



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
TMTE, Inc., a/k/a Chase Metals,)
LLC, a/k/a Chase Metals, Inc.,)
d/b/a Metals.com;) Case No. AP-19-19
)
and)
)
Walter Vera,)
)
Respondents.)

CONSENT ORDER

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“the Enforcement Section”), through Enforcement Counsel Douglas M. Jacoby, has alleged (i) that TMTE, Inc., a/k/a Chase Metals, LLC, a/k/a Chase Metals, Inc., d/b/a Metals.com (“**TMTE**”), through the actions of certain employees, including Walter Vera (collectively, “**Respondents**”), violated Section 409.4-403(a)¹ by transacting business as an unregistered investment adviser and Section 409.4-403(d), by employing an unregistered investment adviser representative; (ii) that Respondent Vera violated Section 409.4.404(a) by transacting business as an unregistered investment adviser representative; and (iii) that these violations by the Respondents constitute grounds to issue an order pursuant to Section 409.6-604. Respondents and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to Respondents’ respective violations of Sections 409.4-403(a), 409.4-403(d) and 409.4-404(a).

CONSENT TO JURISDICTION

2. Respondents and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“**Commissioner**”) has jurisdiction over Respondents as a result of their alleged activities involving securities pursuant to the Missouri Securities Act of 2003, Chapter 409 *et seq.* (“**Act**”).

¹ Unless otherwise noted, all statutory references are to the 2016 Revised Statutes of Missouri.

3. Respondents and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h) which provides:

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER, DISMISSAL, AND EXCEPTION

4. Respondents waive Respondents’ rights to a hearing with respect to these matters.
5. Respondents waive any rights that Respondents may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold harmless the Missouri Office of Secretary of State, the Secretary of State, the Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to these matters.
6. Respondents stipulate and agree with the Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

7. Respondents and the Enforcement Section stipulate and agree to the issuance of this Order without further proceedings in these matters, agreeing to be fully bound by the terms and conditions specified herein.
8. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondent’s (a) testimonial obligations; (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual. The parties agree not to make any public statement referencing legal or factual allegations that are not contained in this Order.
9. Respondents and the Enforcement Section agree that neither party is the prevailing party in this action since the parties have reached a good faith settlement.
10. Respondents neither admit nor deny the allegations made by the Enforcement Section, but consent solely for the purpose of these matters only and not for any other matter, to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Order.

COMMISSIONER'S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

11. TMTE is an independent retailer of gold and silver products, including bars, rounds, and coins and is located at 433 North Camden Drive, Suite 970, Beverly Hills, California 90210. Its registered agent is Corporate Agents, LLC, located at 1712 Pioneer Avenue, Suite 100, Cheyenne, Wyoming 82001.
12. TMTE is in the business of selling precious metals and is not in the business of selling securities or providing investment advice. It sells precious metals to customers across the country, including Missouri, both through its website and over the phone.
13. TMTE has never been registered or exempt from registration as a broker-dealer, investment adviser, or commodity merchant, as those terms are defined in the Act.
14. Vera was Vice President of Sales for TMTE during the relevant time period.
15. Vera has never been registered or exempt from registration as an agent or investment adviser representative as those terms are defined in the Act.
16. From January 1, 2018, through December 31, 2018 (“**Relevant Period**”), certain employees of TMTE, including Vera, advised Missouri Residents (“**MR**”) to liquidate the securities they had in established qualified retirement accounts in order to purchase precious metals in newly established self-directed retirement accounts.
17. TMTE advertised to potential purchasers of precious metals through its publicly available website, <http://www.metals.com>, and other commercial advertising channels.
18. In response to TMTE’s public website and advertisements, MRs either contacted TMTE directly by telephone or, after providing their telephone contact information to TMTE through TMTE’s public website, received a call from a TMTE employee.
19. During telephone conversations between TMTE employees and MRs, certain TMTE employees, including Vera, advised MRs to liquidate the securities holdings in their existing retirement plans, establish a self-directed retirement plan, and purchase precious metals.
20. While on the telephone with an MR, Vera specifically inquired about the securities holdings of the MR and requested that the MR send Vera the MR’s account statements for review. After reviewing the MR’s account statements, Respondent Vera contacted the MR and discussed the value of the MR’s securities holdings with the MR, commented that the MR’s securities holdings had lost value, and advised the MR to liquidate the MR’s securities holdings and use the sales proceed to purchase precious metals.

21. In connection with this alleged investment advice, TMTE charged MRs a transactional mark-up based on the difference between the wholesale price with which TMTE initially purchased the precious metals from a third party and the price TMTE resold the precious metals to the MRs.
22. During the Relevant Period, at least seven MRs liquidated over \$1,001,949.30 of their retirement savings and/or securities holdings and used the sales proceeds to purchase precious metals through TMTE.
23. At the time of their respective precious metals purchases from TMTE, six of the seven MRs were more than sixty years of age, and one of the seven MRs was physically disabled. TMTE did not know any of this information at the time of the transactions.

II. CONCLUSIONS OF LAW

THE COMMISSIONER FINDS the following:

A. Transacting Business as an Unregistered Investment Adviser

24. Respondent TMTE, through the actions of its employees and/or associates, including Respondent Vera, violated Section 409.4-403(a) by acting as an investment adviser, as that term is defined under Section 409.1-102(15), in the State of Missouri without being registered or exempt from registration.
25. The Section 409.4-403(a) violations by Respondents, as set forth above, were committed against at least one disabled or elderly person, as those terms are defined under Section 409.6-604(d)(3)(A) and (B).
26. Respondent TMTE, through the actions of its employees and/or associates, including Respondent Vera, violated Section 409.4-403(a) and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

B. Transacting Business as an Unregistered Investment Adviser Representative

27. Respondent Vera and others employed and/or associated with Respondent TMTE violated Section 409.4-404(a) by transacting business in the State of Missouri as investment adviser representatives, as that term is defined under Section 409.1-102(16), without being registered or exempt from registration.
28. The Section 409.4-404(a) violations by Respondent Vera and others employed and/or associated with TMTE, as set forth above, were committed against at least one elderly or disabled person, as those terms are defined under Section 409.6-604(d)(3)(A) and (B).
29. Respondent Vera and others employed and/or associated with TMTE transacted business as investment adviser representatives in the State of Missouri without being registered or

exempt from registration in violation of Section 409.4-404(a), and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

C. Employing and/or Associating with Unregistered Individuals Acting as Investment Adviser Representatives

30. Respondent TMTE employed and/or associated with individuals, including Respondent Vera, who were required to be registered under the Act as investment adviser representatives, and such individuals were not registered or exempt from registration in violation of Section 409.4-403(d).
31. The Section 409.4-403(d) violations by Respondent TMTE, as set forth above, were committed against at least one disabled or elderly person, as those terms are defined under Section 409.6-604(d)(3)(A) and (B).
32. Respondent TMTE employed and/or associated with individuals who transacted business as investment adviser representatives in the State of Missouri without being registered or exempt from registration in violation of Section 409.4-403(d), and engaged in an illegal act, practice, or course of business, and such conduct is, therefore, subject to the Commissioner's authority under Section 409.6-604.

III. ORDER

NOW, THEREFORE, it is hereby ordered that:

33. Respondents, their agents and employees, and all other persons participating in the above-described alleged violations with knowledge of this order, are permanently enjoined and restrained from engaging in violations of: as to Respondent TMTE, Section 409.4-403(a), by providing investment advice regarding securities held by residents of Missouri; and Section 409.4-403(d), by employing an unregistered investment adviser representative; and, as to Respondent Vera, Section 409.4-404(a), by transacting business as an unregistered investment adviser representative.
34. Consistent with this Order and Section 409.5-510, 15 CSR 30-52.260, and all applicable laws and regulations, Respondent TMTE shall offer to seven MRs who purchased approximately \$1,001,949.30 in precious metals from Respondent TMTE from January 1, 2018, through December 31, 2018, as identified in Exhibit A attached hereto, the opportunity to rescind the transactions made with Respondent TMTE and be repaid their purchase amount in full.
35. Respondent TMTE shall pay to each MR who elects to rescind the sale, the total purchase amount of each of their respective precious metals purchases. These rescission payments shall be made within 21 days of TMTE receiving the precious metals from the MRs who accept the offer. Any MR opting, in writing, not to rescind their purchase of precious metals shall be removed from this order of rescission.

36. Respondent TMTE shall memorialize each rescission offer in a letter (“**Offer Letter**”) with an attached copy of this Consent Order. The purchase price shall be set forth in each letter. The final Offer Letter to each MR shall be pre-approved by the Enforcement Section prior to mailing.
37. Each Offer Letter shall be delivered to the last known mailing address of each MR, as agreed between the Enforcement Section and Respondent TMTE based on their respective records, and in a manner that provides confirmation of delivery.
38. Each Offer Letter shall clearly state the terms of the offer and shall provide: (a) the steps required to accept the offer, (b) the deadline for acceptance, and (c) contact information for Respondent TMTE where additional information can be obtained.
39. The Offer Letter shall state the offer will remain open for a period of sixty days from the date of receipt of the Offer Letter by the MR, as evidenced by the date on the confirmation of delivery. Any MR who does not accept the offer within sixty days from the date of receipt of the Offer Letter shall be removed from this order of rescission.
40. In the event an MR cannot be located in order to confirm delivery of the Offer Letter, Respondent TMTE may request the Enforcement Section provide an alternative mailing address for the undeliverable Offer Letter.
41. The Offer Letter shall be mailed to each offeree no later than May 31, 2020.
42. Respondent TMTE shall pay \$30,000 to the Missouri Secretary of State’s Investor Education and Protection Fund within thirty days of this Order, and shall be made payable to the Missouri Secretary of State’s Investor Education and Protection Fund and sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101.
43. Respondent TMTE shall pay a total of \$2,000 toward the cost of this investigation within thirty days of this Order, made payable to the Missouri Securities Division and shall be sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101.
44. Respondent Vera shall pay, individually, \$6,000 to the Missouri Secretary of State’s Investor Education and Protection Fund within thirty days of this Order, and shall be made payable to the Missouri Secretary of State’s Investor Education and Protection Fund and sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101.
45. Respondents shall pay their own costs and attorneys’ fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 26th DAY OF MAY, 2020.



JOHN R. ASHCROFT
SECRETARY OF STATE

A handwritten signature in blue ink, appearing to read "David M. Minnick".

DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:
MISSOURI SECURITIES DIVISION

A handwritten signature in black ink, appearing to read "Douglas M. Jacoby".

DOUGLAS M. JACOBY
ENFORCEMENT COUNSEL

TMTE, Inc., a/k/a Chase Metals, LLC, a/k/a Chase
Metals, Inc.

DocuSigned by:
A handwritten signature in black ink, appearing to read "Conor O'Reilly".
BY Conor O'Reilly

Attorney/Compliance Officer
TITLE

A handwritten signature in black ink, appearing to read "Walter Vera".
WALTER VERA

s/ Mark W. Rasmussen
ATTORNEY FOR TMTE, INC. and WALTER
VERA [As to form only]

CONSENT - EXHIBIT A
AP-19-19 / I2019-0024

IN THE MATTER OF: TMTE, Inc., a/k/a Metals.com, a/k/a Chase Metals, LLC, a/k/a
Chase Metals, Inc.; and Walter Vera,
Respondents

MR1:	\$ 226,979.50
MR2:	\$ 14,549.83
MR3:	\$ 399,991.32
MR4:	\$ 203,667.88
MR5:	\$ 108,751.72
MR6:	\$ 24,871.52
MR7:	\$ 23,137.60