



ANTHONY G. BROWN, MARYLAND ATTORNEY GENERAL

PRESS RELEASE

FOR IMMEDIATE RELEASE

Media Contacts:
press@oag.state.md.us
410-576-7009

Maryland, CFTC, and 29 State Regulators Reach Settlement with Safeguard Metals in \$68 Million Fraud Targeting Elderly Adults

BALTIMORE, MD (October 27, 2023) – Maryland Attorney General Anthony G. Brown’s Securities Division has announced that the office, in partnership with the U.S. Commodity Futures Trading Commission (CFTC), and 29 other state regulators, has reached a [settlement](#) with precious metals dealer Safeguard Metals, LLC and owner 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 retirement accounts of the elderly. In this scheme, Defendants used lies and fear to advise investors that their traditional retirement accounts were at risk of loss and encouraged investors to buy Safeguard’s fraudulently priced precious metals as a safe alternative. Investors subsequently suffered immediate losses to their retirement savings from Safeguard’s massive undisclosed fees.

“Investors who trusted Safeguard Metals with their hard-earned retirement money – funds they were relying on for their future – were taken advantage of, lied to, and deceived, putting their financial security at tremendous risk,” **said Attorney General Brown.** “My Securities Division will continue to help lead efforts to protect investors from bad actors in the investing industry, including precious metals.”

As detailed in the Consent Order, between October 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 and the risk and safety of customer investments in traditional retirement accounts. The Order also finds that the Defendants charged an average fee of 51 to 71% on the precious metals, which was substantially more than the amounts that they represented in Safeguard Metals’ customer agreements as “operating margins” of 23 to 42%. Safeguard Metals steered over 97% of its sales from mostly inexperienced investors into silver coins that had significantly higher fees 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 from providing unlicensed investment advice. In addition, Ikahn agreed to an order barring him from the securities and investment advisory business in Maryland and in other states, and also agreed to a federal commodity trading ban.

Safeguard and Ikahn also agreed to settle a federal lawsuit filed by the Securities and Exchange Commission (SEC), alleging violations of federal securities laws.

In the next phase of the litigation, the appropriate amount of customer restitution and civil monetary penalties will be determined. In making today's announcement, Attorney General Brown thanked Assistant Attorney General Max F. Brauer for his work on the case. Attorney General Brown would also like to thank his office's fellow state agencies, the CFTC, and the SEC for their assistance in this action.

<https://www.marylandattorneygeneral.gov/press/2023/102723.pdf>

###