. Today’s coordinated state and federal action was a result of a multi-state collaboration by members of the North American Securities Administrators Association (NASAA), of which the Tennessee Department of Commerce & Insurance is a member, and the CFTC’s Office of Cooperative Enforcement.

The Department of Commerce & Insurance and the Tennessee Attorney General’s Office encourage investors to come forward if they suspect they have been targeted by Metals.com or similar precious metals investment schemes. You can file a complaint here:

<https://www.tn.gov/commerce/securities/investors/file-a-complaint.html>

In addition, please contact the receiver, Kelly Crawford, here:

<http://metalsandbarrickcapitalreceivership.com/>

To read the Complaint and the Statutory Restraining Order click here:

<https://www.tn.gov/content/dam/tn/attorneygeneral/documents/pr/2020/pr20-39-complaint-order.pdf>

