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UNITED STATES OF AMERICA
Before the
COMMODITY FUTURES TRADING COMMISSION

In the Matter of: **GOLDLINE, INC. and A-MARK PRECIOUS METALS, INC.** **Respondents.**	**CFTC Docket No. 22-30**

ORDER INSTITUTING PROCEEDINGS PURSUANT TO SECTIONS 6(c) AND 6(d) OF THE COMMODITY EXCHANGE ACT, MAKING FINDINGS AND IMPOSING REMEDIAL SANCTIONS

I. INTRODUCTION

The Commodity Futures Trading Commission ("Commission") has reason to believe that from approximately April 2018 to approximately June 2021 (the "Relevant Period"), Goldline, Inc. ("Goldline") and A-Mark Precious Metals, Inc. ("A-Mark") (collectively "Respondents") violated Sections 4(a), 4d(a)(1), and 4b(a)(2)(A) and (C) of the Commodity Exchange Act ("Act"), 7 U.S.C. §§ 6(a), 6d(a)(1), and 6b(a)(2)(A) and (C). Therefore, the Commission deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted to determine whether Respondents engaged in the violations set forth herein and to determine whether any order should be issued imposing remedial sanctions.

In anticipation of the institution of an administrative proceeding, Respondents have submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. Without admitting or denying any of the findings or conclusions herein, Respondents consent to the entry of this Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, Making Findings and Imposing Remedial Sanctions ("Order") and acknowledge service of this Order.[1]

[1] Respondents consent to the use of the findings of fact and conclusions of law in this Order in this proceeding and in any other proceeding brought by the Commission or to which the Commission is a party or claimant, and agree that it shall be taken as true and correct and be given preclusive effect therein, without further proof. Respondents do not consent, however, to the use of this Order, or the findings or conclusions herein, as the sole basis for any other proceeding brought by the Commission or to which the Commission is a party or claimant, other than: a proceeding in bankruptcy or receivership; or a proceeding to enforce the terms of this Order. Respondents do not consent to the use of the Offer or this Order, or the findings or conclusions in this Order, by any other party in any other proceeding.

II. FINDINGS

The Commission finds the following:

A. Summary

During the Relevant Period, Goldline violated Sections 4(a) and 4d(a)(1) of the Act, 7 U.S.C. §§ 6(a), 6d(a)(1), by offering to enter into, entering into, confirming the execution of, and conducting an office and business in the United States for the purpose of soliciting, accepting orders for, and otherwise dealing in illegal off-exchange retail commodity transactions and by accepting funds in connection with the soliciting or acceptance of orders while failing to be properly registered. Specifically, the transactions were leveraged, margined, or financed precious metals transactions with individuals who were not Eligible Contract Participants ("ECPs") pursuant to Section 1a(18) of the Act, 7 U.S.C. § 1a(18)[2]. For these transactions, Goldline received net income totaling $627,801.78.

Further, during the Relevant Period, Goldline violated Section 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. §§ 6b(a)(2)(A) and (C), by committing solicitation fraud in connection with retail commodity transactions. In particular, Goldline intentionally and/or recklessly made material misrepresentations in its customer account agreements and other solicitation materials. First, Goldline misrepresented the percentage by which its bid price (*i.e.*, the amount at which Goldline would purchase metals[3] from its customers) would have to increase before the customers could break-even on their metal purchases. Second, Goldline misrepresented that it, rather than a then-competing third-party retail precious metals dealer ("Metals Dealer"),[4] would buy back from customers metals that the customers previously purchased from Goldline.

A-Mark is liable for Goldline's acts and omissions described herein pursuant to Section 2(a)(l)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2021). Specifically, during the Relevant Period, Goldline acted as an agent for A-Mark and committed the acts and omissions within the course and scope of its agency with A-Mark.

B. Respondents

Goldline, Inc. is a Delaware corporation formed in or about June 2017. Its principal place of business is Los Angeles, California. Goldline has been a retail precious metals dealer in one form or another since 1960. Goldline has never been registered with the Commission in any capacity.

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[2] As is relevant to this matter, Section 1a(18)(xi) of the Act, 7 U.S.C. § 1a(18)(xi), defines an ECP as an individual who has amounts invested on a discretionary basis, the aggregate of which is in excess of $10,000,000, or which is in excess of $5,000,000 and who enters into the agreement, contract, or transaction in order to manage the risk associated with an asset owned or liability incurred, or reasonably likely to be owned or incurred, by the individual.

[3] As used in this Order, the term "metals" refers to all precious metal products sold by Goldline (*e.g.*, bullion bars, numismatic coins, etc.); however, in practice, most of the product covered by the activity described herein related to numismatic coins.

[4] In March 2021 A-Mark acquired the Metals Dealer, and it is now an A-Mark subsidiary.

A-Mark Precious Metals, Inc. is a Delaware corporation formed in or about January 2014. Its principal place of business is El Segundo, California. A-Mark is a NASDAQ-listed precious metals trading company and has been operating in one form or another since 1965. A-Mark has never been registered with the Commission in any capacity.

C. Facts

1. A-Mark Acquires Goldline

From its inception in 1960 until approximately June 2017, Goldline operated independently under the name Goldline, LLC. In June 2017, A-Mark purchased all of Goldline, LLC's assets, and created Goldline, Inc., a wholly-owned subsidiary of A-Mark. During the time A-Mark owned Goldline, Inc., most, if not all, of Goldline's customers were individuals who did not meet the definition of an ECP under Section 1a(18) of the Act.

After A-Mark acquired Goldline, it replaced Goldline's management and installed its own management as Goldline's senior management. The new Goldline management changed some of Goldline's prior policies and procedures with respect to the metals that Goldline offered, as well as representations concerning those metals. Specifically, two key areas changed. First, Goldline began to solicit, accept orders for, and otherwise deal in leveraged, margined, or financed, off-exchange retail commodity transactions in metals with members of the general public. Second, Goldline made certain misrepresentations in its customer account agreements and other solicitation materials.

2. Goldline Engaged in Off-Exchange Retail Commodity Transactions

From approximately April 2018 until approximately July 2019, Goldline, under new management, offered what it called the Collateral Finance Program ("CFP"). Under the CFP, Goldline customers could use their currently-owned or newly-purchased metals to secure loans of up to 75% of the current ask price of those metals[5], which could then be used to purchase additional metals from Goldline. Customers who wished to use their currently-owned metals as collateral for financed purchases of new metals would send some or all of their existing metal holdings to a storage facility, as directed by Goldline. Those metals would be held in the storage facility that was chosen by Goldline, along with the customers' newly-financed metal purchases, until the loans were satisfied. In the case of customers who wished to use their new metal purchases as collateral for additional, financed metal purchases, Goldline would send the newly-purchased metals directly to the storage facility chosen by Goldline, instead of delivering it to the customers. In similar fashion, those metals would then be held in storage, along with the customers' additional, financed metal purchases, until the loans were satisfied. In either instance, Goldline directed the metals be stored with another wholly-owned subsidiary of A-Mark. Customers paid additional fees for storage of their metals. Moreover, until the loans were satisfied, the financed metal purchases never changed hands between Goldline and the customers, and were subject to Goldline's exclusive control.[6] None of the customers who

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[5] The ask price was the price at which Goldline was willing to sell metals to its customers.

[6] Until the loans were satisfied, if the collateral used to secure the loans fell below a certain value, Goldline could issue an "equity call" to the customers in which the customers could either post additional collateral, or pay down

purchased metals through the CFP took delivery of their metals within 28 days of their transactions.

The loans provided to customers to purchase the additional metals were provided by yet another wholly-owned subsidiary of A-Mark. Customers paid 7.9% annual interest through quarterly interest-only payments on the CFP loans. The initial term for the loans was six months; at the end of the six-month period, customers had the option to pay off the loan or enter into extensions of their loan agreements with Goldline, again via the wholly-owned A-Mark subsidiary.

During the Relevant Period, over 230 Goldline customers financed metal purchases through the CFP, and Goldline received net income from the program totaling $627,801.78.

3. Goldline's Misrepresentations in Customer Account Agreements and Other Solicitation Materials

a. Break-Even Concept

During the Relevant Period, new Goldline management amended its prior customer account agreements and other solicitation materials concerning the concept of "break-even" (i.e., the percentage by which Goldline's bid price would have to increase before the customers would break-even on their transactions). The break-even concept is an important element in the risk calculus performed by customers when deciding to buy metals.

Prior to its acquisition by A-Mark, Goldline's customer account agreements and other solicitation materials explained the concept of break-even by way of two examples of sales of its metals to customers. Both of those examples correctly calculated the percentage by which Goldline's bid price would have to increase before a customer could break-even.

However, after its acquisition by A-Mark, Goldline changed the explanation of the break-even point in the customer account agreements and other solicitation materials. This new explanation misrepresented the percentage by which Goldline's bid price would have to increase before a customer could break even. Although Goldline management was aware of this misrepresentation, management did nothing to correct the false statement.

Subsequently, Goldline again changed the break-even explanation in its customer account agreements and other solicitation materials; however, this explanation continued to misrepresent the percentage by which Goldline's bid price would have to increase before a customer could break even.

b. Buyback Policy

Before A-Mark's acquisition of Goldline, Goldline's customer account agreements and other solicitation materials stated that if customers wanted to sell metals originally purchased

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the principal to satisfy the call. If the customer did not satisfy the equity call, Goldline, in its discretion, could liquidate all or part of the collateral to satisfy the equity call.

from Goldline at some point in the future, Goldline would buy back those metals from customers at Goldline's then-current buyback price (i.e., Goldline's bid price) for the metals. This buyback policy provided customers with the comfort of knowing that Goldline would provide a market to repurchase customers' metals in the future. For several years prior to the Relevant Period, Goldline did repurchase customers' metals pursuant to the buyback policy. Indeed, Goldline initially continued the buyback policy after A-Mark's acquisition of Goldline.

However, in approximately February/March 2018, new Goldline management decided to change the buyback policy. Specifically, Goldline entered into an outsourcing agreement with the Metals Dealer. Pursuant to this agreement, the Metals Dealer would replace Goldline as the buyback entity for Goldline customers. However, the Metals Dealer was under no obligation to continue the Goldline buyback policy as set forth in the customer agreement. It had sole discretion to set its own price, regardless of the Goldline buyback price. Despite this significant change in the buyback policy, Goldline did not change its representations in the customer agreement or other solicitation materials that: (1) Goldline would be the re-purchaser; and (2) that a customer would receive the Goldline buyback price.

The agreement between Goldline and the Metals Dealer also contained a provision under which the Metals Dealer would represent itself as Goldline at all times when engaging in buyback services for Goldline customers. Thereafter, starting in approximately April 2018 and continuing during the Relevant Period, when Goldline customers wanted to avail themselves of the buyback policy, Goldline, without the customers' knowledge, would direct the customers' calls to the Metals Dealer. The Metals Dealer responded to the Goldline customers as "Goldline buybacks" or "Goldline Liquidation Desk," and would communicate with customers using the Goldline "brand."[7]

Consequently, while representing itself as Goldline, the Metals Dealer offered to buyback Goldline's customers' metals at the Metal Dealer's current bid price rather than, as stated in the customer agreement and other solicitation materials, at Goldline's buyback price (or bid price).

Although this misrepresentation in the customer account agreements concerning Goldline's buyback policy was brought to the attention of Goldline management, management failed to correct the misrepresentation and failed to disclose that it no longer had a stake in the repurchasing of its metals as stated in its customer agreement and other solicitation materials.

III. LEGAL DISCUSSION

A. Relevant Statutory Background

Section 2(c)(2)(D) of the Act broadly applies to any agreement, contract, or transaction in any commodity that is entered into with, or offered to (even if not entered into with) a non-eligible contract participant ("non-ECP") or non-eligible commercial entity on a leveraged or margined basis, or financed by the offeror, the counterparty, or a person acting in concert with

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[7] For example, written communications and receipts sent by the Metals Dealer as part of their buy-back utilized the trademarked Goldline logo and mastheads. This had the effect of leading the customers selling their metal to believe that they were dealing with Goldline, and not a third party.

the offeror or counterparty on a similar basis. 7 U.S.C. § 2(c)(2)(D)(i). Section 2(c)(2)(D) further provides that such an agreement, contract, or transaction shall be subject to Sections 4(a), 4(b), and 4b of the Act "as if the agreement, contract, or transaction was a contract of sale of a commodity for future delivery." *Id.* § 2(c)(2)(D)(iii).

Section 2(c)(2)(D)(ii) of the Act excepts certain transactions from Section 2(c)(2)(D). Section 2(c)(2)(D)(ii)(III)(aa) excepts a contract of sale that "results in actual delivery within 28 days or such other longer period as the Commission may determine by rule or regulation based upon the typical commercial practice in cash or spot markets for the commodity involved."[8] Section 2(c)(2)(D)(ii)(III)(bb) excepts a contract of sale that creates an enforceable obligation to deliver between a seller and a buyer that have the ability to deliver and accept delivery, respectively, in connection with the line of business of the seller and buyer.

The Commission has stated that its view is that the determination of whether "actual delivery" has occurred within the meaning of Section 2(c)(2)(D)(ii)(III)(aa) requires a consideration of evidence beyond the four corners of the contract documents. This interpretation of the statutory language is based on Congress' use of the word "actual" to modify "delivery" and on the legislative history of Section 2(c)(2)(D)(ii)(III)(aa). Consistent with this interpretation, in determining whether actual delivery has occurred within 28 days, the Commission will employ a functional approach and examine how the agreement, contract, or transaction is marketed, managed, and performed, instead of relying solely on language used by the parties in the agreement, contract, or transaction.[9] Indeed, as the Ninth Circuit stated:

> "[T]he plain language [of Section 2(c)(2)(D)(ii)(III)(aa)] tells us that actual delivery requires at least some meaningful degree of possession or control by the customer. It is possible for this exception to be satisfied when the commodity sits in a third-party depository, but not when, as here, metals are in the broker's chosen depository, never exchange hands, and are subject to the broker's exclusive control, and customers have no substantial, non-contingent interests."

CFTC v. Monex, 931 F.3d 966, 974 (9th Cir. 2019)

Further, unless the Commission provides otherwise, the 28 days for actual delivery is 28 days from the date the agreement, contract, or transaction is confirmed to the buyer or seller, typically, a retail customer.

Other than these exceptions, Congress did not express any intent to limit the reach of Section 2(c)(2)(D). Rather, in enacting the statute Congress expressed its intent that Section 2(c)(2)(D) should be applicable to a broad range of agreements, contracts, and transactions.

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[8] The Commission has not adopted any regulations permitting a longer actual delivery period for any commodity pursuant to Section 2(c)(2)(D)(ii)(III)(aa) of the Act. Accordingly, the 28-day actual delivery period set forth in this provision remains applicable to all commodities.

[9] *See* Retail Commodity Transactions Under Commodity Exchange Act, 76 Fed. Reg. 77,670 (Dec. 14, 2011).

Section 2(c)(2)(D) of the Act applies to all agreements, contracts, and transactions entered into with, or offered to, non-ECPs on a leveraged or margined basis, or financed by the offeror, the counterparty, or a person acting in concert with the offeror or counterparty on a similar basis, as those terms are commonly used in the industry.

B. The Commission's Jurisdiction

Goldline offered precious metals transactions to, and entered into such transactions with, persons who were not ECPs or eligible commercial entities. Moreover, Goldline offered and entered into such transactions on a margined or leveraged basis, or financed by Goldline. Goldline's retail financed precious metals transactions fall squarely within the Commission's jurisdiction under Section 2(c)(2)(D) of the Act.

Goldline's retail-financed precious metals transactions that it executed with its customers did not result in actual delivery to the customer within 28 days from the date of the agreement, the contract, or when transaction was confirmed. As stated above, until the loans were satisfied, financed metal purchases would be held in the storage facility that was chosen by Goldline, the financed metal purchases never exchanged hands between Goldline and the customers, and the financed metal purchases were subject to Goldline's exclusive control. For those retail-financed precious metals transactions for which actual delivery to the customer occurred, such delivery took place more than 28 days from the date the agreement, contract, or transaction was confirmed once the loan was satisfied. Therefore, Goldline's transactions are not excepted from the Commission's jurisdiction under Section 2(c)(2)(D)(ii)(III)(aa) of the Act.

C. Goldline Violated Section 4(a) of the Act: Illegal Off-Exchange Retail Commodity Transactions

As stated above, retail commodity transactions within the scope of Section 2(c)(2)(D) of the Act are subject to enforcement under Section 4(a) of the Act, among other provisions, as if such transactions are commodity futures contracts. Section 4(a) of the Act makes it unlawful for any person to offer to enter into, enter into, execute, confirm the execution of, or conduct an office or business in the United States for the purpose of soliciting, or accepting any order for, or otherwise dealing in any transaction in, or in connection with, a commodity futures contract, unless such transaction is made on or subject to the rules of a board of trade that has been designated or registered by the Commission as a contract market or derivatives transaction execution facility for the specific commodity.

Goldline offered to enter into, entered into, and/or confirmed the execution of retail leveraged, margined, or financed precious metals transactions. Goldline also conducted an office and business in the United States for the purpose of soliciting, accepting orders for, and otherwise dealing in retail leveraged, margined, or financed precious metals transactions. None of the retail financed precious metals transactions were conducted on or subject to the rules of a board of trade that has been designated or registered by the Commission as a contract market or derivatives transaction execution facility for precious metals. Goldline's conduct, as set forth herein, violated Section 4(a) of the Act.

D. Goldline Violated Section 4(d)(a)(1) of the Act: Failure to Register as an FCM

Section 4d(a)(1) of the Act makes it unlawful for any person to engage as a futures commission merchant ("FCM"), unless such person is registered with the Commission as an FCM and such registration has not expired or been suspended or revoked. The Act defines an FCM to include, among other things, a corporation that is engaged in soliciting or accepting orders for any agreement, contract, or transaction described in Section 2(c)(2)(D)(i) (retail commodity transactions) and in or in connection with such acceptance of such orders accepts money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom. 7 U.S.C. § 1(a)(28)(A)(i)(I)(aa)(DD) & (II) (2012). Goldline acted as an FCM by soliciting and accepting customers' orders for leveraged, margined, or financed precious metals transactions and, in connection with those transactions, receiving net income totaling $627,801.78 from those customers, including customers who were not ECPs. As such, Goldline acted as an unregistered FCM in violation of Section 4d(a)(1) of the Act.

E. Goldline Violated Section 4b(a)(2)(A) and (C) of the Act: Fraud in Connection with Retail Commodity Transactions

Section 2(c)(2)(D) provides that retail commodity transactions, like those offered by Goldline, shall be subject to the Act's antifraud provision in Section 4b. Section 4b(a) of the Act provides, in pertinent part, that it is unlawful for any person to defraud or attempt to defraud another person in connection with retail commodity transactions.[10] Specifically, Sections 4b(a)(2)(A) and (C) of the Act make it unlawful for any person to "(A) cheat or defraud or attempt to cheat or defraud the other person" or "(C) willfully to deceive or attempt to deceive the other person by any means whatsoever in regard to any order or contract or the disposition or execution of any order or contract."

"To establish liability for fraud, the Commission must prove: '(1) the making of a misrepresentation, misleading statement, or a deceptive omission; (2) scienter; and (3) materiality.'" *CFTC v. Hunter-Wise Commodities, LLC,* 749 F.3d 967, 981 (11th Cir. 2014) (*quoting CFTC v. R.J. Fitzgerald & Co.*, 310 F.3d 1321, 1328 (11th Cir. 2002), *cert. denied,* 543 U.S. 1034 (2004)). "Whether a misrepresentation has been made depends on the 'overall message' and the 'common understanding of the information conveyed.'" *R.J. Fitzgerald & Co.,* 310 F.3d at 1328 (11th Cir. 2002) (citation omitted).

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[10] Section 4b(a) of the Act provides:

It shall be unlawful--

(1) for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce or for future delivery that is made, or to be made, on or subject to the rules of a designated contract market, for or on behalf of any other person; or

(2) for any person, in or in connection with any order to make, or the making of, any contract of sale of any commodity for future delivery, or swap, that is made, or to be made, for or on behalf of, or with, any other person, other than on or subject to the rules of a designated contract market--

Materiality is defined as any fact that "a reasonable investor would consider… important in making an investment decision." *CFTC v. R.J. Fitzgerald & Co.*, 310 F.3d 1321, 1328 (11th Cir. 2002); *see also CFTC v. Commonwealth Fin. Group, Inc.,* 874 F. Supp. 1345, 1353-1354 (S.D. Fla. 1994), *aff'd in part, rev'd in part on other grounds*, 795 F.3d 1159 (11th Cir. 1996). Any fact that enables customers to assess independently the risk inherent in their investment and the likelihood of profit is a material fact. *In re Commodities Int'l Corp.,* [1996-1998 Transfer Binder] Comm. Fut. L. Rep. (CCH) ¶ 26,943 at 44,563-64 (CFTC Jan. 14, 1997); *CFTC v. Noble Wealth Data Info. Serv. Inc.,* 90 F. Supp. 2d 676, 686 (D. Md. 2000), *aff'd in part, vacated in part, sub nom. CFTC v. Baragosh*, 278 F.3d 391 (4th Cir. 2002) ("[M]isrepresentations regarding profit potential and risk go to the heart of a customer's investment decision and are therefore material as a matter of law.").

Scienter "refers to a mental state embracing an intent to deceive, manipulate, or defraud." *CFTC v. Rosenberg*, 85 F. Supp. 2d 424, 448 (D.N.J. 2000) (citing *Ernst & Ernst v. Hochfelder,* 425 U.S. 185, 193 (1976)). The Commission "need not show that defendants acted with an evil motive or an intent to injure[;] rather, recklessness is sufficient to satisfy the scienter requirement." *Id.* (internal quotations and citation omitted); *see also Drexel Burnham Lambert, Inc. v. CFTC*, 850 F.2d 742, 748 (D.C. Cir. 1988) (finding that recklessness is sufficient to satisfy scienter requirement).

Here, Goldline intentionally and/or recklessly made materially false representations of the break-even concept and its buyback policy. In particular, Goldline's statements concerning the break-even point were false because Goldline misrepresented the percentage by which its bid price would have to increase before customers could break even on their investment. These misrepresentations were material in terms of their negative impact upon customers' ability to properly evaluate their risks associated with the transactions. Goldline either intentionally or recklessly made these misrepresentations because it failed to correct the misrepresentation, despite being told that the misrepresentation existed.

Likewise, Goldline's statements concerning its buyback policy were false. Goldline initially represented that under its buyback policy, it would buy back metals from customers at Goldline's then-current bid price. However, Goldline's new management unilaterally changed the policy, and contracted with the Metals Dealer to conduct future buy backs at the Metal Dealer's then-current bid price for the metals, which was set in the Metals Dealer's sole discretion. Goldline's customers were not notified of this change. To the contrary, the outsourcing agreement deceived Goldline customers when it directed the Metals Dealer to communicate with customers as "Goldline buybacks" or "Goldline Liquidation Desk."

The misrepresentations pertaining to the buyback policy are material as the change made by Goldline actively deceived customers and distorted their ability to properly evaluate the risks associated with the transactions. Further, Goldline either intentionally or recklessly made these misrepresentations because: (1) it knew that it had entered into an agreement with the Metals Dealer to conduct the buybacks; (2) it knew that the Metals Dealer would represent itself as Goldline at all times when engaging in buyback services for Goldline customers; and (3) although this misrepresentation in the customer account agreements was brought to Goldline's attention, Goldline failed to correct the misrepresentation and failed to disclose to its customers that it was no longer repurchasing metals as stated in its customer agreement and other solicitation materials.

As a direct result of the aforementioned conduct, Goldline violated Section 4b(a)(2)(A) and (C) of the Act.

F. A-Mark Is Liable for the Violations of Its Agent Goldline

Under Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), as well as Regulation 1.2, 17 C.F.R. § 1.2 (2021), a principal is strictly liable for the violations of its agents made within the scope of their agency. *Rosenthal & Co. v. CFTC*, 802 F.2d 963, 966 (7th Cir. 1986). A-Mark acquired Goldline and then replaced Goldline's senior management with its own senior management. Goldline's conduct, as described above, was done at the behest and direction of A-Mark. Therefore, Goldline was acting as A-Mark's agent in connection with this conduct. Pursuant to Section 2(a)(1)(B) of the Act and Regulation 1.2, A-Mark is liable for Goldline's violations of Section 4(a), 4d(a)(1) and 4b(a)(2)(A) and (C) of the Act.

IV. FINDINGS OF VIOLATION

Based on the foregoing, the Commission finds that, during the Relevant Period, Goldline and A-Mark violated Sections 4(a), 4d(a)(1), and 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. §§ 6(a), 6d(a)(1), and 6b(a)(2)(A) and (C).

V. OFFER OF SETTLEMENT

Respondents have submitted the Offer in which they, without admitting or denying the findings and conclusions herein:

A. Acknowledge receipt of service of this Order;

B. Admit the jurisdiction of the Commission with respect to all matters set forth in this Order and for any action or proceeding brought or authorized by the Commission based on violation of or enforcement of this Order;

C. Waive:

1. The filing and service of a complaint and notice of hearing;
2. A hearing;
3. All post-hearing procedures;
4. Judicial review by any court;
5. Any and all objections to the participation by any member of the Commission's staff in the Commission's consideration of the Offer;

6. Any and all claims that they may possess under the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412, and/or the rules promulgated by the Commission in conformity therewith, Part 148 of the Commission's Regulations, 17 C.F.R. §§ 148.1-30 (2021), relating to, or arising from, this proceeding;

7. Any and all claims that they may possess under the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, §§ 201-253, 110 Stat. 847, 857-868 (1996), as amended by Pub. L. No. 110-28, § 8302, 121 Stat. 112, 204-205 (2007), relating to, or arising from, this proceeding; and

8. Any claims of Double Jeopardy based on the institution of this proceeding or the entry in this proceeding of any order imposing a civil monetary penalty or any other relief;

D. Stipulate that the record basis on which this Order is entered shall consist solely of the findings contained in this Order to which Respondents have consented in the Offer;

E. Consent, solely on the basis of the Offer, to the Commission's entry of this Order that:

1. Makes findings by the Commission that Goldline and A-Mark violated Sections 4(a), 4d(a)(1), and 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. §§ 6(a), 6d(a)(1), and 6b(a)(2)(A) and (C);

2. Orders Respondents to cease and desist from violating Sections 4(a), 4d(a)(1), and 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. §§ 6(a), 6d(a)(1), and 6b(a)(2)(A) and (C);

3. Orders Respondents to pay, jointly and severally, a civil monetary penalty ("CMP") in the amount of four hundred and fifty thousand dollars ($450,000), plus any post-judgment interest, within ten days of the date of the entry of the Order;

4. Orders Respondents and their successors and assigns to comply with the conditions and undertakings consented to in Section VI of this Order, including, but not limited to, Respondents' undertaking to pay disgorgement in the amount of six hundred and twenty-seven thousand, eight hundred and one dollars and seventy-eight cents ($627,801.78), plus any post-judgment interest, within ten days of the date of the entry of this Order.

Upon consideration, the Commission has determined to accept the Offer.

VI. ORDER

Accordingly, IT IS HEREBY ORDERED THAT:

A. Respondents shall cease and desist from violating Sections 4(a), 4d(a)(1), and 4b(a)(2)(A) and (C) of the Act, 7 U.S.C. §§ 6(a), 6d(a)(1), and 6b(a)(2)(A) and (C).

B. Respondents shall pay, jointly and severally, a CMP in the amount of four hundred and fifty thousand dollars ($450,000) ("CMP Obligation") within ten days of the date of entry of this Order. If the CMP Obligation is not paid in full within ten days of the date of entry of this Order, then post-judgment interest shall accrue on the unpaid portion of the CMP Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

Respondents shall pay the CMP Obligation and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

CFTC
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(405) 954-1620 fax
9-AMC-AR-CFTC@faa.gov

If payment is to be made by electronic funds transfer, Respondents shall contact Tonia King or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondents shall accompany payment of the CMP Obligation with a cover letter that identifies the paying party and the name and docket number of this proceeding. Respondents shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

C. Respondents and their successors and assigns shall comply with the following conditions and undertakings set forth in the Offer:

1. Disgorgement: Respondents agree to pay, jointly and severally, disgorgement in the amount of six hundred and twenty-seven thousand, eight hundred and one dollars and seventy-eight cents ($627,801.78) ("Disgorgement Obligation"), representing the gains received in connection with such violations. If the Disgorgement Obligation is not paid in full within ten days of the date of the entry of this Order, then post-judgment interest shall accrue on the unpaid portion of the Disgorgement Obligation beginning on the date of entry of this Order and shall be determined by using the Treasury Bill rate prevailing on the date of entry of this Order pursuant to 28 U.S.C. § 1961.

   Respondents shall pay the Disgorgement Obligation and any post-judgment interest by electronic funds transfer, U.S. postal money order, certified check, bank cashier's check, or bank money order. If payment is to be made other than by electronic funds transfer, then the payment shall be made payable to the Commodity Futures Trading Commission and sent to the address below:

CFTC
C/O ESC/AMK-326; RM 265
6500 S. MacArthur Blvd.
Oklahoma City, OK 73169
(405) 954-6569 office
(405) 954-1620 fax
9-AMC-AR-CFTC@faa.gov

If payment is to be made by electronic funds transfer, Respondents shall contact Tonia King or her successor at the above address to receive payment instructions and shall fully comply with those instructions. Respondents shall accompany payment of the Disgorgement Obligation with a cover letter that identifies the paying party and the name and docket number of this proceeding. Respondents shall simultaneously transmit copies of the cover letter and the form of payment to the Chief Financial Officer, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, NW, Washington, D.C. 20581.

2. Public Statements: Respondents agree that neither they nor any of their successors and assigns, agents, or employees under their authority or control shall take any action or make any public statement denying, directly or indirectly, any findings or conclusions in this Order or creating, or tending to create, the impression that this Order is without a factual basis; provided, however, that nothing in this provision shall affect Respondents': (i) testimonial obligations; or (ii) right to take legal positions in other proceedings to which the Commission is not a party. Respondents and their successors and assigns shall comply with this agreement, and shall undertake all steps necessary to ensure that all of the agents and/or employees under their authority or control understand and comply with this agreement.

3. Cooperation with the Commission: Respondents understand and agree that they shall cooperate fully and expeditiously with the Commission, including the Commission's Division of Enforcement in this action, and any current or future Commission investigations or actions related thereto. Respondents shall also cooperate in any investigation, civil litigation, or administrative matter related to, or arising from, the subject matter of this action.

4. Partial Satisfaction: Respondents understand and agree that any acceptance by the Commission of any partial payment of Respondents' CMP Obligation and/or Disgorgement Obligation shall not be deemed a waiver of their obligation to make further payments pursuant to this Order, or a waiver of the Commission's right to seek to compel payment of any remaining balance.

5. Change of Address/Phone: Until such time as Respondents satisfy in full their CMP Obligation and Disgorgement Obligation as set forth in this Order, Respondents shall provide written notice to the Commission by certified mail of any change to their telephone numbers and mailing addresses within ten calendar days of the change.

6. Until such time as Respondents satisfy in full their CMP Obligation and Disgorgement Obligation, upon the commencement by or against Respondents of insolvency, receivership or bankruptcy proceedings, or any other proceedings for the settlement of Respondents' debts, all notices to creditors required to be furnished to the Commission under Title 11 of the United States Code or other applicable law with respect to such insolvency, receivership bankruptcy or other proceedings, shall be sent to the address below:

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

* * *

The provisions of this Order shall be effective as of this date.

By the Commission.

Christopher J. Kirkpatrick
Secretary of the Commission
Commodity Futures Trading Commission

Dated: September 22, 2022