



February 5, 2015

CFTC Orders Florida Residents Isaiah Goldman and Brock Catronio and their Companies, Paramount Metals Exchange, LLC and Paramount Credit, LLC, to Pay More than \$2.5 Million in Sanctions for Engaging in Illegal, Off-Exchange Precious Metals Transactions

Washington, DC – The U.S. Commodity Futures Trading Commission (CFTC) today issued an Order filing and simultaneously settling charges against **Isaiah Goldman** and **Brock Catronio**, individually, and their companies, **Paramount Metals Exchange, LLC** and **Paramount Credit, LLC** (collectively Paramount), both of Delray Beach, Florida, for engaging in illegal, off-exchange precious metals transactions. Goldman resides in Boca Raton, Florida, and Catronio resides in Delray Beach.

The CFTC Order requires Goldman, Catronio, and Paramount jointly to pay restitution of \$1,595,946 to their customers and jointly to pay a \$1 million civil monetary penalty. In addition, the Order imposes permanent registration and trading bans on Goldman, Catronio, and Paramount.

The Order finds that, from December 2011 through February 2013, Goldman, Catronio, and Paramount solicited retail customers to engage in outright cash purchases of precious metals, falsely claiming to sell and transfer title of physical metals to customers and to arrange for the transfer and storage of the physical metals in independent depositories where such metal was purportedly held on the customers' behalf.

The Order states that unknown to Paramount customers, Goldman, Catronio, and Paramount instead treated the customers' transactions as financed purchases of metal in which the retail customer only paid a portion of the purchase price and took out a loan for the balance of the purchase price. According to the Order, Paramount's customers paid a total of \$3,306,032 and lost \$1,595,946 of their funds to trading losses, commissions, interest charges, and other fees to Paramount and another company. Goldman, Catronio, and Paramount received \$853,279 of those commissions and fees. Thus, the Order finds that, among other specific findings, Goldman, Catronio, and Paramount engaged in illegal, off-exchange transactions and committed fraud, violating provisions of the Commodity Exchange Act.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, financed transactions such as those conducted by Paramount, are illegal off-exchange transactions unless they result in actual delivery of metal within 28 days. According to the Order, Paramount's retail financed precious metals transactions executed through **Hunter Wise Commodities LLC** did not result in actual delivery to the customer. In addition, as explained in the CFTC Order, financed transactions such as these must be executed on or subject to the rules of an exchange approved by the CFTC, which Paramount did not do.

The CFTC cautions that restitution orders may not result in the recovery of money lost because the wrongdoers may not have sufficient funds or assets. The CFTC will continue to fight vigorously for the protection of customers and to ensure the wrongdoers are held accountable.

CFTC Division of Enforcement staff members responsible for this action are Susan B. Padove, Heather Johnson, Elizabeth M. Streit, Scott Williamson, and Rosemary Hollinger.

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CFTC's Precious Metals Customer Fraud Advisory

The CFTC has issued several customer protection [Fraud Advisories](#) that provide the warning signs of fraud, including the [Precious Metals Fraud Advisory](#), which alerts customers to precious metals fraud and lists simple ways to spot precious metals scams.

Customers can report suspicious activities or information, such as possible violations of commodity trading laws, to the CFTC Division of Enforcement via a Toll-Free Hotline 866-FON-CFTC (866-366-2382) or [file a tip or complaint](#) online.

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