



STATE OF CALIFORNIA

Department of Business Oversight

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For Immediate Release
September 25, 2020

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Department of Business Oversight Sues to Stop \$185 Million Coins Scam that Targeted Senior Citizens

SACRAMENTO – Part of a nationwide enforcement action to disrupt a fraudulent precious metals scheme that preyed on the elderly, the California Department of Business Oversight (DBO) announced today it secured a petition to shut down an alleged commodities and investment adviser fraud that solicited more than \$185 million from seniors and other investors by selling overpriced gold and silver coins nationwide.

Joining with the Commodity Futures Trading Commission and 29 other states, DBO submitted a motion asking the U.S. District Court for the Northern District of Texas for a statutory restraining order that would bar Metals.com from further sales nationwide, freeze all related assets and appoint a receiver to take possession of the company and affiliates.

The court granted the regulators' request for a statutory restraining order barring Metals.com from further sales nationwide, a freeze of all related assets, and the appointment of a receiver to take possession of Metals.com and its affiliated entities. The judge's order can be found [here](#).

Targeting senior citizens by placing advertisements on conservative media and websites, Metals.com employees allegedly used fear tactics to persuade trusting seniors to transfer their entire life savings into self-directed individual retirement accounts (IRAs) to purchase overpriced silver and gold coins. Interviews revealed that investors were told that the market would crash, that it was safer to keep their savings in precious metals and that Metals.com stopped returning investors' phone calls after they invested, making it impossible to sell their coins back to the company.

The complaint alleges that the scheme violated commodities and securities laws by providing fraudulent unlicensed investment advice. Metals.com also failed to disclose that it charged investors excessive markups on the coins, ranging from 116 percent to 312 percent. The scheme, which collected the \$185 million from 1,600 individuals nationwide decimated investors' retirement funds, while Metals.com and its employees pocketed the proceeds.

“Using deceptive practices to prey on vulnerable seniors in California will not be tolerated and we commend the brave victims who came forward to describe their nightmare experiences with Metals.com,” Commissioner Manuel P. Alvarez said. “We are working with other state and federal agencies to ensure that this operation is stopped, and as many investors’ retirement funds are refunded as possible.”

The alleged fraud was run by TMTE, Inc., doing business as Metals.com, Chase Metals, LLC, Chase Metals, Inc., and Barrick Capital, Inc. The complaint also seeks trading and registration bans, a permanent injunction, penalties, disgorgement, rescission, and restitution for all injured investors nationwide.

The [complaint](#) names Metals.com’s owners and California residents Simon Batashvili and Lucas Asher as the central figures in the scheme that violated commodities and securities laws by providing fraudulent unlicensed investment advice, and charging excessive, undisclosed markups on the coins.

The joint investigation found that the fraud centered around the following coins: 1/2 oz. silver Royal Canadian Mint polar bear; the 1/10 oz. gold Royal Canadian Mint polar bear; and the 1/4 oz. Gold British Standard, that Metals.com began selling in September of 2017.

The Defendants reincorporated as Barrick Capital in August of 2019 and continued the fraudulent scheme by selling overpriced 1/10 oz. silver spade guinea; 1/10 oz. silver Britannia; and 1/10 oz. gold Royal Canadian Wildlife coins, the complaint alleges.

In addition to commodities and investment advisers, the DBO licenses and regulates financial services, including state-chartered banks and credit unions, student loan servicers, money transmitters, securities issuers and broker-dealers, non-bank installment lenders, payday lenders, mortgage lenders and servicers, escrow companies, and franchisors.

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