

Note Changes by Court

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

COMMODITY FUTURES TRADING
COMMISSION, et al.,

Plaintiffs,

vs.

SAFEGUARD METALS LLC AND
JEFFREY SANTULAN a/k/a JEFFREY
HILL,

Defendants.

Case No. 2:22-cv-00691-JFW-SKx
Hon. John F. Walter Crtrm 7A

**STATEMENT OF DECISION
GRANTING PLAINTIFFS' MOTION
FOR RESTITUTION AND A CIVIL
MONETARY PENALTY AGAINST
DEFENDANTS**

1 Before the Court is Plaintiff Commodity Futures Trading Commission
2 (“CFTC”) and Plaintiffs Alabama Securities Commission (“State of Alabama”),
3 Arizona Corporation Commission (“State of Arizona”), Arkansas Securities
4 Department (“State of Arkansas”), California Department of Financial Protection &
5 Innovation (“State of California”), State of Connecticut Department of Banking
6 (“State of Connecticut”), State of Florida, Office of Financial Regulation (“State of
7 Florida”), State of Hawaii, Department of Commerce and Consumer Affairs (“State of
8 Hawaii”), Idaho Department of Finance (“State of Idaho”), Office of the Secretary of
9 State, Illinois Securities Department (“State of Illinois”), Indiana Securities Division
10 (“State of Indiana”), Iowa Insurance Commissioner Douglas M. Ommen (“State of
11 Iowa”), Kentucky Department of Financial Institutions (“Commonwealth of
12 Kentucky”), State of Maryland Ex Rel the Maryland Securities Commissioner (“State
13 of Maryland”), Attorney General Dana Nessel on Behalf of the People of the State of
14 Michigan (“People of the State of Michigan”), Mississippi Secretary of State (“State
15 of Mississippi”), Missouri Commissioner of Securities (“State of Missouri”),
16 Nebraska Department of Banking & Finance (“State of Nebraska”), Securities
17 Division New Mexico Regulation and Licensing Department (“State of New
18 Mexico”), The People of the State of New York by Letitia James, Attorney General of
19 the State of New York (“State of New York”), North Carolina Department of the
20 Secretary of State (“State of North Carolina”), Ohio Department of Commerce,
21 Division of Securities (“State of Ohio”), Oklahoma Department of Securities (“State

1 of Oklahoma”), State of Oregon, by and through its Department of Consumer and
2 Business Services and Attorney General Dan Rayfield (“State of Oregon”), State of
3 South Carolina, by and through Alan Wilson, South Carolina Attorney General (“State
4 of South Carolina”), South Dakota Department of Labor & Regulation (“State of
5 South Dakota”), Commissioner of the Tennessee Department of Commerce and
6 Insurance (“State of Tennessee”), Utah Division of Securities (“State of Utah”),
7 Vermont Department of Financial Regulation (“State of Vermont”), Washington State
8 Department of Financial Institutions (“State of Washington”), and the State of
9 Wisconsin’s (“State of Wisconsin”) (collectively “the States”) Motion for Restitution
10 and a Civil Monetary Penalty (“Motion”) Against Defendants Safeguard Metals LLC
11 (“Safeguard Metals”) and Jeffrey Ikahn (a/k/a Jeffrey S. Santulan and Jeff Hill)
12 (“Ikahn”) (collectively “Defendants”) (ECF 235). For the reasons set forth below,
13 Plaintiffs’ Motion is **GRANTED**.

14 **FACTUAL AND PROCEDURAL BACKGROUND**

15 On February 1, 2022, the CFTC and the States filed a Complaint alleging
16 Defendants engaged in a scheme to defraud people throughout the United States from
17 October 2017 through at least July 2021 (the “Relevant Period”).¹ The Complaint
18 alleged that Defendants engaged in a fraudulent and deceptive scheme that involved

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27 ¹ Plaintiffs filed a First Amended Complaint on May 5, 2022 (ECF 104), and a Second
28 Amended Complaint on September 6, 2023 (ECF 195), which along with the initial
Complaint (ECF 1), are collectively defined herein as the “Complaint”.

1 material misrepresentations to target and persuade at least 450 mostly elderly or
2 retirement-aged persons to liquidate existing retirement accounts in order to invest
3 approximately \$68 million in vastly overpriced precious metals coins. (ECF 195, ¶¶
4 1-8). The Complaint charged Defendants with committing fraud in violation of
5 Section 6(c)(1) of the Commodity Exchange Act (“Act”), 7 U.S.C. § 9(1), and
6 Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3) (2025) as well as various state
7 laws. (ECF 195, Count 1 ¶¶ 86-91, Counts 3 to 56 ¶¶ 97-399).

10 Pursuant to the Consent Order of Permanent Injunction and Other Statutory and
11 Equitable Relief Against Defendants (“Consent Order”) (ECF 201), the parties agreed,
12 and the Court ordered that Defendants are liable in this proceeding for all violations of
13 the Act, Regulations, and various state laws alleged in the Complaint. Specifically,
14 Defendants consented to liability for violations of Section 6(c)(1) of the Act, 7 U.S.C.
15 § 9(1), and Regulation 180.1(a)(1)-(3), 17 C.F.R. § 180.1(a)(1)-(3) (2025) and agreed
16 to findings entered by the Court that they:

17 in connection with a contract of sale of commodities in interstate
18 commerce, intentionally or recklessly: (1) used or employed, or
19 attempted to use or employ, manipulative devices, schemes, or artifices
20 to defraud; (2) made, or attempted to make, any untrue or misleading
21 statements of material fact or omissions of material fact; or (3) engaged,
22 or attempted to engage, in acts, practices, or courses of business, which
23 operated or would have operated as a fraud or deceit upon their
24 customers;

25 (ECF 201, ¶ 84), and violated various state laws prohibiting:

26 (1) unlicensed investment advice; (2) investment advisers from
27 employing a device, scheme or artifice to defraud or engaging in an act,
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1 practice, or course of business that operates or would operate as a fraud
2 or deceit; (3) making material misrepresentations or omissions in
3 connection with the offer, purchase, or sale of securities; (4) making
4 material misrepresentations or omissions in connection with the offer,
5 purchase, or sale of commodities; (5) employing any artifice, or scheme
to defraud in connection with the offer, purchase, or sale of commodities;
and (6) financial exploitation of the elderly.

6 (ECF 201, ¶ 87).

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8 The Consent Order also permanently enjoined Defendants from, among other
9 things, violating the Act or Regulations and various state laws that were the subject of
10 the Complaint. (ECF 201, ¶¶ 91-98). The Consent Order reserved the issues of
11 necessary relief pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, as well as
12 pursuant to the applicable laws of the States, regarding restitution for Defendants'
13 defrauded investors and appropriate civil monetary penalties to be assessed against
14 Defendants for further determination by this Court upon motion of the CFTC or the
15 States. (ECF 201, ¶¶ 16, 100).

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18 Defendants further agreed that in connection with any motion for restitution,
19 disgorgement and/or civil monetary penalties, and at any hearing held on such a
20 motion that the allegations of the Complaint and the Findings of Fact and Conclusions
21 of Law in the Consent Order shall be accepted as and deemed true by the Court, and
22 the Court may determine the issues raised in the motion on the basis of affidavits,
23 declarations, excerpts of sworn deposition or investigative testimony, witness
24 testimony, and documentary evidence, without regard to the standards for summary
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1 judgment contained in Rule 56(c) of the Federal Rules of Civil Procedure. (ECF 201,
2 ¶ 101).

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4 Pursuant to the Consent Order, Ikahn is liable as a control person of Safeguard
5 Metals for its violations of 7 U.S.C. § 9(1) and 17 C.F.R. 180.1(a)(1)-(3) (2025)
6 because Ikahn controlled Safeguard Metals, directly or indirectly, and did not act in
7 good faith or knowingly induced, directly or indirectly, the acts of Safeguard Metals
8 in violation of the Act and Regulations. (ECF 201 at ¶ 85). Safeguard Metals is liable
9 for Ikahn's acts, omissions, and failures in violation of 7 U.S.C. § 9(1) and 17 C.F.R.
10 180.1(a)(1)-(3) (2025) because Ikahn's acts, omissions, and failures occurred within
11 the scope of his employment, office, or agency with Safeguard Metals. (ECF 201 at ¶
12 86).

13 14 15 16 **DISCUSSION**

17 The Court may determine the appropriate amount of monetary relief without
18 holding a hearing and rely upon affidavits "if the amount claimed is a liquidated sum
19 or capable of mathematical calculation." *See HTS, Inc. v. Boley*, 954 F. Supp. 2d 927,
20 947 (D. Ariz. 2013) (determining appropriate monetary relief in default judgment
21 setting) (quoting *Davis v. Fendler*, 650 F.2d 1154, 1161 (9th Cir. 1981) ("Here, the
22 documentary evidence shows that the amount of the judgment was based on definite
23 figures.")); *see also Million v. Pindernation Holdings LLC*, 2023 WL 2813684, *5 (D.
24 Ariz. April 5, 2023) (finding that "the requested damages are capable of mathematical
25 calculation as they are comprised of hours worked by Million, the amount in pay he
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1 was entitled to receive, and statutory multipliers”). All monetary relief sought by
2 Plaintiffs has been substantiated and referenced in prior filings in this case as well as
3 in the Court’s May 2, 2025, Decision Granting Plaintiff’s Motion for Remedies
4 (“Decision on SEC Remedies”) entered in *SEC v. Safeguard Metals LLC and Jeffrey*
5 *Ikahn*, Case No. 2:22-cv-00693-JFW-SK (C.D. Cal.) (the “SEC Action”) (ECF 69 in
6 SEC Action).
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9 **A. Defendants Are Ordered to Pay Restitution.**

10 Section 6c(d)(3) of the Act, authorizes the Court to impose equitable remedies
11 for violations of the Act and Regulations, including “restitution to persons who have
12 sustained losses proximately caused by such violation (in the amount of such losses).”
13 7 U.S.C. § 13a-1(d)(3); *see also* 7 U.S.C. § 13a-2 (permitting “damages on behalf of
14 their residents, or to obtain such further and other relief as the court may deem
15 appropriate”).² “The purpose of restitution is to restore the status quo and return the
16 parties to the positions they occupied before the transactions at issue occurred.” *CFTC*
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21 ² Additionally, the Court may order restitution for Defendants’ violations of state
22 laws, *see e.g.*, Code of Alabama (1975), Ala. Code § 8-6-16(b); Arkansas Code Ann.
23 § 23-42-209(b)(4); Cal. Corp. Code §§ 25530 & 29540; Conn. Gen. Stat. §§ 36b-
24 27(b) and (c) & 36b-27(d)(1) and (2); Florida Statute § 517.191(3) and (4); Idaho
25 Code § 30-14-603(b)(2); Illinois Securities Law, 815 ILCS § 5/11(E)(4); Kentucky,
26 K.R.S. 292.500(14) and (18) & K.R.S. 292.470(2); Maryland Securities Act, Md.
27 Code, Corps. & Assn’s § 11-702(b); Mississippi Code Annotated § 75-71-604(a)(3);
28 Missouri Revised Statutes § 409.6-604(d); New Mexico Statute, NMSA 1978, § 58-
13C-603; North Carolina Securities Act, N.C.G.S. §§ 78A-47, 78C-28, and 78D-23;
Ohio Securities Act, O.R.C. §§ 1707.261 & 1707.26; South Carolina Code Ann. § 35-
1-603(b); Utah Code Ann. § 61-1-20; Vermont Statutes, 9 V.S.A. 5403(a) and
5404(a), 5501(1) and (2), & 5603(b)(2)(C).

1 *v. Driver*, 877 F. Supp. 2d 968, 981 (C.D. Cal. 2012) (citing *Porter v. Warner Holding*
2 *Co.*, 328 U.S. 395, 402 (1946)), *aff'd*, 585 F. App'x 366 (9th Cir. 2014).

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4 Proof of an investor's individual reliance typically is required to obtain
5 restitution. *Id.* The Ninth Circuit, however, "has held that reliance may be presumed
6 in some enforcement cases of pervasive or widespread misrepresentation." *Id.* (citing
7 *FTC v. Figgie Intern., Inc.*, 994 F.2d 595, 606 (9th Cir. 1993)). In *Figgie*, the Ninth
8 Circuit explained that the statutes that government agencies enforce "serve[] a public
9 purpose by authorizing the Commission to seek redress on behalf of injured
10 consumers. Requiring proof of subjective reliance by each individual consumer
11 would thwart effective prosecutions of large consumer redress actions and frustrate
12 the statutory goals" of these remedial statutes. *Id.* (citations omitted); *see also CFTC*
13 *v. Hunter Wise Commodities, LLC*, 21 F. Supp. 3d 1317, 1352 (S.D. Fla. 2014)
14 (finding that the "systematic and pervasive nature of Hunter Wise's fraud necessitates
15 restitution not only for the retail customers who testified to those losses they sustained
16 due to Hunter Wise's scheme, but for all of Hunter Wise's customers as well"). Put
17 another way, to obtain restitution, the Commission need not show individualized
18 reliance as long as the "misrepresentations or omissions were of a kind that reasonable
19 and prudent purchasers rely on." *See, e.g., FTC v. Munoz*, 17 Fed. App'x 624, 626
20 (9th Cir. 2001); *see also FTC v. American Screening, LLC*, 105 F.4th 1098, 1103 (8th
21 Cir. 2024) (explaining that individualized reliance would "frustrate the public
22 purposes of the FTC action...").
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1 In this case, investor reliance is met because Defendants systematically and
2 widely disseminated material misrepresentations and failed to communicate material
3 facts to customers and systematically, fraudulently overcharged Safeguard Metals’
4 customers for the precious metals they sold. Moreover, the misrepresentations and
5 omissions here were of a kind that reasonably prudent persons would usually rely on.
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7 For example, Defendants:
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- 9 • published false and misleading information on Safeguard Metals’ website
10 (ECF 201, ¶ 36);
- 11 • operated a call center staffed with sales representatives and those sales
12 representatives followed sales scripts when soliciting customers (ECF 201,
13 ¶¶ 24, 39, 40);
- 14 • instructed sales representatives to “employ fraudulent solicitations designed
15 to instill fear in elderly and retirement aged investors and other customers.”
16 (ECF 201, ¶¶ 35, 40);
- 17 • failed to disclose to customers the narrow circumstances in which their
18 money market accounts could be suspended and that, in those instances,
19 there is a process that allows investors to recover funds (ECF 201, ¶¶ 44-45);
- 20 • failed to disclose Safeguard Metals’ actual price markup and grossly
21 misrepresented the price markup they would charge customers in Safeguard
22 Metals’ standard customer agreements and during sales confirmation calls.
23 (ECF 201, ¶¶ 47, 49-57); and
- 24 • systematically misrepresented the amount of fees and sales commissions
25 Safeguard Metals charged customers. (ECF 201, ¶¶ 59, 60, 62).

26 In this case, restitution is calculated as the total amount of funds solicited from
27 victims of the fraud by Defendants, less the value of precious metal provided to
28 victims by Defendants at the time of sale. *See Driver*, 877 F. Supp. 2d at 981.

Defendants fraudulently solicited and received \$66,948,960 from customers to sell them fraudulently overpriced precious metals. *See* Decision on SEC Remedies (ECF 69, p.11, in SEC Action). Defendants purchased \$41,379,657 in precious metals from a precious metals wholesaler and transferred custody or control of those metals to Safeguard Metals' customers. *Id.* The difference between those amounts—\$25,569,303—represents Safeguard Metals' customers' losses caused by Defendants' fraudulent scheme and is the correct measure of restitution. *See id.* Defendants shall be jointly and severally liable for this restitution, as each defendant is liable for the acts of the other.³

B. Defendants Are Ordered to Pay a Civil Monetary Penalty.

Conduct that violates core provisions of the Act and Regulations and “where customers have been defrauded of a substantial amount of money,” like Defendants' fraud here, justify high civil monetary penalties. *See e.g., Driver*, 877 F. Supp. 2d at 982-83 (imposing a civil monetary penalty of \$31.8 million on defendants for operating a commodity pool *Ponzi* scheme that led to over \$9 million in investor losses); *Hunter Wise Commodities, LLC*, 21 F. Supp. 3d at 1336, 1353 (imposing a

³ Ikahn is liable as a control person of Safeguard Metals for its violations of 7 U.S.C. § 9(1) and 17 C.F.R. 180.1(a)(1)-(3) (2025) because Ikahn controlled Safeguard Metals, directly or indirectly, and did not act in good faith or knowingly induced, directly or indirectly, the acts of Safeguard Metals in violation of the Act and Regulations. (ECF 201 at ¶ 85). Safeguard Metals is liable for Ikahn's acts, omissions, and failures in violation of 7 U.S.C. § 9(1) and 17 C.F.R. 180.1(a)(1)-(3) (2025) because Ikahn's acts, omissions, and failures occurred within the scope of his employment, office, or agency with Safeguard Metals. (ECF 201 at ¶ 86).

1 civil monetary penalty of \$55.4 million on defendants for operating a fraudulent
2 scheme involving precious metals that led to over \$52 million in customer losses).
3 The CFTC has stated that civil monetary penalties “signify the importance of
4 particular provisions of the Act and the Commission’s rules... and act to vindicate
5 these provisions in individual cases particularly where the [defendant] has committed
6 the violations intentionally.” *In re GNP Commodities, Inc.*, [1990–
7 1992 *983 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 25,360 at 39,222, 1992 WL
8 201158, at *23 (CFTC Aug. 11, 1992) (internal citation omitted). “Civil monetary
9 penalties are also exemplary; they remind both the recipient of the penalty and other
10 persons subject to the Act that noncompliance carries a cost.” *Id.*

11
12 Here, the Defendants’ fraud was egregious in nature. Defendants primarily
13 targeted elderly retirees, often defrauding them of significant portions of their
14 retirement savings by grossly misrepresenting the amount of commissions, fees, and
15 price markups the victims paid when purchasing precious metals. Defendants
16 engaged in pervasive misrepresentations on Safeguard Metals’ website, via high
17 pressure calls, and in written disclosures to trick its customers into purchasing grossly
18 overpriced precious metals.

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20 Under Section 6c(d)(1) of the Act, 7 U.S.C. § 13a-1(d)(1), and Regulation
21 143.8(b)(1), 17 C.F.R. § 143.8(b)(1) (2025), for claims brought by the CFTC, the
22 Court may impose a civil monetary penalty of up to triple Defendants’ monetary gain
23 for each violation of the Act or Regulations, or \$227,220 per violation, whichever is

greater. Under Section 6d(1) of the Act, 7 U.S.C. § 13a-2(1), for claims brought by the States under the Act, the Court may impose “damages on behalf of their residents, or . . . such further and other relief as the court may deem appropriate.”⁴ While considering that framework, the Court ultimately has the authority and discretion to determine the appropriate amounts of monetary relief, including civil monetary penalty. *See CFTC v. Capitalstreet Fin., LLC*, No. 3:09-CV-387, 2012 WL 79758, at *15 (W.D.N.C. Jan. 11, 2012) (“The Court is free to fashion a civil monetary penalty appropriate to the gravity of the offense and sufficient to act as a deterrent.”) (citing *Miller v. CFTC*, 197 F.3d 1227, 1236 (9th Cir. 1999)).

The Court has already determined that a civil monetary penalty of \$25,569,303 is appropriate for Defendants’ misconduct in the SEC Action—the same underlying misconduct that violated the Act, Regulations, and State laws at issue in this action. (ECF 69, p. 13, in SEC Action). Accordingly, the Court imposes a civil penalty of \$25,569,303, jointly and severally, on Defendants.

⁴ Additionally, the Court may order penalties and costs for Defendants’ violations of state laws, *see e.g.*, Code of Alabama (1975), Ala. Code § 8-6-16(b); Arkansas Code Ann. § 23-42-209(b)(4); Cal. Corp. Code §§ 25535 & 29544; Conn. Gen. Stat. §§ 36b-27(b) and (c) & 36b-27(d)(1) and (2); Florida Statute § 517.191(3) and (4); Idaho Code § 30-14-603(b)(2); Illinois Securities Law, 815 ILCS § 5/11(E)(4); Kentucky, K.R.S. 292.500(14) and (18) & K.R.S. 292.470(2); Maryland Securities Act, Md. Code, Corps. & Assn’s § 11-702(b); Mississippi Code Annotated § 75-71-604(a)(3); Missouri Revised Statutes § 409.6-604(d); New Mexico Statute, NMSA 1978, § 58-13C-603; North Carolina Securities Act, N.C.G.S. §§ 78A-47, 78C-28 and 78D-23(a)(2); Ohio Securities Act, O.R.C. §§ 1707.261 & 1707.26; South Carolina Code Ann. § 35-1-603(b); Utah Code Ann. § 61-1-20; Vermont Statutes, 9 V.S.A. 5403(a) and 5404(a), 5501(1) and (2), & 5603(b)(2)(C).

C. Setoffs for Judgments Entered in the Parallel SEC Matter.

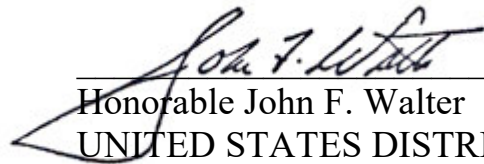
On February 1, 2022, the SEC filed a parallel action against Safeguard Metals and Ikahn based on the same underlying conduct. *SEC v. Safeguard Metals LLC and Jeffrey Ikahn*, Case No. 2:22-cv-00693-JFW-SK (C.D. Cal.). On June 14, 2023, the SEC, Safeguard Metals, and Ikahn reached a “Stipulation for Entry of Judgment” (ECF 57 in SEC Action) wherein Safeguard Metals and Ikahn consented to entry of an order which, among other things, subjected them to permanent injunctive relief and prohibited them from engaging in future violations of the Securities Exchange Act. As in this matter, the SEC and Defendants agreed to address monetary relief separately.

On May 2, 2025, the Court entered its Decision on SEC Remedies in the SEC Action. In that order, the Court included an offset against the proposed disgorgement and civil monetary penalty ordered in the SEC Action for any amounts that Defendants pay in restitution and civil monetary penalty to the CFTC in this action. The Court also ordered that any order in this action would include corresponding offsets to restitution and civil monetary penalty. Thus, the Final Judgment the Court will enter contemporaneously herewith includes an offset against restitution ordered for any amounts that Defendants pay in disgorgement in the SEC Action, and an offset against the civil monetary penalty ordered for any amounts that Defendants pay in civil monetary penalties in the SEC Action.

CONCLUSION

For all the foregoing reasons, the Court **GRANTS** Plaintiffs' Motion for Restitution and a Civil Monetary Penalty Against Defendants.

IT IS SO ORDERED on this 30th day of September 2025.


Honorable John F. Walter
UNITED STATES DISTRICT JUDGE

Note Changes by Court

Closed

**THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

COMMODITY FUTURES
TRADING COMMISSION et al.,

Plaintiffs,

v.

SAFEGUARD METALS LLC and
JEFFREY IKAHN (a/k/a JEFFREY
S. SANTULAN and JEFF HILL),

Defendants.

Civil No.: 2:22-cv-00691-JFW-SKx

**FINAL JUDGMENT ORDERING
RESTITUTION AND A CIVIL
MONETARY PENALTY
AGAINST DEFENDANTS**

I. INTRODUCTION

On February 1, 2022, Plaintiff Commodity Futures Trading Commission
("CFTC") and Plaintiffs Alabama Securities Commission ("State of Alabama"),

1 Arizona Corporation Commission (“State of Arizona”), Arkansas Securities
2 Department (“State of Arkansas”), California Department of Financial Protection &
3 Innovation (“State of California”), State of Connecticut Department of Banking
4 (“State of Connecticut”), State of Florida, Office of Financial Regulation (“State of
5 Florida”), State of Hawaii, Department of Commerce and Consumer Affairs (“State
6 of Hawaii”), Idaho Department of Finance (“State of Idaho”), Office of the Secretary
7 of State, Illinois Securities Department (“State of Illinois”), Indiana Securities
8 Division (“State of Indiana”), Iowa Insurance Commissioner Douglas M. Ommen
9 (“State of Iowa”), Kentucky Department of Financial Institutions (“Commonwealth
10 of Kentucky”), State of Maryland Ex Rel the Maryland Securities Commissioner
11 (“State of Maryland”), Attorney General Dana Nessel on Behalf of the People of the
12 State of Michigan (“People of the State of Michigan”), Mississippi Secretary of State
13 (“State of Mississippi”), Missouri Commissioner of Securities (“State of Missouri”),
14 Nebraska Department of Banking & Finance (“State of Nebraska”), Securities
15 Division New Mexico Regulation and Licensing Department (“State of New
16 Mexico”), The People of the State of New York by Letitia James, Attorney General
17 of the State of New York (“State of New York”), North Carolina Department of the
18 Secretary of State (“State of North Carolina”), Ohio Department of Commerce,
19 Division of Securities (“State of Ohio”), Oklahoma Department of Securities (“State
20 of Oklahoma”), State of Oregon, by and through its Department of Consumer and
21 Business Services and Attorney General Ellen F. Rosenblum (“State of Oregon”),
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1 State of South Carolina, by and through Alan Wilson, South Carolina Attorney
2 General (“State of South Carolina”),¹ South Dakota Department of Labor &
3 Regulation (“State of South Dakota”), Commissioner of the Tennessee Department of
4 Commerce and Insurance (“State of Tennessee”), Utah Division of Securities (“State
5 of Utah”), Vermont Department of Financial Regulation (“State of Vermont”),
6 Washington State Department of Financial Institutions (“State of Washington”), and
7 the State of Wisconsin (“State of Wisconsin”) (collectively “the States”), filed a
8 complaint against Defendants Safeguard Metals LLC (“Safeguard Metals”) and
9 Jeffrey Ikahn (a/k/a Jeffrey S. Santulan and Jeff Hill) (“Ikahn”) (collectively referred
10 to as “Defendants”) seeking injunctive and other equitable relief, as well as the
11 imposition of civil penalties, for violations of the Commodity Exchange Act (“Act”),
12 7 U.S.C. §§ 1–26 and the Commission’s Regulations (“Regulations”) promulgated
13 thereunder, 17 C.F.R. pts. 1–190 (2025), as well as violations of state laws.²

14 The Court approved the entry of a Consent Order for Permanent Injunction and
15 Other Statutory and Equitable Relief Against Defendants on October 20, 2023, (ECF
16 201) (“Consent Order”). The Consent Order included findings that Defendants are

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24 ¹ Effective May 22, 2025, pursuant to 2025 S.C. Act No. 67, the Administrator under
25 the South Carolina Commodities Code, S.C. Code 39-73-10, *et seq.*, was changed
26 from the South Carolina Secretary of State to the South Carolina Attorney General.

27 ² Plaintiffs filed an Amended Complaint on May 5, 2022 (ECF 104) and a Second
28 Amended Complaint on September 6, 2023 (ECF 195), including the initial
complaint (ECF 1), all are collectively defined herein as the “Complaint.”

1 liable in this proceeding for all violations of the Act, Regulations, and various state
2 laws alleged in the Complaint. (ECF 201, ¶¶ 84, 87). The Consent Order also
3 permanently enjoined Defendants from, among other things, violating the Act or
4 Regulations and various state laws that were the subject of the Complaint. (ECF 201,
5 ¶¶ 91-98). The Consent Order reserved the issues of necessary relief pursuant to
6 Section 6c of the Act, 7 U.S.C. § 13a-1, as well as pursuant to the applicable laws of
7 the States, regarding restitution for Defendants’ defrauded investors and appropriate
8 civil monetary penalties to be assessed against Defendants for further determination
9 by this Court upon motion of the CFTC or the States. (ECF 201, ¶¶ 16, 100).

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13 On August 28, 2025, Plaintiffs filed a Motion for Restitution and a Civil
14 Monetary Penalty Against Defendants (“Motion”). (ECF 235). After carefully
15 considering the Motion, the Complaint, the Consent Order, and the record in this
16 case, the Court granted Plaintiffs’ Motion.

18 Accordingly, IT IS HEREBY ORDERED, ADJUDGED, and DECREED
19 THAT:

24 25 **II. RESTITUTION AND CIVIL MONETARY PENALTY**

26 **A. Restitution**

1 1. Defendants shall pay, jointly and severally, restitution in the amount of
2 \$25,569,303³ (“Restitution Obligation”). If the Restitution Obligation is not paid
3 immediately, post-judgment interest shall accrue on the Restitution Obligation
4 beginning on the date of entry of this Order and shall be determined by using the
5 Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C.
6 §1961.
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8 2. The Restitution Obligation will be offset by the amount of any
9 disgorgement paid in *SEC v. Safeguard Metals LLC and Jeffrey Ikahn*, Case No.
10 2:22-cv-00693-JFW-SK (C.D. Cal.) (the “SEC Action”). Defendants shall provide
11 proof of any payment in the SEC Action, including the case name and number in
12 connection with which such payment has been made, and the amount by which the
13 Restitution Obligation is to be reduced, within ten days of making such payment to
14 the Chief Financial Officer, and Chuck Marvine, Deputy Director & Acting Chief of
15 the Retail Fraud and General Enforcement Task Force, Commodity Futures Trading
16 Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C.
17 20581 and to the States in accordance with paragraph 15 herein.
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26 ³ This amount includes individuals who were identified in the Plaintiffs’ Notice of
27 Motion, Motion for Restitution and a Civil Monetary Penalty Against Defendants,
28 and Memorandum of Points and Authorities in Support, from states wherein victim
recovery programs are available.

1 3. To effect payment of the Restitution Obligation and the distribution of
2 any restitution payments, the Court appoints the National Futures Association
3 (“NFA”) as Monitor (“Monitor”). The Monitor shall receive restitution payments
4 from Defendants and make distributions as set forth below. Because the Monitor is
5 an officer of this Court in performing these services, the NFA shall not be liable for
6 any action or inaction arising from NFA’s appointment as Monitor, other than actions
7 involving fraud.
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10 4. Defendants shall pay any portion of the Restitution Obligation that has
11 not been offset and any post-judgment interest payments, under this Order to the
12 Monitor in the name “Safeguard–Restitution Fund” and shall send such payments by
13 electronic funds transfer, or by U.S. postal money order, certified check, bank
14 cashier’s check, or bank money order, to the Office of Administration, National
15 Futures Association, 320 South Canal Street – 24th Floor, Chicago, Illinois 60606
16 under cover letter that identifies the paying Defendant(s) and the name and docket
17 number of this proceeding. The paying Defendant(s) shall simultaneously transmit
18 copies of the cover letter and the form of payment to the Chief Financial Officer, and
19 Chuck Marvine, Deputy Director & Acting Chief of the Retail Fraud and General
20 Enforcement Task Force, Commodity Futures Trading Commission, Three Lafayette
21 Centre, 1155 21st Street, NW, Washington, D.C. 20581 and to the States in
22 accordance with paragraph 15 herein.
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1 5. The Monitor shall oversee the Restitution Obligation and shall have the
2 discretion to determine the manner of distribution of such funds in an equitable
3 fashion to Defendants' customers identified by the Plaintiffs or may defer distribution
4 until such time as the Monitor deems appropriate. In the event that the amount of
5 Restitution Obligation payments to the Monitor are of a *de minimis* nature such that
6 the Monitor determines that the administrative cost of making a distribution to
7 Defendants' customers is impractical, the Monitor may, in its discretion, treat such
8 restitution payments as civil monetary penalty payments, which the Monitor shall
9 forward to the CFTC following the instructions for civil monetary penalty payments
10 set forth in Part II. B. below.

14 6. Defendants shall cooperate with the Monitor as appropriate to provide
15 such information as the Monitor deems necessary and appropriate to identify
16 Defendants' customers to whom the Monitor, in its sole discretion, may determine to
17 include in any plan for distribution of any Restitution Obligation payments.
18 Defendants shall execute any documents necessary to release funds that they have in
19 any repository, bank, investment or other financial institution, wherever located, to
20 make partial or total payment toward the Restitution Obligation.

23 7. The Monitor shall provide the CFTC at the beginning of each calendar
24 year with a report detailing the disbursement of funds to Defendants' customers
25 during the previous year. The Monitor shall transmit this report under a cover letter
26 that identifies the name and docket number of this proceeding to the Chief Financial
27
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1 Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st
2 Street, NW, Washington, D.C. 20581.

3 8. The amounts payable to each customer shall not limit the ability of any
4 customer from proving that a greater amount is owed from Defendants or any other
5 person or entity, and nothing herein shall be construed in any way to limit or abridge
6 the rights of any customer that exist under state or common law.
7

8 9. Pursuant to Rule 71 of the Federal Rules of Civil Procedure, each
9 customer of Defendants who suffered a loss is explicitly made an intended third-party
10 beneficiary of this Order and may seek to enforce obedience of this Order to obtain
11 satisfaction of any portion of the restitution that has not been paid by Defendants to
12 ensure continued compliance with any provision of this Order and to hold Defendants
13 in contempt for any violations of any provision of this Order.
14

15 10. To the extent that any funds accrue to the U.S. Treasury for satisfaction
16 of Defendants' Restitution Obligation, such funds shall be transferred to the Monitor
17 for disbursement in accordance with the procedures set forth above.
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21 **B. Civil Monetary Penalty**

22 11. Defendants shall pay, jointly and severally, to Plaintiffs a civil monetary
23 penalty in the amount of \$25,569,303 ("CMP Obligation"), within ten days of the
24 date of entry of this Order. If the CMP Obligation is not paid in full within ten days
25 of the date of entry of this Order, then post-judgment interest shall accrue on the
26 CMP Obligation beginning on the date of entry of this Order and shall be determined
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1 by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant
2 to 28 U.S.C. § 1961.

3 12. The CMP Obligation will be offset by the amount of any civil monetary
4 penalty paid in the SEC Action. Defendants shall provide proof of any payment in
5 the SEC Action, including the case name and number in connection with which such
6 payment has been made, and the amount by which the CMP Obligation is to be
7 reduced, within ten days of making such payment to the Chief Financial Officer,
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9
10 Commodity Futures Trading Commission, and Chuck Marvine, Deputy Director &
11 Acting Chief of the Retail Fraud and General Enforcement Task Force, Three
12 Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581, and to the States in
13 accordance with paragraph 15 herein.
14

15 13. Defendants shall pay any portion of the CMP Obligation that has not
16 been offset and any post-judgment interest, by electronic funds transfer, U.S. postal
17 money order, certified check, bank cashier's check, or bank money order. If payment
18 is to be made other than by electronic funds transfer, then the payment shall be made
19 payable to the Commodity Futures Trading Commission and sent to the address
20
21 below:
22
23
24
25

26 MMAC/ESC/AMK326
27 Commodity Futures Trading Commission
28 Division of Enforcement
6500 S. MacArthur Blvd.

HQ Room 266
Oklahoma City, OK 73169
(405) 954-6569 office
(405) 954-1620 fax
9-amz-ar-cftc@faa.gov

If payment by electronic funds transfer is chosen, Defendants shall contact the Commodity Futures Trading Commission at the above email address to receive payment instructions and shall fully comply with those instructions. Defendants shall accompany payment of the CMP Obligation with a cover letter that identifies the paying Defendant(s) and the name and docket number of this proceeding. The paying Defendant(s) shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, and Chuck Marvine, Deputy Director & Acting Chief of the Retail Fraud and General Enforcement Task Force, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581 and to the States in accordance with paragraph 15 herein.

C. Provisions Related to Monetary Sanctions

14. Partial Satisfaction: Acceptance by the CFTC, the Monitor, or the States of any partial payment of Defendants' Restitution Obligation or CMP Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Order, or a waiver of the CFTC's and the States' rights to seek to compel payment of any remaining balance.

III. MISCELLANEOUS PROVISIONS

1 15. Notice: All notices required to be given by any provision in this Order
2 shall be sent certified mail, return receipt requested, as follows:

3 Notice to CFTC:

4 Chuck Marvine
5 Deputy Director &
6 Acting Chief of the Retail Fraud and General Enforcement Task Force
7 Commodity Futures Trading Commission
8 Division of Enforcement
9 2600 Grand Boulevard, Suite 200
 Kansas City, MO 64108

10 Notice to the States:

11 Notice to the States shall be sent to the respective counsel of record for the
12 States in this proceeding.

13 Notice to Defendants Ikahn and Safeguard Metals:

14 Paul A. Rigali
15 Larson LLP
16 555 S. Flower Street, Suite 4400
17 Los Angeles, CA 90071

18 All such notices to the CFTC, the States, or the NFA shall reference the name and
19 docket number of this action.

20
21 16. Notice to Creditors: Until such time as Defendants satisfy in full their
22 Restitution Obligation and CMP Obligation, upon the commencement by or against
23 Defendants of insolvency, receivership or bankruptcy proceedings or any other
24 proceedings for the settlement of Defendants' debts, all notices to creditors required
25 to be furnished to the CFTC under Title 11 of the United States Code or other
26 to be furnished to the CFTC under Title 11 of the United States Code or other
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1 applicable law with respect to such insolvency, receivership, bankruptcy or other
2 proceedings, shall be sent to the address below:

3 Secretary of the Commission
4 Legal Division
5 Commodity Futures Trading Commission
6 Three Lafayette Centre
7 1155 21st Street N.W.
Washington, DC 20581

8 All notices required to be sent to the States shall be sent to their counsel of record in
9 these proceedings.

10
11 17. Change of Address/Phone: Until such time as Defendants satisfy in full
12 their Restitution Obligation and CMP Obligation as set forth in this Order,
13 Defendants shall provide written notice to the CFTC and the States by certified mail
14 of any change to their telephone number and mailing address within ten calendar days
15 of the change.

16
17 18. Invalidation: If any provision of this Order or if the application of any
18 provision or circumstance is held invalid, then the remainder of this Order and the
19 application of the provision to any other person or circumstance shall not be affected
20 by the holding.

21
22 19. Continuing Jurisdiction of this Court: This Court shall retain jurisdiction
23 of this action to ensure compliance with this Order and for all other purposes related
24 to this action, including any motion by Defendants to modify or for relief from the
25 terms of this Order.
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