

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

COMMODITY FUTURES TRADING COMMISSION,

Plaintiff,

v.

**FIRST STATE DEPOSITORY COMPANY, LLC,
ARGENT ASSET GROUP LLC, AND
ROBERT LEROY HIGGINS,**

Defendants.

Case No.

**COMPLAINT FOR
INJUNCTIVE RELIEF,
RESTITUTION, CIVIL
MONETARY PENALTIES,
AND OTHER EQUITABLE
RELIEF UNDER THE
COMMODITY EXCHANGE
ACT AND COMMISSION
REGULATIONS**

Plaintiff Commodity Futures Trading Commission (“Commission”), by its attorneys,
alleges as follows:

I. INTRODUCTION

1. From at least January 2014 through the present (the “Relevant Period”), Defendants First State Depository Company, LLC (“FSD”), Argent Asset Group LLC (“Argent”), both by and through their employees and agents, including Robert Leroy Higgins (“Higgins”), and Higgins directly (collectively, “Defendants”) engaged in a fraudulent and deceptive scheme (the “Scheme”) in connection with the purchase and sale of precious metals, including but not limited to the purchase and sale of silver coins as part of a fraudulent silver leasing program known as the “Maximus Program.”

2. In the course of operating the Maximus Program, Defendants deceived participants in the Maximus Program (“Maximus Customers”) and participants in a parallel lease program called the Silver Lease Program (“Silver Lease Customers”) that was primarily operated

by a non-party referred to herein as Metals Dealer 1, and its CEO, Individual 1.¹ Although all of the silver involved in the Silver Lease Program became part of the Maximus Program, the Maximus Program was not limited to metal owned by Silver Lease Customers.

3. In carrying out the Scheme, Defendants:
 - a. misappropriated Customer funds and assets;
 - b. led Customers to believe that their metal was held at FSD, when in fact it was not;
 - c. led Customers to believe that Defendants had obtained silver for Customers, when in fact they had not;
 - d. misappropriated funds and assets belonging to certain non-Customer clients (“Clients”), and deceived those Clients when they asked FSD to return their assets; and
 - e. deceived Customers and Clients regarding the insurance coverage that FSD maintained for Customers and Client assets, including by leading Customers and Clients to believe their assets were fully insured for 100% of their value, when in fact they were not.

4. Through this Scheme, Defendants fraudulently solicited and obtained at least \$7,000,000 in cash, silver, and other assets from at least 200 Customers in the Programs, and a substantial amount of cash, silver, gold, and assets from other Clients.

5. By virtue of this conduct, Defendants violated Section 6(c)(1) of the Commodity Exchange (the “Act”), 7 U.S.C. § 9(1), and Commission Regulation 180.1, 17 C.F.R. § 180.1(a)(1)-(3) (2021).

¹ The Complaint uses the term the “Programs” to refer to the Maximus Program and the Silver Lease Program together, and the term “Customers” to apply to either Maximus Customers or Silver Lease Customers.

6. Higgins is directly liable for acts and omissions he committed in furtherance of the Scheme. Under Section 13(b) of the Act, 7 U.S.C. § 13c(b), Higgins is also liable for FSD and Argent's violations of Section 6(c)(1) and Commission Regulation 180.1(a)(1)-(3) because he controlled FSD and Argent, directly or indirectly, and because he either did not act in good faith or knowingly induced their acts or omissions.

7. The acts, omissions, and failures of Argent's employees and agents alleged herein, including Higgins, occurred within the scope of their employment, agency, or office with Argent. Therefore, Argent is liable pursuant to Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B), and Commission Regulation 1.2, 17 C.F.R. § 1.2 (2021), as principal for the violative actions and omissions of Argent's employees and agents, including Higgins.

8. The acts, omissions, and failures of FSD's employees and agents alleged herein, including Higgins, occurred within the scope of their employment, agency, or office with FSD. Therefore, FSD is liable pursuant to Section 2(a)(1)(B) of the Act and Commission Regulation 1.2, as principal for the violative actions and omissions of FSD's employees and agents, including Higgins.

9. Furthermore, FSD and Argent did not conduct business separately and at arm's length, but rather operated as a common enterprise with each other. Higgins was the control person of that common enterprise. Higgins owned both FSD and Argent and had ultimate decision-making authority over the business of both companies.

10. The Commission brings this action pursuant to Section 6c of the Act, 7 U.S.C. § 13a-1, to enjoin Defendants' unlawful acts and practices and to compel their compliance with the Act and the Regulations promulgated thereunder. In addition, the Commission seeks civil monetary penalties, restitution, and remedial ancillary relief, including, but not limited to, trading

and registration bans, disgorgement, rescission, pre- and post-judgment interest, and such other and further relief as the Court may deem necessary or appropriate.

11. Unless restrained and enjoined by this Court, Defendants will likely continue to engage in acts and practices alleged in this Complaint and similar acts and practices, as described below.

II. JURISDICTION AND VENUE

12. Section 6c(a) of the Act, 7 U.S.C. § 13a-1(a), authorizes the Commission to seek injunctive and other relief in United States district court against any person whenever it shall appear to the Commission that such person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of the Act, or any rule, regulation, or order thereunder, and provides that district courts “shall have jurisdiction to entertain such actions.” This Court also has jurisdiction pursuant to 28 U.S.C. § 1331 (federal question) and 28 U.S.C. § 1345 (United States as plaintiff).

13. Venue lies properly with this Court pursuant to Section 6c(e) of the Act because Defendants can be found in this District, transacted business in this District, and certain transactions, acts, practices, and courses of business alleged in this Complaint occurred, are occurring, or are about to occur in this District.

III. THE PARTIES

14. Plaintiff **Commission** is an independent federal regulatory agency charged by Congress with the administration and enforcement of the Act, 7 U.S.C. §§ 1-26, and the Regulations promulgated thereunder, 17 C.F.R. pt. 1-190 (2021).

15. **Defendant Robert Leroy Higgins** is the owner, operator, principal, and control person for FSD and Argent. Higgins holds himself out as, and in fact is, the owner and manager of both FSD and Argent. Higgins controls and is the signatory on the bank accounts of FSD and

Argent. Higgins communicates extensively with Customers, Clients, and business partners on behalf of both FSD and Argent. Higgins employs or employed his sons, the fiancée of one of his sons, his sister, and his wife in the business of FSD and Argent. Higgins never been registered with the Commission in any capacity.

16. **Defendant First State Depository Company, LLC** is a Delaware limited liability company, organized on or about January 25, 2006, with an address of 100 Todds Lane, Wilmington, Delaware. FSD’s website describes itself as a “private depository” that offers “a full range of precious metals custody, shipping and accounting services to both commercial and individual participants in the rare coin and precious metals markets.” FSD provides depository storage services to Customers, but also stores precious metals and valuables for a number of Clients whose assets are not part of the Programs. FSD has never been registered with the Commission in any capacity.

17. **Defendant Argent Asset Group LLC** is a Delaware limited liability company, organized on or about September 24, 2013, with an address of 100 Todds Lane, Wilmington, Delaware. Argent engages in the business of buying, selling, and leasing coins, bullion, bars, and other precious metals, and touts itself as a “leading numismatic and precious metals trading firm.” Argent has never been registered with the Commission in any capacity.

IV. RELEVANT NON-PARTIES

18. **Metals Dealer 1** is a company based in Kansas that specializes, among other things, in the sale and promotion of precious metals as an investment vehicle, including for individuals wishing to invest in precious metals individual retirement accounts (“IRAs”). Many of Metals Dealer 1’s customers entered the Silver Lease Program so that they could obtain monthly income from metal they deposited in an IRA.

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