



**NEWS RELEASE** | **FOR IMMEDIATE RELEASE** | February 08, 2022

## **State Securities Regulators and CFTC collaborate to Stop \$68 Million Precious Metals Scheme that Targeted the Elderly**

**Bismarck ND** – The North Dakota Securities Department announced a multijurisdictional, coordinated enforcement action to stop a fraudulent precious metals scheme that resulted in investments exceeding \$68 million from at least 450 investors nationwide.

State Securities Regulators across the country and the CFTC have filed 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 regulators have endeavored to stop since the pandemic began, and other similar investigations continue. To prevent any further damages, investors are advised to be particularly cautious when purchasing precious metals and to check for outrageously high commissions, spreads or markups as high as 30 to 70 percent,” said North Dakota Securities Commissioner Karen Tyler.

3 North Dakota investors were defrauded out of approximately \$178,000 in this nationwide scheme. Exploiting market volatility and investor uncertainty, the defendants convinced investors 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. Self-directed accounts are placed with a custodian, but do not afford the investor any protections nor provide a review of the holdings or any valuations of the holdings in the account.

In expectation of additional precious metals investment schemes, investors are advised to contact the North Dakota Securities Department to check the registration of all investment products and professionals, diligently research investments, and ask tough questions about the fees, markups or spreads, risks, and potential returns. If it sounds too good to be true, it is.

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.

The Securities Department encourages investors to contact the agency if they suspect they have been targeted by similar precious metals investment schemes.

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**For More Information Contact:**

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**Doug Burgum, *Governor***

**Karen Tyler, *Commissioner, Securities Department***

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