

Jones spent clients' money

'Planes, Hotels'; Financial adviser, wife lived off \$60,000 a month: accountant

BY SUE MONTGOMERY, THE GAZETTE JULY 30, 2009 8:19 AM



MONTREAL, QC.; JULY 29, 2009--Victims of the Mount Real - Norshield financial debacle, Jean-Claude Dussault and Janet Watson attended a rally outside the Superior court in Montreal, Qc. Wednesday, July 29, 2009. They want to publicize that Earl Jones, accused Tuesday of fraud and theft in a separate case, will probably get a relatively light sentence.

Photograph by: Marcos Townsend, The Gazette

Earl Jones cut himself and his wife monthly cheques of several thousand dollars from the same account in which his clients' money was deposited, an accountant investigating Jones's business dealings said yesterday.

Between those cheques and a monthly credit card balance that regularly hit \$50,000, the Joneses were living off \$60,000 to \$70,000 a month, accountant Gilles Robillard said.

"Plane tickets, meals, hotels," he said. "From the payments that were doled out to (his wife), she was the best-paid employee."

Following a brief hearing yesterday in Quebec Superior Court during which Jones's company, Earl Jones Consultant and Administration Corp., was declared bankrupt, Robillard gave more insight into the man who is alleged to have ripped off dozens of Montrealers - many of them friends - in an elaborate Ponzi scheme.

After about a month in hiding, Jones, 67, turned himself over to provincial police this week. He was

charged Tuesday with four counts of fraud and four counts of theft over \$5,000. More charges are pending.

Jones, a Dorval resident, was released on \$30,000 bail. He is to return to court on Sept. 28.

But Jones wasn't at yesterday's bankruptcy hearing, nor was he represented by a lawyer.

Neil Stein, the lawyer representing several of Jones's alleged victims, called three witnesses, including Robillard, Mary Sue Gibson, who is one of Jones's purported victims, and Robin Whitrod, who is owed \$32,500 by Jones for doing many of his clients' income tax returns.

Yesterday's declaration of bankruptcy means the accounting firm RSM Richter has the power to try to find a way to repay about 150 creditors.

"We now have the ability ... to conduct examinations and do whatever necessary to recoup assets," Stein said.

But Robillard didn't provide much optimism for investors, who are out an estimated \$50 million in total.

"It doesn't seem the money just disappeared in the last year. It was gone long before that," he said.

"We've found very little. In 60 bank accounts, there's probably less than \$30,000."

In the accounts that have been examined, Robillard said, the balance hovered near \$200,000 at the end of the month, which would be "flushed out throughout the month to customers, his wife and himself, and to pay some accounts."

"Then there'd be deposits and the balance would come up to \$200,000 (again), and it kept rolling like that from month to month."

Robillard said his company has to sift through 20 years' worth of accounting figures, and he suspects some of the money may be in offshore accounts.

"We haven't pinpointed yet when the money disappeared," he said. "It could have been 10 years ago, for all we know."

"Either the money was stolen and it's sitting somewhere or it's been lost, spent."

The accountants will be questioning Jones and his wife, Robillard said.

On Monday, Stein filed for permission to have Jones declared personally bankrupt. A hearing on that petition is to be held Aug. 19.

Quebec Superior Court granted Stein permission to seize all of Jones's personal assets, including his homes in Dorval and Mont Tremblant, as well as all bank accounts.

But even that is not producing fruit.

"It appears Mr. Jones cashed in all his personal investments, RRSPs, life insurance in January 2009," Robillard said.

"He's been seeing this coming for quite a while."

smontgomery@thegazette.canwest.com

© Copyright (c) The Montreal Gazette

[Previous](#)

[Next](#)



MONTREAL, QC.; JULY 29, 2009--Victims of the Mount Real - Norshield financial debacle, Jean-Claude Dussault and Janet Watson attended a rally outside the Superior court in Montreal, Qc. Wednesday, July 29, 2009. They want to publicize that Earl Jones, accused Tuesday of fraud and theft in a separate case, will probably get a relatively light sentence.

Photograph by: Marcos Townsend, The Gazette



