

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
ANDERSON DIVISION**

UNITED STATES COMMODITY FUTURES  
TRADING COMMISSION,

Plaintiff,

v.

ATLANTIC BULLION & COIN, INC. and  
RONNIE GENE WILSON,

Defendants.

**Civil Action No.** 8:12-1503-JMC

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

**I. INTRODUCTION**

1. Since at least 2001 through February 29, 2012, Ronnie Gene Wilson (“Wilson”), through his company, Atlantic Bullion & Coin, Inc. (“AB&C”), operated a Ponzi scheme. As part of their Ponzi scheme, Wilson and AB&C (collectively, “Defendants”) fraudulently offered contracts of sale of silver bullion (“silver”), a commodity in interstate commerce. Through their Ponzi scheme, Defendants obtained at least \$90.1 million, from at least 945 investors, for the purchase of silver. From August 15, 2011, through February 29, 2012 (the “Relevant Period” of this complaint), Defendants obtained at least \$11.53 million, from at least 237 investors (the “AB&C Investors”) in sixteen states, for the purchase of silver.

2. Despite the offers of sale, Defendants failed to purchase any silver at all with the \$11.53 million they collected from the AB&C Investors. Instead, Defendants misappropriated it. As a result, the AB&C Investors lost approximately \$11.53 million (the “AB&C Investments”).

3. By late 2011, as their Ponzi scheme began to unravel, Defendants attempted to conceal their fraud by issuing false and/or fraudulent financial statements. In this regard, Defendants issued financial statements: (1) misrepresenting that the AB&C Investors owned specific amounts of silver when they, in fact, did not; (2) misstating the value of the AB&C Investors' silver holdings, when the non-existent holdings had no value whatsoever; and (3) touting the profitability of the AB&C Investments, when no profit whatsoever, in fact, had been realized.

4. By dint of this conduct, Defendants were engaged, are engaging, or are about to engage in fraudulent acts and practices in violation of the Commodity Exchange Act ("Act"), as amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), Pub. L. No. 111-203, Title VII (the Wall Street Transparency and Accountability Act of 2010), §§ 701-774, 124 Stat. 1376 (enacted July 21, 2010), to be codified at 7 U.S.C. §§ 1 *et seq.*, and the Commission's Regulations ("Regulations") promulgated thereunder, 17 C.F.R. § 1.1 *et seq.* (2011), specifically Section 6(c)(1) of the Act, as amended, to be codified at 7 U.S.C. §§ 9, 15 and Commission Regulation 180.1(a), 17 C.F.R. § 180.1(a) (2011).

5. Accordingly, pursuant to Section 6c of the Act, as amended, 7 U.S.C. §§ 13a-1, the Commission brings this action to enjoin such acts and practices and compel compliance with the Act. In addition, the Commission seeks civil monetary penalties and remedial ancillary relief, including, but not limited to, trading and registration bans, restitution, disgorgement, rescission, post-judgment interest, and such other relief as the Court may deem necessary and appropriate.

6. Unless restrained and enjoined by this Court, Defendants are likely to continue to engage in the acts and practices alleged in this Complaint and similar acts and practices, as more fully described below.

**II. JURISDICTION, VENUE, AND INTRADISTRICT ASSIGNMENT**

7. Jurisdiction. This Court possesses jurisdiction over this action pursuant to Section 6c of the Act, as amended, 7 U.S.C. § 13a-1, which authorizes the Commission to seek injunctive and other relief 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.

8. Venue. Venue properly lies with the Court pursuant to Section 6c(e) of the Act, 7 U.S.C. § 13a-1(e), because Defendants are found in, inhabit, or transact business in the District of South Carolina, and the acts and practices in violation of the Act occurred, are occurring, or are about to occur, within this District.

9. Intradistrict Division Assignment Endorsement and Certification. Assignment to the Anderson Division of the United States District Court of South Carolina is appropriate because a substantial part of the events or omissions giving rise to the claim occurred in, or near, Anderson, South Carolina.

**III. THE PARTIES**

10. Plaintiff **U.S. Commodity Futures Trading Commission** (“Commission” or “CFTC”) is an independent federal regulatory agency that is charged by Congress with the administration and enforcement of the Act, as amended by the Dodd-Frank Act, and the Regulations. The Commission maintains its principal office at Three Lafayette Centre, 1155 21st Street, N.W. Washington, D.C. 20581.

11. Defendant **Atlantic Bullion & Coin, Inc.** (“AB&C”) is a South Carolina corporation based in Easley, South Carolina. AB&C was incorporated on April 23, 1985, administratively dissolved on December 31, 2007, and reinstated on July 1, 2011. AB&C’s last known address is 1308 Circle Road, Easley, South Carolina. AB&C has never been registered with the Commission.

12. Defendant **Ronnie Gene Wilson** (“Wilson”) is a resident of Easley, South Carolina. Wilson is the sole owner, president, and registered agent of AB&C. Wilson has never been registered with the Commission.

**IV. FACTS ESTABLISHING DEFENDANTS’ VIOLATIONS OF  
THE COMMODITY EXCHANGE ACT**

13. During Relevant Period, Wilson, by and through AB&C, obtained approximately \$11.53 million from the AB&C Investors for the purpose of entering into contracts of sale of silver, a commodity in interstate commerce.

14. Under Section 1a(9) of the Act, as amended, to be codified at 7 U.S.C. § 1a(9), silver is a statutorily-defined commodity.

15. As part of their Ponzi scheme concerning the silver, Defendants used the mails or other instrumentalities of interstate commerce to: (1) receive checks from the AB&C Investors; (2) disseminate investment solicitations to the AB&C Investors; and (3) disseminate false account statements to the AB&C Investors.

**A. Defendants Made False and Misleading Representations, or Omitted Material Facts, to Solicit the AB&C Investors**

16. During the Relevant Period, AB&C's website touted that:

Atlantic Bullion and Coin can show you how to benefit from the current upward trend in the precious metals market . . . Let Atlantic Bullion and Coin show you how to guard against these tumultuous times by purchasing assets such as . . . silver. There has never been a better time to enter the precious metals market . . . Atlantic Bullion and Coin would like to help you get started or increase your precious metals holdings.

17. Likewise, Wilson, by and through AB&C, touted the profitability of investing in silver, including statements that:

- a. "Silver is the top performing precious metal so far this year [2011] with a 33% rise to 31-year highs, Reuters Reports";
- b. "Silver is the only investment to go up 5 times since 2008, no other investment has done it"; and
- c. "I think silver by the end of [2011] is going to be around 50-55 and by the summer of next year [2012] between 60-75."

18. In this regard, Defendants, during the Relevant Period, actively solicited investors to invest in AB&C's "Silver Investment Account."

19. Defendants misrepresented that the silver, supposedly "purchased" by the AB&C Investors through the Silver Investment Account, would be housed at a Delaware depository. Wilson knew that his representations regarding the purchase and storage of silver were false because he had been offering silver investments for years and never purchased silver on behalf of investors, and misappropriated most, if not all, of the AB&C Investors' funds.

20. During the Relevant Period, Defendants failed to disclose, and omitted, that they never purchased any silver, at all, on behalf of the AB&C Investors.

21. During the Relevant Period, Defendants failed to disclose, and omitted, that they never stored the AB&C Investors' silver in a Delaware depository.

22. During the Relevant Period, Defendants failed to disclose, and omitted, that the AB&C Investments would be misappropriated by Defendants for: (1) Defendants' own financial benefit; or (2) the illegal transfer of funds to other Ponzi scheme investors.

**B. Defendants Repeatedly Misrepresented Account Values and Profits**

23. During the Relevant Period, Defendants issued false financial statements in which Defendants reported false or fraudulent information: (1) misrepresenting that the AB&C Investors owned specific amounts of silver when they, in fact, did not; (2) misstating the value of the AB&C Investors' silver investment; and (3) touting the profitability of the AB&C Investors' silver investment, when no profit, in fact, had been gained.

24. Contrary to Defendants' false financial statements, none of the AB&C Investors actually owned any silver, let alone realized any gain from their silver "investment," because Defendants never actually purchased silver.

25. The following two examples illustrate Defendants' pattern of issuing false financial statements:

**"Customer A": Account No. \*\*\*\*9**

26. Between October 2011 and February 2012, one AB&C investor, "Customer A," Account Number \*\*\*\*9, invested a total of \$553,099 with Defendants for the purchase of silver.

27. Specifically, on October 13 and 21, 2011, Customer A invested a total of \$378,099 with Defendants. On October 21, 2011, Defendants issued a false financial statement to Customer A, misrepresenting that Account Number \*\*\*\*9 owned 12,900 ounces of silver, had an account value of \$412,284, and realized a profit of \$34,185. In reality, Customer A owned no

silver at all, and, as a result, Account Number \*\*\*\*9 did not have an account value or realize a gain.

28. On December 19, 2011, Customer A invested an additional \$75,000 with Defendants, sending a cover letter stating that he was enclosing a “check for an additional \$75,000 investment. Please mail me a receipt or copy of check and statement. Thanks and hope you and your family have a Merry Christmas and Happy New Year.”

29. On December 22, 2011, Defendants issued a false financial statement to Customer A, misrepresenting that Account Number \*\*\*\*9 had an account value of \$479,900 and realized a profit of \$21,801. (Incongruently, the December 21, 2011 statement indicates that Customer A’s account value and profits are based on the ownership of zero ounces of silver.) In reality, Customer A owned no silver at all and, as a result, Account Number \*\*\*\*9 did not have an account value or realize a gain.

30. On February 10, 2012, Customer A invested an additional \$100,000 with Defendants. On that same day, Defendants issued a false financial statement to Customer A, misrepresenting that Account Number \*\*\*\*9 owned 20,500 ounces of silver, had an account value of \$688,265, and had realized a profit of \$135,166. In reality, Customer A owned no silver at all and, as a result, Account Number \*\*\*\*9 did not have an account value or realize a gain.

**Customer B: Account No. \*\*\*\*5**

31. Between November 2011 and January 2012, another AB&C Investor, “Customer B,” Account Number \*\*\*\*5, invested a total of \$884,742 with Defendants for the purchase of silver.

32. Specifically, on November 29, 2011, Customer B invested \$102,585 with Defendants. Subsequently, on that same day, Defendants issued a false financial statement to Customer B, misrepresenting that Account Number \*\*\*\*5 owned 3,500 ounces of silver, had an account value of \$111,985 and had, already, realized a profit of \$9,310. In reality, Customer B owned no silver at all and, as a result, Account Number \*\*\*\*5 did not have an account value or realize a gain.

33. On November 30, 2011, Customer B invested an additional \$500,000 with Defendants. On December 1, 2011, Defendants issued another false financial statement to Customer B, misrepresenting that Account Number \*\*\*\*5 owned 20,600 ounces of silver, had an account value of \$687,010, and had realized a profit of \$83,224. In reality, Customer B owned no silver at all and, as a result, Account Number \*\*\*\*5 did not have an account value or realize a gain.

34. On January 31, 2012, Customer B invested \$200,000 more with Defendants for the purchase of silver. On February 1, 2012, Defendants issued another false financial statement to Customer B misrepresenting that Account Number \*\*\*\*5 owned 29,900 ounces of silver, had an account value of \$994,379, and had realized a profit of \$190,593. In reality, Customer B owned no silver at all and, as a result, Account Number \*\*\*\*5 did not have an account value or realize a gain.

35. Wilson knew that the statements to Customers A and B were false because he misappropriated their funds and never bought any silver for them.

**C. Defendants Misappropriated the Totality of the AB&C Investments**

36. During the Relevant Period, Defendants misappropriated approximately \$11.53 million, the entirety of the AB&C Investments, for improper and unauthorized uses.



37. During the Relevant Period, Defendants misappropriated the AB&C Investments for: (1) Defendants' own financial benefit and/or (2) the illegal transfer of funds to other Ponzi scheme investors.

**D. Defendant Wilson's Admissions**

38. On April 4, 2012, Wilson signed a sworn statement witnessed by a United States Secret Service Agent, confirming that during the Relevant Period, Wilson ran a Ponzi scheme through AB&C (the "Signed Statement").

39. In the Signed Statement, Wilson admitted that from 2001 through early 2012, which includes the Relevant Period:

- a. "I am the President and sole shareholder of Atlantic Bullion & Coin."
- b. "Beginning in or about 2001 and continuing to early 2012, I began operating what is generally described as a Ponzi Scheme."
- c. "One of the investments I offered through AB&C was a Silver Investment Account wherein the client does not have physical possession of their investment, but rather AB&C was supposed to hold the client's silver at a Delaware Depository most of the time."
- d. "I did not buy silver like I was supposed to and lied to clients about their silver being stored in a Delaware Depository."
- e. "I created fictitious account statements for clients that showed their silver holdings when, in fact, I had not bought any silver for them."
- f. "I periodically used the United States mails to send the false account statements to clients."
- g. "I used the money received from clients for my personal benefit and also used money from newer clients to make payouts to earlier clients when these earlier clients requested that I sell their silver and remit funds to them."

**E. Wilson Acted as Agent for AB&C**

40. Wilson acted as the sole agent of AB&C. He solicited investors on behalf of AB&C, generated all account statements on behalf of AB&C, and handled all investor funds received by AB&C. As the sole shareholder and President of AB&C, he solely acted on behalf of AB&C.

**V. VIOLATIONS OF THE COMMODITY EXCHANGE ACT**

**COUNT I**

**Violations of Section 6(c)(1) of the Act, as Amended, and Regulation 180.1(a):  
Fraud by Manipulative or Deceptive Devices or Contrivances Against  
Defendants Atlantic Bullion & Coin, Inc. and Ronnie Gene Wilson**

41. Paragraphs 1 through 40 are realleged and incorporated herein by reference.

42. Section 6(c)(1) of the Act, as amended, to be codified at 7 U.S.C. §§ 9, 15,

provides, in relevant part:

It shall be unlawful for any person, directly or indirectly, to use or employ or attempt to use or employ, in connection with any swap, or a contract of sale of any commodity in interstate commerce, or for future delivery on or subject to the rules of any registered entity, any manipulative or deceptive device or contrivance, in contravention of such rules and regulations as the Commission shall promulgate . . .

43. Regulation 180.1(a), 17 C.F.R. § 180.1(a) (2011), provides, in relevant part:

It shall be unlawful for any person, directly or indirectly, in connection with any swap, or contract of sale of any commodity in interstate commerce, or contract for future delivery on or subject to the rules of any registered entity, to intentionally or recklessly:

- (1) Use or employ, or attempt to use or employ, any manipulative device, scheme, or artifice to defraud;
- (2) Make, or attempt to make, any untrue or misleading statement of a material fact or to omit to state a material fact necessary in order to make the statements made not untrue or misleading;

- (3) Engage, or attempt to engage, in any act, practice, or course of business, which operates or would operate as a fraud or deceit upon any person . . . .

44. Since at least August 15, 2011, through February 29, 2012, Wilson, through his company, AB&C, used or employed manipulative or deceptive devices or contrivances, in connection with a contract of sale of any commodity in interstate commerce, including, but not limited to, making untrue or misleading statements of material facts, or omitting material facts necessary to make the statements not untrue or misleading, to the AB&C Investors, including, but not limited to:

- a. Failing to disclose, and omitting, that AB&C never used the AB&C Investments to purchase silver;
- b. Failing to disclose, and omitting, that the AB&C Investments were never housed at a Delaware depository;
- c. Failing to disclose, and omitting, that the AB&C Investments would be misappropriated by Defendants for (1) Defendants' own financial benefit or (2) the illegal transfer of funds to other Ponzi scheme investors;
- d. Issuing written statements misrepresenting the supposed ownership of silver;
- e. Issuing written statements misrepresenting the value of the AB&C Investments; and
- f. Issuing written statements touting the profitability of the AB&C Investments.

45. As part of Defendants' Ponzi scheme concerning silver, AB&C used the mails or other instrumentalities of interstate commerce, including, but not limited to:

- a. receiving checks from the AB&C Investors residing in, at least, sixteen states (including Alabama, Florida, Georgia, Hawaii, Indiana, Massachusetts, Michigan, North Carolina, New Jersey, New York, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, and Virginia);
- b. using the Internet to send investment solicitations to the AB&C Investors in, at least, sixteen states;

- c. using the Internet and the U.S. Mail to send account statements to the AB&C investors in, at least, sixteen states.

46. By this conduct, Defendants violated Section 6(c)(1) of the Act, as amended, to be codified at 7 U.S.C. §§ 9, 15 and Regulation 180.1(a), 17 C.F.R. § 180.1(a).

47. Wilson directly engaged in these acts knowingly or with reckless disregard for the truth.

48. Wilson fabricated documents and employed other deceptive devices as described above, within the scope of his employment or office for AB&C. Therefore, AB&C is liable under Section 2(a)(1)(B) of the Act, 7 U.S.C. § 2(a)(1)(B) (2006), and Regulation 1.2, 17 C.F.R. § 1.2 (2011), as principal for its agent's acts, omissions or failures of the Act and Regulations.

49. Each misappropriation and misrepresentation or omission of material fact, including, but not limited to, those specifically alleged herein, is alleged as a separate and distinct violation by Defendants of Section 6(c)(1) of the Act, as amended, to be codified at 7 U.S.C. §§ 9, 15, and Regulation 180.1(a), 17 C.F.R. § 180.1(a).

50. Each manipulative or deceptive device or contrivance used or employed on or after August 15, 2011, including but not limited to those specifically alleged herein, is alleged as a separate and distinct violation of Section 6(c)(1) of the Act, as amended, to be codified at 7 U.S.C. §§ 9, 15, and Regulation 180.1(a), 17 C.F.R. § 180.1(a) (2011).

## **VI. RELIEF REQUESTED**

**WHEREFORE**, the Commission respectfully requests that the Court, as authorized by Section 6c of the Act, 7 U.S.C. § 13a-1, and pursuant to its own equitable powers, enter:

A. An order finding that Defendants violated Sections 6(c)(1) of the Act as amended, to be codified at 7 U.S.C. §§ 9, 15, and Regulation 180.1(a), 17 C.F.R. § 180.1(a).

B. An order of permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with any Defendant, including any successor thereof, from engaging, directly or indirectly, in conduct in violation of Section 6(c)(1) of the Act as amended, to be codified at 7 U.S.C. §§ 9, 15, and Commission Regulation 180.1(a), 17 C.F.R. § 180.1(a).

C. An order of permanent injunction prohibiting Defendants and any of their agents, servants, employees, assigns, attorneys, and persons in active concert or participation with any Defendant, including any successor thereof from engaging, directly or indirectly, in:

- i) trading on or subject to the rules of any registered entity (as that term is defined in Section 1a(29) of the Act, 7 U.S.C. § 1a(29) (2006));
- ii) entering into any transactions involving commodity futures, options on commodity futures, commodity options (as that term is defined in Regulation 1.3(hh), 17 C.F.R. § 1.3(hh) (2011)) (“commodity options”), security futures products, and/or foreign currency (as described in Sections 2(c)(2)(B) and 2(c)(2)(C)(i) of the Act, as amended, to be codified at 7 U.S.C. §§ 2(c)(2)(B) and 2(c)(2)(C)(i)) (“forex contracts”) for their own personal account or for any account in which they have a direct or indirect interest;
- iii) having any commodity futures, options on commodity futures, commodity options, security futures products, and/or forex contracts traded on their behalf;
- iv) controlling or directing the trading for or on behalf of any other person or entity, whether by power of attorney or otherwise, in any account

involving commodity futures, options on commodity futures, commodity options, security futures products, and/or forex contracts;

- v) soliciting, receiving or accepting any funds from any person for the purpose of purchasing or selling any commodity futures, options on commodity futures, commodity options, security futures products, and/or forex contracts;
- vi) applying for registration or claiming exemption from registration with the Commission in any capacity, and engaging in any activity requiring such registration or exemption from registration with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9); and
- vii) acting as a principal (as that term is defined in Regulation 3.1(a), 17 C.F.R. § 3.1(a)), agent or any other officer or employee of any person registered, exempted from registration or required to be registered with the Commission except as provided for in Regulation 4.14(a)(9), 17 C.F.R. § 4.14(a)(9).

D. An order directing Defendants, as well as any successors thereof, to disgorge, pursuant to such procedure as the Court may order, all benefits received from the acts or practices which constitute violations of the Act, as amended, as described herein, and post-judgment interest thereon from the date of such violations;

E. An order directing Defendants and any successors thereof to make full restitution to every person or entity whose funds they received or caused another person or entity to receive as a result of acts and practices that constituted violations of the Act, as amended, as described herein, and post-judgment interest thereon from the date of such violations;

F. An order directing Defendants and any successors thereof, to rescind, pursuant to such procedures as the Court may order, all contracts and agreements, whether implied or express, entered into between them and any of the customers whose funds were received by them as a result of the acts and practices which constituted violations of the Act, as amended, as described herein;

G. An order directing that Defendants and any successors thereof provide the Commission immediate and continuing access to their books and records, make an accounting to the Court of all of Defendants' assets and liabilities, together with all funds they received from and paid to the AB&C Investors, and other persons in connection with commodity futures transactions or purported commodity futures transactions, including the names, addresses and telephone numbers of any such persons from whom they received such funds from August 15, 2011, to the date of such accounting, and all disbursements for any purpose whatsoever of funds received from commodity pool participants, including salaries, commissions, fees, loans and other disbursements of money and property of any kind, from August 15, 2011, to and including the date of such accounting;

H. An order directing Defendants and any successors thereof to pay a civil monetary penalty under the Act to be assessed by the Court, in the amount of not more than the higher of triple the monetary gain to Defendants for each violation of the Act, as amended, and/or Regulations or \$140,000 for each violation of the Act, as amended, and/or Regulations on or after October 23, 2008, plus post-judgment interest;

I. An order requiring Defendants and any successors thereof to pay costs and fees as permitted by 28 U.S.C. §§ 1920 and 2412(a)(2); and

J. Such other and further relief as the Court deems proper.

Dated: June 6, 2012

**U.S. COMMODITY FUTURES TRADING  
COMMISSION**

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