

Dept. of Financial Institutions: DFI, U.S. CFTC, and 29 state regulators reach settlement with Safeguard Metals in \$68 million fraud targeting elderly adults

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MADISON, Wis. – The [Wisconsin Department of Financial Institutions \(DFI\)](#), in partnership with the [U.S. Commodity Futures Trading Commission \(CFTC\)](#) and 29 other state regulators, today announced the parties have reached a settlement with precious metals dealer Safeguard Metals, LLC and Jeffrey Ikahn in a [federal lawsuit](#) filed in February 2022, in the United States District Court for the Central District of California. The lawsuit alleged that Safeguard and Ikahn engaged in a \$68 million fraudulent scheme that targeted the elderly.

A key finding in the [consent order](#) is that between October 2017 and July 2021, Safeguard and Ikahn deceived more than 450 customers nationwide into purchasing precious metals through false and misleading statements, including misrepresenting Safeguard's and Ikahn's credentials, as well as the risk and safety of customer investments in traditional retirement accounts.

“Safeguard Metals engaged in fraudulent and deceptive practices to solicit millions of dollars primarily from elderly and retirement-aged individuals for profit. As a result, customers suffered substantial losses on their retirement investments,” said DFI Secretary-designee Cheryll Olson-Collins. “By joining this settlement, in partnership with the CFTC and other state regulators, the DFI continues its efforts to protect consumers by holding bad actors in the precious metals industry accountable for their actions.”

The order also finds that the defendants charged an average markup of 51 to 71 percent on the precious metals, which was substantially more than the amounts the defendants represented in Safeguard Metals' customer agreements as "operating margins" of 23 to 42 percent. Safeguard Metals steered over 97 percent of its sales, from mostly inexperienced investors, into overpriced silver coins, which had significantly higher markups than gold coins, and generated approximately \$66 million for Safeguard.

The defendants consent to the use of the consent order's findings and conclusions in this action and any subsequent actions between the parties, but otherwise, neither admit nor deny the findings.

As part of the court approved settlement, Safeguard and Ikahn agreed to a permanent injunction that enjoins them from violating several federal and state laws, including laws that prohibit commodities fraud, securities and investment adviser fraud, and providing unlicensed investment advice. In the next phase of the litigation, the appropriate amount of customer restitution and civil monetary penalties will be determined.

Safeguard and Ikahn also agreed to settle a federal lawsuit filed by the [U.S. Securities and Exchange Commission \(SEC\)](#) alleging violations of federal securities laws. The DFI wishes to thank the CFTC, other state regulators, and the SEC for their assistance in this action.

The DFI cautions investors to thoroughly research any investment opportunity before investing their money. Contact the DFI's Division of Securities at (608) 266-2139 or DFISecurities@dfi.wisconsin.gov to verify the registration of individuals offering investment opportunities, investment advice for a fee, and any products they offer. Wisconsin investors with questions or concerns about a precious metals offer should contact either the DFI's Division of Securities, the [Wisconsin Department of Agriculture, Trade, and Consumer Protection \(DATCP\)](#) toll-free at (800) 422-7128 or DATCPHotline@wisconsin.gov, or report suspicious activities and information to the CFTC toll-free at (866) 366-2382.