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Precious Metals Dealer Permanently Barred in Kentucky *Dealer found liable for fraud in \$68 million scheme*

Frankfort, Ky. (Oct. 26, 2023) – Precious metals dealer, Safeguard Metals LLC, and owner Jeffrey Ikahn are permanently barred from engaging in securities activity in Kentucky after they were found liable for fraud in a \$68 million scheme.

Kentucky's permanent bar was ordered by the Kentucky Department of Financial Institutions (DFI) after both parties entered in a separate consent order in the U.S. District Court for the Central District of California. The lawsuit was led by the U.S. Commodity Futures Trading Commission (CFTC), of which 30 state regulatory agencies, including DFI, joined.

The U.S. District Court order states that Safeguard and Ikahn:

- Targeted elderly and retirement-aged people with fraudulently overpriced precious metals.
- Solicited and received approximately \$68 million in investor funds from a minimum of 450 people across the nation.
- Charged customers exorbitant price markups or premiums on silver coins through false and misleading statements - an estimated 71 percent "operating margin" from 2019 to 2020, about 48 percent more than the maximum permitted in the customer agreement.
- Misrepresented their credentials, how they earned profits, and the value of the precious metals to customers.

Along with the permanent bar in Kentucky, Safeguard and Ikahn agreed to a bar from the securities industry in other states and to a federal commodity trading ban. The parties further agreed to settle a separate action filed by the U.S. Securities and Exchange Commission (SEC), which brought forth similar allegations of securities fraud. In this case, potential customer restitution and civil penalties will be determined later.

"Protecting Kentuckians is always top priority. We will not tolerate fraudulent and deceptive practices, especially when bad actors come after our senior citizens and retirement funds," said Chad Harlan, assistant director of DFI's securities division.

DFI has published [investor resources](#) that Kentucky consumers are encouraged to review before making any investment. The [CFTC](#) has also published helpful educational investment advisories.

The full copy of DFI's order for permanent bar is available on the [DFI website](#).

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DFI is an agency in the Public Protection Cabinet, and supervises the financial services industry by examining, chartering, licensing, and registering various financial institutions, securities firms and professionals operating in Kentucky. DFI's mission is to serve Kentucky residents and protect their financial interests by maintaining a stable financial industry, continuing effective and efficient regulatory oversight, promoting consumer confidence, and encouraging economic opportunities.