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NDBF and the Office of the Nebraska Attorney General Partner with CFTC and 26 State Securities Regulators to Stop \$68 Million Precious Metals Scheme that Targeted the Elderly

Feb. 2, 2022 (LINCOLN, NE) – The Nebraska Department of Banking and Finance (NDBF) and the Office of the Nebraska Attorney General announced today that they are participating in a consolidated enforcement action to stop a fraudulent precious metals scheme that solicited over \$68 million from at least 450 investors nationwide, including \$658,000 from investors in Nebraska.

NDBF and the Office of the Nebraska Attorney General have joined the Commodity Futures Trading Commission (CFTC) and 26 state securities regulators in filing a complaint in the United States District Court for the Central District of California alleging 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.

“This is one of many large-scale precious metals investment schemes we’ve endeavored to stop since the pandemic began and we are investigating numerous more precious metals investment companies on similar allegations. To prevent any further damages, investors are advised to be particularly cautious when purchasing precious metals and to check for excessive commissions, spreads or markups as high as 30 to 70 percent,” said NDBF Deputy Director Claire McHenry. “As the market continues to fluctuate, we anticipate seeing more fraudsters capitalize on investors’ uncertainty and use fear to manipulate good people out of their hard-earned money.”

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.

“In expectation of additional precious metals investment schemes, investors are advised to check the registration of all investment products and professionals, carefully research

investments, ask tough questions about the fees, markups or spreads, risks, and potential returns,” said NDBF Deputy Director McHenry. “If the answers seem too good to be true or don’t make sense, protect your wallet by just walking away.”

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 had liquidated to fund their purchase.

NDBF and the Office of the Nebraska Attorney General encourage investors to contact NDBF if they suspect they have been targeted by similar precious metals investment schemes. Please contact NDBF at 402-471-2171.

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