



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

GOVERNOR **Gavin Newsom** • COMMISSIONER **Clothilde V. Hewlett**

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## **California DFPI and CFTC Unite to File \$21 Million Lawsuit Against Regal Assets for Targeting Retirement Savings**

SACRAMENTO – The California Department of Financial Protection and Innovation (DFPI), in partnership with the federal Commodity Futures Trading Commission (CFTC), today filed a [lawsuit](#) in the United States District Court for the Central District of California centering on a \$21 million fraudulent scheme that specifically targeted customers' retirement savings. Regal Assets LLC, and two individual defendants, are alleged to have misappropriated these funds from more than 120 customers nationwide between November 2019 and October 2022.

Regal Assets LLC, a Southern California-based precious metals dealer, and two principals, Tyler G. Gallagher and Leah Donoso, are accused of engaging in the unlawful offer and sale of precious metals within California.

The lawsuit also alleges a nationwide scheme to defraud and misappropriate customer funds, primarily consisting of retirement savings. Rather than using customer funds as intended for purchasing precious metals, the defendants are alleged to have diverted funds to cover business and personal expenses. To perpetuate their fraudulent activities, false and misleading information was provided to deceive customers.

The complaint seeks a permanent injunction, disgorgement, full restitution, rescission, and civil monetary penalties. The plaintiffs are seeking a jury trial. This collaborative effort between the California DFPI and the CFTC underscores the commitment to protect consumers and their financial interests.

“This lawsuit is a continuation of the Department’s efforts to hold wrongdoers in the precious metals trading markets accountable,” said DFPI Commissioner Clothilde V. Hewlett. “The DFPI seeks to put a stop to unlawful and unscrupulous conduct that targets consumers’ hard-earned retirement savings.”

This joint civil action follows another joint enforcement [action filed in May](#) against precious metals dealer Red Rock Secured, LLC, its principal and owner, Shade Johnson-Kelly a/k/a Sean Kelly, and sales agent Anthony Spencer, by the DFPI, CFTC, and the State of Hawaii securities regulator. The DFPI, CFTC, and other state regulators also filed civil actions against precious metals dealers in 2020 and 2022 to address fraudulent precious metals and coin schemes that targeted the elderly.

The DFPI encourages consumers who have experienced fraudulent practices in connection with investment advisory services or the sale of commodities, and any unfair, unlawful, deceptive, and abusive practices from a financial service provider to submit a complaint with the Department online at [dfpi.ca.gov/submit-a-complaint](https://dfpi.ca.gov/submit-a-complaint).

### **About the DFPI**

The California Department of Financial Protection and Innovation (DFPI) protects consumers, regulates financial services, and fosters responsible innovation. The DFPI protects consumers by establishing and enforcing financial regulations that promote transparency and accountability. We empower all Californians to access a fair and equitable financial marketplace through education and preventing potential risks, fraud, and abuse. Learn more at [dfpi.ca.gov](https://dfpi.ca.gov).

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