

News

BMO gives Jones's victims reprieve; Seven of the disgraced fraudster's targets are granted another year to repay mortgages

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For some victims of **Earl Jones**, saddled with huge mortgages negotiated by the disgraced felon, a little good news has come down the pipe.

The Bank of Montreal has agreed to extend for another year the relief period on mortgages it holds for seven victims, no questions asked.

This deal was first brokered on behalf of the victims last summer and were to expire next month.

But Ron Monet, spokesperson for BMO, confirmed yesterday that the payment deferral was extended for another year.

Although interest still accrues and the payments are not forgiven, this gives those who might otherwise lose their homes another year to get their finances in order, and possibly benefit from a pending class-action suit against another financial institution, the Royal Bank of Canada.

This is a huge burden off the shoulders of a retiree like Marlene Pinck, who ran a successful ski shop with her husband before he died and she entrusted her savings with Jones.

"Well sure, I'm happy to have the relief; there were many sleepless nights," she said.

Like many other Jones victims, Pinck owned her home outright until 2006, when Jones persuaded her to take out a \$150,000 mortgage.

"I didn't want to do it, but he was smooth. He said I should use this asset (the house) as an investment, pay 3 or 4 per cent mortgage rates and get 6 to 8 per cent from him.

"When I balked, he told me he'd increase my monthly income payments," Pinck said.

As all the other victims found out once Jones's scheme collapsed in June 2009, Pinck was receiving her own capital in those interest payments, and the statements of her earnings (given to the bank as proof of her income for the mortgage) were complete fiction.

Jones himself testified to this fact in his deposition before a bankruptcy trustee.

Once the dust settled last summer, Pinck found herself saddled with a mortgage of \$790 a month, which she had a hard time paying after her income had dried up and her savings had been plundered.

Marjorie Owen is another victim of the mortgage scheme Jones perpetrated, ostensibly to fill the shrinking co-mingled account called "**Earl Jones** in Trust," which he used to pay his **Ponzi** clients.

After her late husband paid off the mortgage 15 years ago, Owen was living free and clear until Jones talked her into financing her house with BMO.

On Tuesday morning she went to the bank to sign the papers that will grant her relief for another 12 months.

"It's wonderful; we've got what I call one more year of grace," Owen said of her reprieve.

"My real worry is it's only one year, and what do we do after that's up?"

Jones was sentenced this year to 11 years in prison for defrauding 158 clients out of \$50 million.

His victims have launched a \$40-million class-action lawsuit against RBC, alleging that, among other things, the bank turned a blind eye to Jones's unorthodox business dealings over the course of two decades.

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