

**NEWS RELEASE** | **FOR IMMEDIATE RELEASE** | September 29, 2020

## **Los Angeles Precious Metals Dealers Charged by CFTC and State Regulators with \$185 Million Fraud Targeting the Elderly**

**Bismarck ND** – North Dakota Securities Commissioner Karen Tyler announced today that the Commodity Futures Trading Commission and 30 state regulators that are members of the North American Securities Administrators Association (NASAA) have filed a joint civil enforcement action in the U.S. District Court for the Northern District of Texas against two precious metals dealers and their companies for perpetrating a \$185 million fraudulent scheme targeting elderly persons nationwide.

The complaint charges defendants **TMTE, Inc., d/b/a Metals.com, Chase Metals, LLC, Chase Metals, Inc. (collectively “Metals.com”), Barrick Capital, Inc. and its principals, Lucas Asher a/k/a Lucas Thomas Erb a/k/a Luke Asher and Simon Batashvili** with executing an ongoing nationwide fraud that solicited and received more than \$185 million in investor funds to purchase fraudulently overpriced gold and silver bullion. **Tower Equity, LLC** is also charged as a relief defendant. The defendants and relief defendant are all located in Los Angeles, California.

On September 22, 2020, The Honorable Judge David C. Godbey of the U.S. District Court for the Northern District of Texas entered a restraining order freezing the assets of the defendants and the relief defendant and permitting the CFTC and the states to inspect all relevant records. The court also appointed a receiver to take control of Metals.com, Barrick, and Tower Equity, as well as the assets of Asher and Batashvili.

### **Case Background**

The complaint alleges that, from at least September 1, 2017 to the present, the defendants fraudulently solicited and received over \$185 million in customer funds—

including more than \$140 million in retirement savings—from at least 1,600 persons throughout the United States for the purpose of purchasing precious metals bullion. The defendants targeted a vulnerable population of elderly persons with little experience in precious metals. Through their fraudulent solicitation, the defendants deceived customers into purchasing precious metals bullion at grossly inflated prices that bore no relationship to the prevailing market price. The overcharges averaged from 100 percent to more than 300 percent over the prevailing market price. In the end, nearly every customer lost the vast majority of their funds deposited with the defendants.

As the complaint alleges, to perpetuate their fraud, when questioned by customers about the value of the precious metals bullion they purchased, the defendants falsely claimed that the precious metals bullion were rare and carried a premium far above the base melt value. In fact, the precious metals bullion were significantly less valuable than the defendants claimed.

In the continuing litigation against the defendants, the CFTC and the states seek disgorgement of ill-gotten gains, civil monetary penalties, restitution, permanent registration and trading bans, and a permanent injunction against further violations of the Commodity Exchange Act, CFTC regulations, and state laws, as charged.

North Dakota residents who invested in the fraudulent scheme are encouraged to contact the North Dakota Securities Department. All harmed investors will be eligible to participate in any recovery from this litigation and receivership.

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**Doug Burgum, Governor**

**Karen Tyler, Commissioner Securities Department**

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