ANTHONY D. WEINER
9TH DISTRICT, NEW YORK

COMMITTEE ON THE JUDICIARY

COMMITTEE ON
ENERGY AND COMMERCE

DEMOCRATIC WHIP

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5/18/2010

The Honorable Jon Leibowitz
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairman Leibowitz:

I am requesting that the Federal Trade Commission begin an investigation of "Goldline International." This coin and precious metal dealer grossly overcharges for its coins, falsely claims to offer "good" investments, its salespeople misrepresent their ability to give "investment advice," and the company has formed an unholy alliance with conservative pundits to drive a false narrative and play off public fears in order to sell its products.

Consumers need to be warned that "Goldline International" is a bad investment. According to a recent study by my office of 18 "Goldline International" coins, the average mark-up was 90% above the melt value of the coin. The largest markup was 208% on one of the coins. The same 18 products could also be found much cheaper on similar precious coin seller's websites. The average Goldline markup in comparison to the best price we could locate on their competitors websites was around 47%, going as high as 101% on one of the coins.

"Goldline International" Accountant Executives have a history of representing themselves as "Investment Advisors" or "Financial Advisers" implying that they have some sort of fiduciary responsibility to get you the most return on your investment. But since they are not licensed "Investment Advisors" they have no such responsibility. In 2006, the Missouri Secretary of States' Office, Securities Division filed formal consent order against Goldline for exactly this reason and recovered over $200k for an elderly consumer that was ripped off.

According to "Goldline International's" own website, these Accountant Executives also make the largest commission on numismatic coins and the least commission on gold bullion, or pure gold and are actively pushing potential customers to buy numismatic coins. This practice in and of itself should raise red flags, but the reason these salespeople give why customers should buy antique or collectible coins is because they are exempt from confiscation by the government. This is in reference to an overturned executive order from President Franklin D. Roosevelt in 1933 requiring Americans to hand over their gold to the government, with an exception for "gold coins having a recognized special value to collectors of rare and unusual coins." But the executive order did not define special value or collector value, and certainly not collectibles. Nevertheless, Goldline actively perpetuates this myth because it makes the selling of high-priced coins easier.

"Goldline International" also tell customers that they will buy back their gold when they're ready to sell, but nowhere in their terms of service is that guaranteed. "Goldline International"

also misleads customers when discussing buy back prices. "Goldline International" tells customers that they will give them only a little bit less than the "bid" price when they decide to resell it to "Goldline International." This is confusing because the price a customer originally pays is called the "buy" price by "Goldline International" and the "bid" price is the non-marked up cost of the coin.

The predatory policies of "Goldline International" are particularly dangerous with the American unemployment rate hovering above ten percent. I believe an investigation by the Federal Trade Commission in to the accusations listed above is necessary to protect consumers that want to use the services of "Goldline International."

I look forward to your prompt attention to this matter.

Sincerely,

ANTHONY D. WEINER
Member of Congress