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*Texas State Securities Board*

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IN THE MATTER OF §  
TMTE, INC., AKA CHASE METALS.COM, CHASE §  
METALS, LLC, AND CHASE METALS, INC.; WALTER §  
VERA; MICHAEL KENDALL AND ATHENA HUNTER §

Order No. ENF-19-CDO-1782

TO: TMTE Inc., aka Metals.com, aka Chase Metals, LLC, aka Chase Metals, Inc., 433 N. Camden Drive, Suite 970, Beverly Hills, California 90210, and c/o Corporate Agents, LLC, at 1712 Pioneer Avenue, Ste. 100, Cheyenne, Wyoming 82001

Walter Vera, 433 N. Camden Drive, Suite 970, Beverly Hills, California 90210, and c/o Corporate Agents, LLC, at 1712 Pioneer Avenue, Ste. 100, Cheyenne, Wyoming 82001

Michael Kendall, 433 N. Camden Drive, Suite 970, Beverly Hills, California 90210, and c/o Corporate Agents, LLC, at 1712 Pioneer Avenue, Ste. 100, Cheyenne, Wyoming 82001

Athena Hunter, 433 N. Camden Drive, Suite 970, Beverly Hills, California 90210, and c/o Corporate Agents, LLC, at 1712 Pioneer Avenue, Ste. 100, Cheyenne, Wyoming 82001

**ORDER**

Be it remembered that TMTE Inc., aka Metals.com, aka Chase Metals, LLC, aka Chase Metals, Inc. (hereinafter referred to as "Respondent Metals.com"), appeared before the Securities Commissioner of the State of Texas (hereinafter referred to as the "Securities Commissioner") and consented to the entry of this Order and the Findings of Fact contained herein.

**FINDINGS OF FACT**

1. Respondent Metals.com has waived (a) its rights to notice and hearing in this matter, (b) its rights to appear and present evidence in this matter, (c) its rights to appeal this Order, and (d) all other procedural rights granted by the Securities Act, Tex. Rev. Civ. Stat. Ann. Arts. 581-1 to 581-45 (West 2010 & Supp. 2018) and the Administrative Procedure Act, Tex. Gov't Code Ann. §§ 2001.001 to 2001.902 (West 2008 & Supp. 2018). As described in more detail herein, after waiver of such rights, the Securities Commissioner sets aside Emergency Cease and Desist

Order No. ENF-19-CDO-1777 (hereinafter referred to as the "Emergency Order") with prejudice with respect to Respondent Metals.com and without prejudice with respect to Athena Hunter (hereinafter referred to as "Respondent Hunter"), Walter Vera (hereinafter referred to as "Respondent Vera") and Michael Kendall (hereinafter referred to as "Respondent Kendall").

#### THE PARTIES

2. Respondent Metals.com can be served with process at 433 N. Camden Drive, Suite 970, Beverly Hills, California 90210, and c/o Corporate Agents, LLC, at 1712 Pioneer Avenue, Ste. 100, Cheyenne, Wyoming 82001.
3. Respondent Metals.com is represented in this matter by Shamoil T. Shipchandler, Mark Rasmussen, and Andrew Junker, of Jones Day. Once entered by the Securities Commissioner, certified copies of this Order will be sent to Mr. Shipchandler by electronic mail and by regular mail addressed to his office at 2727 N. Harwood St., Ste. 500, Dallas, TX 75201.

#### PROCEDURAL HISTORY

4. On May 1, 2019, the Securities Commissioner entered the Emergency Order on an ex parte basis against Respondent Metals.com, as well as Respondents Hunter, Kendall and Vera.
5. Pursuant to Section 23-2 of the Securities Act, the parties were afforded the opportunity to request a hearing to modify or set aside the Emergency Order. The statute required that the parties file their request before the 31st day after the date they were served with the Emergency Order.
6. Respondents filed a timely request for a hearing to modify or set aside the Emergency Order. The request was filed with the Securities Commissioner and satisfied the requirements of Section 23-2 of the Securities Act. Respondent Metals.com has since cooperated with the Enforcement Division.
7. The Enforcement Division and Respondents agreed to waive the requirement that the hearing be held no later than the 10th day after the date the Securities Commissioner received Respondents' request for a hearing to challenge the Emergency Order.
8. On May 9, 2019, the Enforcement Division filed a Notice of Hearing with the State Office of Administrative Hearings. The contested case was captioned in the Matter of TMTE, Inc., aka Chase Metals.com, Chase Metals, LLC, and Chase Metals, Inc.; Walter Vera; Michael Kendall; and Athena Hunter, and was assigned SOAH Docket No. 312-19-4598. The contested case was set for a hearing on May 28, 2019, which was continued upon unopposed motion until August 28, 2019.
9. The Enforcement Division and Respondent Metals.com have agreed to settle this contested case without a hearing through the entry of this agreed Order.

### DISMISSAL OF THE CONTESTED CASE

10. Respondent Metals.com will withdraw its request for a hearing to modify or set aside the Emergency Order. Withdrawal is contingent upon the entry of this agreed Order and shall be effective as of the date of this agreed Order.
11. The Securities Commissioner sets aside the Emergency Order with prejudice with respect to Metals.com and without prejudice with respect to Respondents Vera, Kendall, and Hunter.
12. The Enforcement Division will file a motion to dismiss the contested case against Respondents with SOAH. Respondent Metals.com will not oppose the Enforcement Division's filing of a motion to dismiss the contested case from SOAH's docket because the parties to the contested case have settled all matters in controversy.

### BACKGROUND

13. Respondent Metals.com contests the findings of fact and conclusions of law set forth in the Emergency Order. Respondent Metals.com acknowledges as follows:
  - A. Respondent Metals.com is in the business of selling precious metals and is not in the business of selling securities or providing investment advice.
  - B. Respondent Metals.com sells precious metals to customers across the country, including Texas, both through its website and over the phone.
  - C. For phone sales, Respondent Metals.com contacts potential customers who have previously provided their contact information to Respondent Metals.com in response to Internet advertisements. Respondent Metals.com does not engage in "cold calling" or target particular demographic groups for sales.
  - D. When customers buy precious metals through Respondent Metals.com, the metals are either shipped directly to the customer or to a third-party precious metals depository in the customer's name.
  - E. Some customers of Respondent Metals.com establish self-directed Individual Retirement Accounts ("IRAs") to hold precious metals to receive certain tax benefits.
  - F. Respondent Metals.com trains its employees on complying with relevant laws, including securities laws. It also has policies that prohibit employees from providing investment advice to clients.
  - G. Respondent Metals.com has employed Respondent Hunter since approximately November 2017. Her responsibilities include answering questions clients have about setting up self-directed IRAs and using assets in existing accounts to buy precious metals.

- H. Respondent Hunter received training from Respondent Metals.com about compliance with laws generally and specifically about not providing investment advice.
- I. In approximately November 2018, Respondent Hunter, while assisting a customer who wished to buy precious metals, provided advice to the customer about specific securities in contravention of Respondent Metals.com policies.
14. Respondent Metals.com, as a measure of good faith and demonstration of its commitment to complying with the law, has executed an undertaking in which it commits to enhance its existing compliance program and offer rescission to 84 eligible Texas residents.
15. The undertaking will be filed with the Securities Commissioner upon the entry of this agreed Order by the Securities Commissioner.

#### **CONCLUSIONS OF LAW**

1. Based on the allegations in paragraph 13(I) of this Order, Respondent Metals.com, through Respondent Hunter, acted as an investment adviser as that term is defined in Section 4.N of the Securities Act.
2. Based on the allegations in paragraph 13(I) of this Order, Respondent Metals.com violated Sections 12 and/or 12-1 of the Securities Act by rendering services, through Respondent Hunter, as an investment adviser in Texas without being registered or notice-filed as an investment adviser.
3. The forgoing violations serve as a basis for the entry of this Order.

#### **ORDER**

1. It is therefore ORDERED that the Emergency Cease and Desist Order is set aside by this Order as to Respondents.
2. It is further ORDERED that Respondent Metals.com immediately CEASE AND DESIST from acting as an investment adviser in Texas unless and until they are registered with the Securities Commissioner or are acting pursuant to an exemption from registration under the Texas Securities Act.

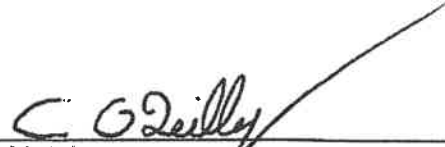
SIGNED AND ENTERED by the Securities Commissioner this 1<sup>st</sup> day of

July 2019.




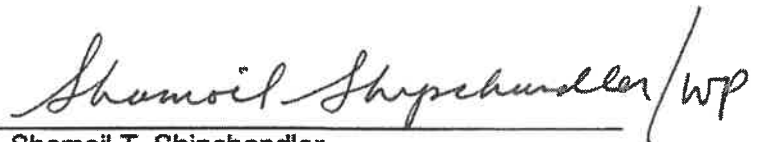
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TRAVIS J. LES  
Securities Commissioner

**Respondents:**

  
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Metals.com  
BY: Conor O'Reilly, Compliance Officer

**Approved as to Form:**

  
\_\_\_\_\_  
Rachael Luna  
Attorney for the Enforcement Division

  
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Shamoil T. Shipchandler  
Attorney for Respondent

  
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Jeremy Heintz  
Attorney for the Enforcement Division

  
\_\_\_\_\_  
Joe Rotunda  
Director of the Enforcement Division