



**COMMISSIONER OF SECURITIES
STATE OF GEORGIA**

<p>In the Matter of</p> <p>TMTE, Inc., a/k/a Metals.com a/k/a</p> <p>Chase Metals, LLC a/k/a Chase Metals, Inc.;</p> <p>Walter Vera; Athena Hunter; and Samara Mills</p> <p style="text-align: center;">Respondents.</p>	<p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p> <p>:</p>	<p>Case Number: ENSC-190834</p>
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EMERGENCY ORDER TO CEASE AND DESIST

This matter comes before the Commissioner of Securities for the State of Georgia (“Commissioner”) pursuant to the authority granted in O.C.G.A. § 10-5-70, *et seq.* of the Georgia Uniform Securities Act of 2008, as amended (“Act”). Whereas, the Commissioner undertook an investigation into the acts and practices of TMTE, Inc. a/k/a Metals.com a/k/a Chase Metals, LLC a/k/a Chase Metals, Inc. (collectively “Metals.com”), Walter Vera (“Vera”), Athena Hunter (“Hunter”), and Samara Mills (“Mills”) (collectively, with Metals.com, “Respondents”).

On the basis of the investigation, the Commissioner has found grounds to conclude that Respondents have engaged in acts or practices constituting violations of the Act. The Commissioner has determined it is in the public interest to issue this Order.

The Commissioner finds as follows:

I. FINDINGS OF FACT

A. The Parties

1. Metals.com is a corporation with a principal place of business located at 433 North Camden Drive, Suite 970, Beverly Hills, California 90210. Metals.com can be served process at this location or through its registered agent, Corporate Agents, LLC, located at 1712 Pioneer Avenue, Suite 100, Cheyenne, Wyoming 82001.

2. Metals.com is not, and has never been, registered to conduct business in Georgia with the Corporations Division of the Georgia Secretary of State as a corporation or other type of

business organization.

3. Vera is a Vice President of Sales for Metals.com. He can be served with process at 433 North Camden Drive, Suite 970, Beverly Hills, California 90210, or through Respondent Metals.com's registered agent, Corporate Agents, LLC, at 1712 Pioneer Avenue, Suite 100, Cheyenne Wyoming 82001.

4. Hunter is a representative of Metals.com. She can be served process at 433 North Camden Drive, Suite 970, Beverly Hills, California 90210, or through Respondent Metals.com's registered agent, Corporate Agents, LLC, at 1712 Pioneer Avenue, Suite 100, Cheyenne Wyoming 82001.

5. Mills is a Director of Operations for Metals.com. She can be served process at 433 North Camden Drive, Suite 970, Beverly Hills, California 90210, or through Respondent Metals.com's registered agent, Corporate Agents, LLC, at 1715 Pioneer Avenue, Suite 100, Cheyenne Wyoming 82001.

B. The Illegal Advisory Scheme

6. Metals.com engaged in a scheme to solicit investments through commercial advertising on cable news. The television solicitations targeted elderly individuals for investments in Metals.com. Metals.com is also soliciting potential investors through an internet website accessible by the public at <https://www.metals.com>.

7. Most of the investors are elderly persons, as the majority of Respondents are sixty-five to ninety (65-90) years old, many of whom suffer from various forms of disability.

8. Potential investors, in response to Respondents' advertisements, contacted Respondents via contact information included on these advertisements and Respondents requested the potential investors provide information about their securities holdings purchased from dealers and/or managed by investment advisers.

9. Through their solicitations to potential investors, Respondents advised investors that, due to economic instability and an impending market crash, their securities holdings were not safe. Respondents further advised that the investors' dealers and investment advisers were committing illegal acts against their clients that resulted in the loss of funds.

10. Respondents told investors that investments in precious metals, as opposed to investments in securities, are reliable investments that will preserve value regardless of market fluctuations, and would serve as a hedge against inflation and the devaluation of the dollar.

Respondents did not disclose that precious metals involve considerable risk with potentially volatile market prices that may be affected by economic conditions, political events, and speculative activity.

11. Respondents advised investors that in order to protect their holdings, they needed to liquidate their retirement accounts and/or sell their securities and invest in precious metals through self-directed individual retirement accounts.

12. Respondents did not disclose to investors information regarding complaints against Respondents by prior Metals.com investors, including complaints related to fraudulent, deceptive, and illegal practices sent, submitted, or otherwise levied by prior investors.

13. Respondents assisted investors in liquidating their retirement accounts by contacting their dealers and investment advisers to facilitate the liquidation of their holdings and/or transfer of their funds.

14. Respondents provided the legal documents to investors needed to sell securities and/or invest in precious metals through a self-directed individual retirement account (“IRA”). Respondents prepared the entirety of the documents and investors needed only to sign the legal documents.

15. The legal documents required each potential investor to declare, under the penalty of perjury, that the potential investor either deals in precious metals due to his or her occupation, or as a result of his or her avocations as collector, speculator, or investor, the potential investor has knowledge or skill particular to precious metals or the practices involved in the purchase of precious metals.

16. The legal documents required investors to acknowledge and agree that he or she assumed the risk of all investment decisions regarding any and all precious metals the investor purchased from Respondents, and that any purchases from Respondents were made subject to the investor’s own prudence, judgment, and ultimate decision.

17. The legal documents required investors to waive express and implied warranties, waive consequential damages, limit the liability of Respondents, and to hold Respondents harmless for any damages arising out of its performance under the contracts with investors.

18. Respondents filled out and executed orders for precious metals on behalf of investors, and informed investors that their precious metals would need to be stored at one of two possible depositories. Investors were not informed of an option to store metals in their own safety deposit

boxes or other location of their choosing.

C. Compensation Paid Metals.com and Representatives of Metals.com

19. Respondents told investors that Metals.com did not charge a fee for purchase of precious metals and investors needed only to pay the retail price of precious metals.

20. Respondents failed to disclose that investors paid compensation to Metals.com when they accepted its advice, transferred their funds from a dealer or investment adviser, and used the money to invest in precious metals.

21. The compensation to Metals.com was purportedly equal to the difference between the price paid by potential investors and the wholesale price of precious metals. This difference was referred to as the “spread”. The spread varied from investor to investor, generally ranging from two percent (2%) to thirty-three percent (33%) for transactions involving individual retirement accounts.

22. Representatives of Metals.com received compensation for advising investors to sell their securities and invest in precious metals. This compensation was based, at least in part, on the amount of sales and the profit margin of sales.

D. Georgia

23. To date, Respondents induced at least twenty (20) Georgia investors to liquidate over three million nine hundred thousand dollars (\$3,900,000.00) of their retirement accounts and/or securities holdings and to invest these funds into precious metals through Metals.com.

24. As of June 17, 2019, the total value of precious metals held by Georgia investors through Metals.com totaled approximately one million six hundred nineteen thousand dollars (\$1,619,000.00), indicating that the Georgia investors’ precious metals holdings through Metals.com held fifty two percent (52%) of the value of their original liquidated portfolios.

II. CONCLUSIONS OF LAW

25. Paragraphs 1 through 23 are incorporated by reference as though fully set forth herein.

26. The Commissioner has jurisdiction over this matter pursuant to the Act.¹

27. Pursuant to O.C.G.A. § 10-5-70, *et seq.*, the Commissioner is authorized to institute this investigation and issue this Order.

28. Pursuant to Rule 590-4-1-.10, the Commissioner is authorized to issue an emergency order effective on the date of issuance provided that the “Commissioner deems that the public

¹ See O.C.G.A. §§ 10-5-70 and 10-5-71.

health, safety, or welfare imperatively requires emergency action and incorporates a finding to that effect in the emergency order, in which case the order may be effective immediately pending proceedings.”

29. Pursuant to O.C.G.A. § 10-5-73, the Commissioner may issue an order directing a person to cease and desist from engaging in the act, practice, or course of business if the Commissioner determines that the person has engaged, is engaging, or is about to engage in an act, practice, or course of business constituting a violation of the Act or Rules adopted thereunder.

30. Pursuant to O.C.G.A. § 10-5-2(17), the term “investment adviser” is defined as “a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analysis or reports concerning securities.”

31. Pursuant to O.C.G.A. § 50-5-32, “[i]t is unlawful for an individual to transact business in this state as an investment adviser unless the person is registered under this chapter as an investment adviser or is exempt from registration as an investment adviser.”

32. Metals.com is acting as an investment adviser because Metals.com is advising others, for compensation, as to the value of their securities holdings and directing them to liquidate their securities holdings.

33. Metals.com is not registered as an investment adviser with the Commissioner. However, Metals.com transacted business when it advised Georgia investors to liquidate their securities holdings and roll those holdings into precious metals. Metals.com is in violation of O.C.G.A. § 10-5-32 because they are transacting business in the State of Georgia as investment advisers without registration, and are not subject to an exemption in the Act. These activities are violations of O.C.G.A. § 10-5-32. The violations are actionable events pursuant to O.C.G.A. § 10-5-73; therefore, Metals.com is subject to discipline.

34. Pursuant to O.C.G.A. § 10-5-2(19), an “investment adviser representative” is defined as “an individual employed by or associated with an investment adviser or federal covered investment adviser who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds herself or himself out as providing investment advice, receives compensation to solicit, offer, or negotiate

for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing.”

35. Pursuant to O.C.G.A. § 10-5-33, “[i]t is unlawful for an individual to transact business in this state as an investment adviser representative unless the individual is registered under this chapter as an investment adviser representative or is exempt from registration as an investment adviser.”

36. Vera is not registered as an investment adviser with the Commissioner. However, Vera transacted business as an investment adviser representative when he advised Georgia investors to liquidate their securities holdings and invest that money into precious metals with Metals.com on behalf of Metals.com. These activities are violations of O.C.G.A. § 10-5-33. The violations are actionable events pursuant to O.C.G.A. § 10-5-73; therefore, Vera is subject to discipline.

37. Hunter is not registered as an investment adviser representative with the Commissioner. However, Hunter transacted business as an investment adviser representative when she advised Georgia investors to liquidate their securities holdings and invest that money in precious metals with Metals.com on behalf of Metals.com. These activities are violations of O.C.G.A. § 10-5-33. The violations are actionable events pursuant to O.C.G.A. § 10-5-73; therefore, Hunter is subject to discipline.

38. Mills is not registered as an investment adviser representative with the Commissioner. However, Mills transacted business as an investment adviser representative when she advised Georgia investors to liquidate their securities holdings and invest that money in precious metals with Metals.com on behalf of Metals.com. These activities are violations of O.C.G.A. § 10-5-33. The violations are actionable events pursuant to O.C.G.A. § 10-5-73; therefore, Mills is subject to discipline.

39. Pursuant to O.C.G.A. § 10-5-51, “It is unlawful for a person that advises others for compensation, either directly or indirectly, or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as part of a regular business, issues or promulgates analyses or reports relating to securities: (1) [t]o employ a device, scheme, or artifice to defraud another person; or (2) [t]o engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.”

40. Respondents, in connecting with the rendering of investment advice, advised investors

that investments in precious metals are safe and secure investments for potential investors. These are misrepresentations of relevant facts, as Respondents' legal documents acknowledged material risks of investing in precious metals and required investors to waive these risks.

41. Further, in connection with the rendering of investment advice, Respondents claimed that Metals.com does not charge fees for the purchase of precious metals and investors would only pay the retail prices charged for the precious metals.

42. In connection with the rendering of investment advice, Respondents intentionally failed to disclose any information about complaints, including complaints relating to fraudulent, deceptive, and illegal practices sent, submitted, or otherwise levied by prior investors. This information constitutes a material fact.

43. These activities described in paragraphs 35 through 37 are violations of O.C.G.A § 10-5-51. These violations are actionable events pursuant to O.C.G.A § 10-5-73; therefore, Respondents are subject to discipline.

III. ORDER

WHEREFORE, by the authority vested in me as the Commissioner of Securities for the State of Georgia, **IT IS HEREBY ORDERED**:

1. That **TMTE, Inc. a/k/a Metals.com a/k/a Chase Metals, LLC a/k/a Chase Metals, Inc. CEASE AND DESIST** any and all violations of the Georgia Uniform Securities Act of 2008, as amended.

2. That **Walter Vera CEASE AND DESIST** any and all violations of the Georgia Uniform Securities Act of 2008, as amended.

3. That **Athena Hunter CEASE AND DESIST** any and all violations of the Georgia Uniform Securities Act of 2008, as amended.

4. That **Samara Mills CEASE AND DESIST** any and all violations of the Georgia Uniform Securities Act of 2008, as amended.

5. That **TMTE, Inc. a/k/a Metals.com a/k/a Chase Metals, LLC a/k/a Chase Metals,**

Inc.; Walter Vera; Athena Hunter; and Samara Mills, jointly and severally pay a civil penalty in the amount of five hundred thousand dollars (\$500,000).

The entry of this Order is deemed to be in the public interest, and shall not be deemed to constitute findings or conclusions relating to other persons unrelated to the Respondents and shall not be deemed to be a waiver or estoppel on the part of the Commissioner from proceeding in individual actions against any person who may have violated the Act or any transactions not specifically referred to herein or not known to the Commissioner at the time this Order was issued.

SO ORDERED this 30th day of July, 2019.

**BRAD RAFFENSPERGER
SECRETARY OF STATE
COMMISSIONER OF SECURITIES**

By:



C. Ryan Germany
Assistant Commissioner of Securities



**COMMISSIONER OF SECURITIES
STATE OF GEORGIA**

In the Matter of

**TMTE, Inc., a/k/a Metals.com a/k/a
Chase Metals, LLC a/k/a Chase Metals, Inc.;
Walter Vera; Athena Hunter; and Samara Mills

Respondents.**

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Case Number: ENSC-190834

NOTICE OF OPPORTUNITY FOR HEARING

**TO: TMTE, Inc. a/k/a Metals.com a/k/a Chase Metals, LLC a/k/a Chase Metals, Inc.
433 N Camden Drive
Suite 970
Beverly Hills, California 90210**

**Walter Vera
433 N Camden Drive
Suite 970
Beverly Hills, California 90210**

**Athena Hunter
433 N Camden Drive
Suite 970
Beverly Hills, California 90210**

**Samara Mills
433 N Camden Drive
Suite 970
Beverly Hills, California 90210**

Pursuant to O.C.G.A. §10-5-73(b), Respondents are hereby notified that within thirty (30) days after receipt of a request for a hearing in a record from Respondents, this matter will be scheduled for a hearing unless another date and time is otherwise agreed to by the parties. If Respondents do not request a hearing and none is ordered by the Commissioner within thirty (30)

days after the date of service of this Order, this Order will become final as to Respondents by operation of law. If a hearing is requested or ordered, the Commissioner, after notice of and opportunity for hearing to Respondents, may modify or vacate this Order, or extend it until final determination.

1. **GROUND:** The grounds for the issuance of the Order are that Respondents have engaged in conduct in violation of O.C.G.A. §§ 10-5-20, 10-5-30, 10-5-31, 10-5-50, and 10-5-1, *et seq.*

2. **REQUEST FOR HEARING:** A request for a hearing may be delivered to the attention of, Noula Zaharis, Director, Office of the Secretary of State, Securities and Charities Division, Suite 317 West Tower, 2 Martin Luther King Jr. Dr. S.E., Atlanta, Georgia 30334.

3. **PROCEDURE FOR REQUESTING A HEARING:** If Respondents request a hearing, the request for hearing must be in writing and contain the following information:

- A title which indicates the nature of the proceedings;
- The complete name and address of the person or persons on whose behalf the request is filed;
- The name and address of all other persons known to have a legal interest in the proceedings;
- If the person or persons on whose behalf the request is filed are represented by counsel, the name and address of counsel;
- A clear and concise statement of the facts upon which the contested case arises;
- A prayer setting forth the relief sought; and
- A statement of the grounds upon which the person contends he is entitled to the relief sought.

4. **SCHEDULING OF HEARING:** If requested, a hearing will be scheduled and the Respondents will be notified of the date, time and location of the hearing.

5. **ISSUES TO BE ADDRESSED:** If a hearing is requested, the issues to be addressed are

set forth in the attached Order that is incorporated herein by reference and made a part of this Notice of Opportunity for Hearing.

6. **CONTESTED CASES:** This is a contested case proceeding and pursuant to the Rules it shall be conducted as expeditiously as possible, with regard to the rights of the parties, and in a manner to enable the parties to obtain relevant information needed for preparation of the case to the extent that such disclosure is authorized or required by law.

7. **LEGAL AUTHORITY AND JURISDICTION:** This Notice of Opportunity for Hearing is issued pursuant to O.C.G.A. § 10-5-73, Rule 590-4-6-.01, *et seq.*, and O.C.G.A. § 50-13-1, *et seq.* (The Georgia Administrative Procedure Act).

8. **INFORMAL CONFERENCE:** Respondents may request an informal prehearing conference with the Division Director pursuant to the Commissioner's Rule 590-4-6-.12 adopted under the Act. The receipt of a request for a prehearing conference will toll, until the date scheduled for the prehearing conference, the running of the time for requesting a hearing.

9. **RIGHTS OF PARTIES:** The parties to this matter shall have all of the rights provided for in the Act and the Rules, including but not limited to the following:

- to subpoena witnesses and documentary evidence;
- to be represented by legal counsel; and
- to respond to and present evidence on all issues involved.

SO ORDERED this 30th day of July, 2019.

BRAD RAFFENSPERGER
SECRETARY OF STATE
COMMISSIONER OF SECURITIES

By:


C. Ryan Germany
Assistant Commissioner of Securities