

North Carolina Department of the Secretary of State

NEWS

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Elaine F. Marshall
Secretary of State

For Immediate Release

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NC Secretary of State's Office Partners with CFTC and 26 State Securities Regulators to Stop \$68 Million Precious Metals Scheme that Targeted the Elderly

RALEIGH – North Carolina Secretary of State Elaine F. Marshall announced today that NCSOS's Securities Division is participating in a coordinated enforcement action to stop a fraudulent precious metals scheme that resulted in investments exceeding \$68 million from at least 450 investors nationwide, including 23 North Carolina investors who invested \$3,979,618.

The NC Secretary of State's Office has joined the Commodity Futures Trading Commission (CFTC) and 26 other state securities regulators in filing a complaint in the United States District Court for the Central District of California alleging that Safeguard Metals, LLC and Jeffrey Santulan, a/k/a Jeffrey Hill solicited investors nationwide by touting precious metals at grossly inflated prices that were not disclosed.

The investors in this case were advised to liquidate their holdings at registered investment firms to fund investments in precious metals, bullion, and bullion coins through self-directed individual retirement accounts. Self-directed IRAs should not be confused with traditional IRAs or other retirement vehicles.

"It is much harder for retirees to recover from major losses to their savings, so we're focusing our efforts on recovering as much money for these fraud victims as quickly as possible," said Secretary Marshall.

The defendants are accused of failing to disclose the markup charge for their precious metals bullion products and that investors could lose the majority of their funds once a transaction was completed. 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 liquidated to fund their purchase.

"I urge all North Carolinians to call the NC Secretary of State's Investor Hotline at (800) 688-4507 before committing to any investment to make sure the individual that's offering you the investment opportunity is registered to sell securities in North Carolina and that the investment opportunity itself is registered," said Secretary Marshall. "It is so important to do your research and ask tough questions before you invest. Ask about the fees, markups or spreads, risks, and potential returns. If the answers seem too good to be true or don't make sense, put your hand on your wallet and walk away."

Call the NC Investor Hotline at (800) 688-4507 if you suspect you have been targeted as part of any investment scam, including precious metals investment schemes.