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Laguna Niguel man accused of running precious metals scam

Federal regulators sue the operator of two investing businesses, alleging he diverted millions of dollars in clients' funds.

By Abby Sewell, Los Angeles Times

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Federal regulators have sued a purported gold-selling operation run by a Laguna Niguel man, accusing it of bilking investors out of millions of dollars.

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At least 80 people paid about \$5.5 million to two Irvine companies headed by Ryan A. Nassbridges for gold and silver coins and bars and other precious metals, according to a complaint filed in U.S. District Court in Santa Ana by the Commodity Futures Trading Commission.

The buyers were told the firms would store the coins and bullion for them before selling it for a profit, the suit says. But in many cases no metals were actually bought and much of the money was used to pay personal expenses, funneled to Nassbridges' wife, lost in speculative trading or otherwise diverted, according to the complaint, filed last week.

The suit says the defendants also misled customers into believing that Nassbridges, formerly known as Ryan Nasserabadi, was registered with the federal commodity regulators, that the funds would be in segregated accounts and that the investments were insured.

The complaint names as defendants American Bullion Exchange and American Bullion Exchange ABEX Corp. as defendants as well as Nassbridges.

The alleged misconduct occurred from July 2006 to April 2008, according to the suit. During that time the price of gold soared 62% to a high of \$1,004 an ounce in March 2008 before sliding back to \$865 the next month, when the firms sought bankruptcy protection.

The complaint likens the operation to a Ponzi scheme, saying the firms used money from new investors to make payouts to earlier customers.

Phone calls to the last listed number for the firms went unanswered Wednesday. Nassbridges could not be reached, and court filings list no attorney for the defendants.

The American Bullion Exchange aired TV ads and employed salespeople who would call more than 350 prospective customers a day, according to the complaint.

Some of the money raised was used to engage in futures and options trading that generated more than \$2 million in losses, the suit says. About \$1.4 million went to pay for personal expenses or was diverted to Nassbridges' wife, Bitia,

and to other firms Ryan Nassbridges owned, the suit says.

Regulators are seeking to recover money from those other companies and from Bitva Nassbridges as well from the defendants. The complaint also asks the court to impose penalties on the defendants and to bar them from trading.

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