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**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE,
OFFICE OF THE MONTANA STATE AUDITOR**

IN THE MATTER OF

RED ROCK SECURED, LLC,

Respondent.

Case No. SEC-2024-00153

**NOTICE OF PROPOSED AGENCY
ACTION AND OPPORTUNITY FOR
HEARING**

TO: RED ROCK SECURED, LCC
98 N. PACIFIC COAST HIGHWAY
SUITE 440
EL SEGUNDO, CALIFORNIA 90245

The Commissioner of Securities and Insurance, Office of the Montana State Auditor (Commissioner), has cause to believe that Red Rock Secured, LLC (Respondent) has violated the Securities Act of Montana, §§ 30-10-101 *et seq.*, MCA. The Commissioner proposes to levy a fine of \$5,000.00 and require restitution. The Commissioner has the authority to undertake this action pursuant to the Securities Act of Montana including §§ 30-10-101 *et seq.*, MCA.

The following is a proposed agency action. Acceptance of CSI's proposed action(s) will resolve this matter and it will be deemed a Final Agency Action based on the facts and law set out below. If Respondent chooses not to accept the penalty, an administrative hearing must be requested; that request must be in writing and received by the Commissioner **within 24 days** of the date this Notice, as described in the Statement of

Rights below. Failure to timely request a hearing can result in entry of a default order as stated in the Possibility of Default section below.

FACTUAL ALLEGATIONS

1. On May 10, 2023, Montana resident S.B. withdrew \$250,000 from his Vanguard 401(k) to purchase precious metals through Red Rock Secured, LLC (Red Rock).

2. He instructed a Red Rock representative to use \$100,000 to buy gold coins and \$150,000 to buy silver coins, with Equity Trust Company serving as the IRA depository in Salt Lake City.

3. On July 19, 2023, Red Rock Secured, through account an executive using an “americaincoinco.com” email address, emailed S.B. an order confirmation stating that Red Rock had shipped his metals in full to the depository. The confirmation represented that S.B. purchased 1,514 one-ounce Silver Red Lion coins and 140 quarter-ounce Gold Red Lion coins, and it instructed him to monitor Equity Trust’s online portal to confirm receipt. At that time, S.B. believed Red Rock had invested his entire \$250,000 withdrawal into those metals on his behalf.

4. In the following months, S.B. accessed his Equity Trust online account and discovered that the holdings in his IRA did not match the Red Rock order confirmation. Equity Trust’s portal showed 1,519 one-ounce Silver Red Lion coins and 157 quarter-ounce Gold Red Lion coins held at Brinks in Salt Lake City, rather than the quantities listed in the July 19 confirmation.

5. The account also showed an additional 1,492 quarter-ounce New Zealand Mint Red Lion coins labeled as an “Unsettled Metals Purchase,” with a stated cumulative value of \$740,255.80, which S.B. did not authorize or purchase.

6. Despite the large face value shown for the unsettled New Zealand Mint coins, the total value of the metals actually held in his account was approximately \$113,151.50, far below his \$250,000 investment.

7. S.B. initially assumed that Red Rock Secured would correct the discrepancies and complete the promised investment, but no additional metals appeared in his account and Red Rock did not resolve the shortfall.

8. On November 8, 2023, Equity Trust's online screenshot reflected the same discrepancies in coin types, quantities, and values, confirming to S.B. that his retirement funds had not been invested as he directed.

9. On February 9, 2024, Equity Trust sent a letter explaining that the total "invoiced metals" from Red Rock for his account were valued at \$249,712.92, and that Red Rock had delivered an additional five one-ounce Silver Red Lion coins and seventeen quarter-ounce Gold Red Lion coins as "Excess Metals" for his benefit. Even with these excess metals, the value of his holdings remained significantly below his original \$250,000 withdrawal.

ASSERTIONS OF LAW

10. The Commissioner has jurisdiction over this matter pursuant to the Securities Act of Montana, §§ 30-10-101 through 30-10-342, MCA.

11. The Commissioner is tasked with enforcement of the Securities Act of Montana, §§ 30-10-101, et seq., MCA (the Act).

12. The Commissioner is entrusted to protect investors, persons engaged in securities, and the public interest. *Id.*, at § 30-10-102.

13. "The commissioner may by order deny, suspend, or revoke registration of any ... salesperson ... if the commissioner finds that the order is in the public interest and that the applicant or registrant or, in the case of a broker-dealer or investment adviser, any partner, officer, director, person occupying a similar status or performing similar functions, or person directly or indirectly controlling the broker-dealer or investment adviser ... has engaged in dishonest or unethical practices in the securities business." Section 30-10-201(13)(g), MCA.

14. The Commissioner may impose a fine not to exceed \$5,000 per violation on a person found to have engaged in any act or practice constituting a violation of the Securities Act or a rule or order of the Commissioner. § 30-10-305, MCA.

15. If, after conducting a hearing under § 33-1-701, MCA, the Commissioner may also impose an order of restitution on any person found to have violated § 30-10-301, MCA, with 10% annual interest from the date of violation, reasonable attorney fees, and costs associated with bringing the administrative action. § 30-10-309(1), MCA.

16. It is unlawful for any person, in connection with the offer, sale, or purchase of any security, directly or indirectly, in, into, or from this state, to: engage in any act, practice, or course of business that operates or would operate as a fraud or deceit upon any person. Mont. Code Ann. § 30-10-301(1)(c).

17. Here, Respondent took the victims investment of \$250,000 in precious metals and only provided roughly \$147,000 in precious metal coins. This action is a fraud on the victim.

18. Respondent's securities fraud resulted in financial loss to the victim and is grounds for the Commissioner to require Respondent to make restitution for all losses sustained as a result of Respondent's actions.

PROPOSED AGENCY ACTION

WHEREFORE, the Commissioner, in his discretion and considering, *inter alia* the gravity, number and scope of offense(s), and the financial loss involved, and to protect the health, safety, and welfare of the public, proposes to order the following:

1. An order finding and declaring that Respondent has violated § 30-10-301, MCA.

2. Pursuant to § 30-10-305(3)(a), an order of a fine of \$5,000 against Respondent for violating § 30-10-201(3), MCA, plus interest at the statutory rate from the date of the Commissioner's final order.

3. Such fine shall be subordinate to the restitution in the event Respondent is unable to pay the full amount of the fines and restitution.

4. Pursuant to § 30-10-309, MCA, an order requiring Respondent to pay restitution for the total losses to the victim in the amount of \$136,848.50 starting from December 8, 2021.

STATEMENT OF RIGHTS

Respondent is entitled to contest the Commissioner's proposed action by requesting a hearing; this is called an administrative or "contested case" hearing. Section 2-4-102(4), MCA. To do so, **within 24 days of the date this Notice**, Respondent must submit a **written hearing request** to CSI at 840 Helena Avenue, Helena, MT 59601 or CSI.LegalService@mt.gov. A hearing request may, but does not have to, include a response to the allegations set forth above.

If a hearing is requested, the Commissioner may appoint an impartial hearing examiner to conduct the proceedings under the provisions of the Montana Administrative Procedures Act, Mont. Code Ann. Title 2, Chapter 4, Part 6. Sections 2-4-611, 33-1-701, MCA; Admin. R. Mont. 1.3.218. Formal proceedings may be waived pursuant to § 2-4-603, MCA, in which case the hearing examiner would handle this case under the process for Informal Proceedings pursuant to § 2-4-604, MCA. Respondent will be provided notice of the time, place, and nature of the hearing; and will be entitled to participate in the contested case process and respond and present evidence and arguments on all issues involved in this action. Section 2-4-601, -612, MCA.

Respondent has the right to retain legal counsel to represent, accompany, and advise them at any and all stages of this proceeding or may also elect to represent themselves; however, a business entity may not appear on its own behalf or through an agent other than an attorney licensed to practice law. Admin. R. Mont. 1.3.231.

CONTACT WITH COMMISSIONER'S OFFICE

If there are questions or concerns, please contact CSI at 406-444-2040 or CSI.LegalService@mt.gov. If represented by an attorney, please ensure this contact is made by the attorney.

POSSIBILITY OF DEFAULT

Failure to timely provide a written hearing request shall result in the entry of a default order imposing the Commissioner's proposed action, without additional notice, pursuant to Admin. R. Mont. 1.3.214.

DATED this 20th day of February, 2026.



RUNE VANDER WEY
Counsel for Commissioner of Securities & Insurance