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NH Secretary of State David M. Scanlan Joins Multi-State Enforcement Effort Against Lear Capital

\$5.5 million will be distributed among investors as part of the company's bankruptcy plan.

CONCORD, NH (August 07, 2023): The New Hampshire Secretary of State, Bureau of Securities Regulation, has joined a multi-state enforcement effort led by the North American Securities Administrators Association (NASAA) against Lear capital.

State securities regulators had been investigating Lear, a Los Angeles-based company that sells and buys back metals through both direct-to-consumer transactions and self-directed IRA transactions, for deceptive securities and commodities activities, and misleading marketing at the time of the company's bankruptcy.

Lear will distribute \$5.5 million to its investors who purchased retail precious metals under the company's bankruptcy plan. Lear investors that filed a timely bankruptcy claim will receive refunds based on calculations determined by Lear's bankruptcy plan. Lear will also provide a pro rata distribution of the remaining funds to investors who did not file claims. The pro rata distribution applies to investors that bought precious metals from Lear between January 1, 2016, and March 3, 2022.

The company has also agreed to improve its sales practices and disclosures, including agreeing not to misrepresent its fee, not to offer portfolio assessments of securities holdings, not to hold itself out as an investment adviser in any way, and not to provide investment advice or commit securities or commodities fraud.

"Lear Capital urged investors to liquidate their traditional retirement savings and buy precious metals without proper fee disclosures. As a result of those deceptive practices, the company racked up millions of dollars at investors' expense", said Jeff Spill, Deputy Director of the Bureau of Securities Regulation. "The Bureau is always looking out for Main Street investors to protect them from harmful and deceptive business practices."

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