



Alleged swindler declared bankrupt

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Bertrand Earl Jones paid himself and his wife more than \$4.2 million from his clients' money, according to a report prepared by Montreal accounting firm RSM Richter.

Another \$540,000 went to his daughters' education, and more than \$450,000 went to accounts in Bermuda. More than \$800,000 he simply withdrew in cash.

Now, after what the report concludes was more than two decades of spending clients' money, both Jones and his eponymous financial advisory company are officially bankrupt.

A Quebec court yesterday granted a petition, filed on behalf of Jones' alleged victims, to have the financial adviser declared personally bankrupt.

Jones, one of whose daughters attended the Riverview School in East Sandwich and now lives in Hyannis, did not appear at the hearing.

The personal bankruptcy declaration allows the creditors to pursue an investigation into Jones' dealings and the assets — if any — that he currently holds, said Neil Stein, the Montreal lawyer handling the personal bankruptcy filing.

"We are now in a position to examine him under oath and to try to (reverse) certain transactions," Stein said.

The next step will be a meeting of creditors, which must be held within 21 days, he explained.

A similar filing against his corporation was granted in late July, and RSM Richter was named trustee in the case.

On Tuesday, the accounting firm convened a meeting of creditors in the corporate bankruptcy case, at which its report was presented.

Since 1987, Jones seems to have unlawfully spent at least \$10.7 million of the money entrusted to him, including disbursements to himself and his wife, real estate and automobile purchases and credit card payments, the report said.

Following the creditors' meeting in the personal case, Stein said, the parties will ask the courts to agree to a joint administration of the two bankruptcies. The move would be appropriate, he said, because Jones' personal and business finances are so deeply intertwined.

"The funds were commingled," he said.

For many clients, Stein explained, Jones' role was to administer funds left to them in a will or trust. But instead of creating accounts for each client, the accused con man created one trust account, pooling all the money. It was from this account that he is accused of drawing illegally.

Investigations so far have discovered few assets remaining to Jones, though he does own real estate in Montreal, the Laurentians region of Quebec and Boca Raton, Fla. His daughter's Hyannis residence is held in the name of his wife, Maxine.

"The purchase price for those residences as well as support and operating costs have been paid from this trust

account," Stein said. "We'll liquidate all those positions."

Stein has also begun the process of getting Bermuda to release information about Jones' possible accounts of holdings in that country.

In addition to the civil bankruptcy proceedings against him, Jones has also been arraigned on eight charges of fraud and theft.

Currently, he is out on bail; his next court appearance is scheduled for Sept. 28.

Canadian law provides for less severe penalties for financial crimes than U.S. law does; many of Jones' victims consider the law far too lax.

"It does not reflect the importance and size of the crimes and how it affects people's lives," said Danielle Manouvrier, who, along with her mother, had \$100,000 invested with Jones. "All they get is a slap on the wrist."

A group of Jones' clients and their relatives, therefore, has launched a campaign urging the country to impose stiffer penalties for the types of violations of which the financier is accused.

A petition to that effect, both online and on paper, has collected close to 1,000 signatures so far, said Cherie Beluse, whose mother invested — and allegedly lost — her life savings of \$400,000 with Jones. The ultimate goal, she said, is 10,000 signatures by late September, when a rally for the cause is planned.

Jones' Spending

Payments to Bertrand Earl Jones: \$2,724,978

- Payments to Maxine Jones: \$804,225
- Joint payments to Bertrand and Maxine Jones: \$712,026
- Purchase and cost of real estate: \$832,523
- Purchase of automobiles: \$154,246
- Repairs, maintenance and furniture: \$55,675
- Children's schooling and expenses: \$541,230
- Cash withdrawals: \$808,681
- Transfers to corporate account: \$2,214,290
- Investment in various projects: \$970,108
- Transfers to Bermuda: \$453,569
- Other personal expenses: \$264,823
- Other individual expenses: \$162,547
- Total: \$10,698,921

Source: RSM Richter

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