



January 26, 2015

CFTC Orders Florida Resident Anthony Lauria and His Company Gold Coast Bullion, Inc. to Pay More than \$9.6 Million in Restitution and a Civil Monetary Penalty in Off-Exchange Precious Metals Fraud

Washington, DC – The U.S. Commodity Futures Trading Commission (CFTC) today entered an Order filing and simultaneously settling charges against **Anthony Lauria** and his company, **Gold Coast Bullion, Inc.** (GCB), operating out of Fort Lauderdale, Florida, for engaging in illegal, off-exchange precious metals transactions, for committing fraud in connection with those illegal transactions, and for operating GCB as an unregistered Futures Commission Merchant (FCM).

The CFTC Order requires Lauria and GCB jointly to pay restitution totaling \$5,940,124.16 and a civil monetary penalty of \$3.75 million. In addition, the Order imposes permanent registration and trading bans on Lauria and GCB.

The CFTC Order finds that, from at least January 2012 to February 2013, GCB was a telemarketing firm that solicited retail customers to engage in financed precious metals transactions. The Order further finds that Lauria solicited customers directly and supervised other telemarketers involved in solicitation.

When soliciting customers for financed precious metals transactions, Lauria and other GCB telemarketers represented that to purchase a certain quantity of metal, 1) the customer needed to deposit only a percentage of the total metal value, typically 25 percent, 2) that GCB would arrange for the customer to receive loan for the remaining 75 percent, and 3) that the customer would have to pay a finance charge on the loan, as well as a service charge, according to the Order.

As the Order finds, financed transactions in commodities with retail customers, like those in which GCB engaged, must be executed on or subject to the rules of an exchange approved by the CFTC, which GCB did not do. In addition, the Order finds that GCB accepted money from or extended credit to its customers to margin, guarantee, or secure trades when it was not registered with the CFTC as an FCM. Finally, the Order finds that GCB never actually delivered any precious metals in connection with these transactions, but received commissions and fees totaling more than \$2.6 million.

According to the CFTC Order, GCB did not purchase or sell any physical metals, but instead contacted another company, **AmeriFirst Management LLC** (AML), to execute the customers' buy or sell orders. The CFTC Order states that GCB then confirmed the execution of the transactions by issuing false trade confirmations to the customers. The CFTC Order further states that AML, for its part, also did not purchase or sell any physical metals in connection with these transactions. AML managed its own exposure on these transactions using derivatives in margin trading accounts with several entities, and made book entries which tracked the value of the customer's account, according to the Order.

On July 30, 2013, the CFTC sued AML in federal court in Florida, charging it with engaging in illegal, off-exchange precious metals transactions, fraud, and other violations (see CFTC Press Release [6655-13](#)). On July 24, 2014, the court entered a supplemental consent Order against AML and the three individual Defendants in that case requiring them to pay more than \$25 million in restitution and \$10 million in civil monetary penalties (see CFTC Press Release [6973-14](#)).

The CFTC cautions victims 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 include Thaddeus Glotfelty, Judith McCorkle, Joseph Konizeski, 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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