

THE GLOBE AND MAIL

Dozens fall victim to apparent Ponzi scheme

Investors bewildered after trusted financial adviser disappears – along with at least \$30-million of their money

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At 75, Beverley Hamilton is reeling from the shock of discovering that her life savings have apparently vanished and she may be forced to sell her beloved Montreal home.

She and dozens of other bewildered investors gathered Sunday in a cramped hotel meeting room on Montreal's West Island to try and figure out what recourse – if any – they have after the sudden disappearance of their trusted financial adviser Earl Jones, along with an estimated \$30-million to \$50-million of their money.

Ms. Hamilton may have lost her life savings of about \$350,000 after Mr. Jones went missing last week and provincial authorities shut down his West Island firm, Earl Jones Consultant and Administration Corp.

A joint police investigation involving provincial and Montreal police, the RCMP and Quebec's securities watchdog has been launched into what authorities describe as an elaborate Ponzi scheme.

Ms. Hamilton said Mr. Jones had been a trusted family adviser for more than 20 years and had handled most of her financial affairs, but her monthly interest cheque from his firm failed to come through on June 1 and again on July 1.

"I've been dealing with [Mr. Jones] going back all those years because he was so trustworthy," she said Sunday.

Her son, Brook Hamilton, said in an interview from Atlanta, Ga., where he is plant manager at an aluminum company, that he and his four siblings are studying all of their mother's options. One of these is possibly having to sell her house because she remortgaged it about four years ago on the advice of Mr. Jones, despite the fact it had been fully paid off years ago.

Regulatory authorities say at least \$30-million appears to have been diverted from the firm and is unaccounted for. Clients are concentrated in the Montreal area, but there are others across Canada and the United States.

A receiver has taken possession of Mr. Jones's office in the Montreal suburb of Pointe Claire and attempts are being made to locate him, said Neil Stein, a lawyer representing some of Mr. Jones's clients.

Kevin Curren, a Montrealer whose mother was a client of Mr. Jones and who is helping to put together a plan to help other clients, said many are heartbroken.

"This is all overwhelming for them," he said.