

**ALABAMA SECURITIES COMMISSION**

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**Alabama and Texas Securities Regulators File Orders Against First Class Wealth Preservation for Precious Metals Investment Scheme**

**Montgomery, Alabama** (August 6, 2021) –The Alabama Securities Commission (ASC) and the Texas State Securities Board (TSSB) issued cease and desist orders against First Class Wealth Preservation (First Class), directing it to shut down illegal operations in both states.

The orders accuse First Class and its agents, Mitchell Kane Malizio and Jason Shaw, of illegally promoting a fraudulent precious metals advisory scheme. According to the order, First Class sent unsolicited advertisements by email, including to the email accounts of ASC and TSBB, and through Facebook. First Class is encouraging people to liquidate securities and use the proceeds to purchase precious metals through self-directed individual retirement accounts, which can be set up for investors through a company recommended by First Class. In the solicitations, First Class makes several misrepresentations and omissions to induce investors to transfer their assets, and neither First Class, Malizio, nor Shaw are registered to provide investment advice in Alabama or Texas.

First Class claims that investors will not incur out-of-pocket expenses and represents that no commissions are charged. Instead, they claim that sales representatives are paid by the self-directed IRA company. However, the self-directed IRA company denies this claim and the investigation revealed that First Class was profiting in its own way. For example, ASC and TSSB identified a purchase made by an investor in which First Class paid just over \$85,000.00 for precious metals but sold those precious metals to an investor for \$200,000.00. This “fee” was not disclosed to investors. Further, in 2019, Malizio pleaded guilty to a felony and was placed on probation for 3 years. Malizio was on probation at the time of the solicitations, but this was not made known to investors.

The ASC cautions citizen investors of all ages and experience to thoroughly scrutinize and research any investment opportunity or offer. Contact the ASC at 1-800-222-1253 to check out any person or financial professional offering an investment opportunity or investment advice for a fee, and the products they offer for proper registration. Contact the ASC to report suspected fraud, inappropriate securities business practices, or to obtain consumer information. The ASC provides free investor education and fraud prevention materials in print, on our website, and through virtual or in-person (when the pandemic is no longer a threat) educational presentations upon request.

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For further information contact Dan Lord, Education and Public Affairs Manager, 334-353-4858.

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