

Rare Coin Dealers Face \$500M Lawsuit

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Consumers from 10 states have sued a group of telemarketers for fraud and deceptive trade practices in the marketing of “rare” coins, according to a press release by The Gibson Law Firm, representing the consumers.

In a lawsuit filed in state court in Beaumont, Texas, 21 affiliated companies are accused of using high-pressure, unlawful telemarketing tactics to convince senior citizens and others to buy gold, platinum and silver coins of dubious worth and origin. They are also accused of making unauthorized charges to credit cards, sending unordered coins to customers, fabricating information about the origin and current and likely future value of coins and not honoring return guarantees.

The defendants include Universal Coin & Bullion, Ltd., 1st American Reserve, 1st Capital Reserve, 1st Fidelity Reserve, and 1st National Reserve, among others. The plaintiffs are seeking actual and exemplary damages of \$500 million, including trebling of damages allowed under the Texas DTPA.