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## Judge says Jones's victims can proceed with suit against RBC

Former clients allege that Montreal-area branch was aware of irregularities in the Jones account but did nothing

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A Quebec judge has given the go-ahead to victims of Ponzi schemer Earl Jones to proceed with a class action lawsuit against the Royal Bank of Canada. (RY-T 54.56 -0.32 -0.58%)

Superior Court Justice Robert Mongeon gave the green light in a Montreal courtroom on Wednesday and indicated he'd like to see the case move along quickly.

Former clients of the financial adviser allege in the \$40-million suit that a Montreal-area branch of the RBC bank was aware of irregularities in the Jones account but did nothing.

In a brief five-minute hearing Wednesday, Judge Mongeon asked lawyers for both sides to return to court with a timetable by week's end.

The decision came as welcome news to the Earl Jones Victims Organizing Committee, a group that has been fighting on behalf of the 158 fraud victims, many of them elderly.

"Whatever time these things typically take, because of the particular age and circumstances around this fraud, the judge wants to move it along as quickly as possible," said Kevin Curran, whose mother was bilked out of her savings.

The suit claims millions of dollars invested by former clients went through an "in-trust" account that in fact was a personal bank account belonging to Mr. Jones.

The claim alleges that Mr. Jones enjoyed a privileged status at the bank because of his standing in the community and, because of that, the transactions weren't properly vetted.

None of the claims against the Royal Bank have been proven in court.

The bank has stated previously that it, too, was victimized by Jones.

Mr. Jones used the bank's letterhead and logos to add legitimacy to his scheme and the bank has argued that there was no reason to suspect Mr. Jones was doing anything illegal until 2009.

RBC spokesman Claude Lussier said that Wednesday's authorization was expected and the bank is prepared to go to court.

"We're confident in our position and when the case comes to court, we'll present a defence that's solid," Mr. Lussier said.

Mr. Jones pleaded guilty last January to two charges related to defrauding investors of about \$50-million and was sentenced to 11 years in jail. Wednesday's ruling gave victims another victory.

"I think it's landmark, it feels like we've reached a great milestone," said Ginny Nelles, whose family lost \$1-million investing with Mr. Jones.

"We've been fighting for a year and I think everyone is still resolved and determined to seek justice."

The scam cost many people their entire life savings and none of the money has been recovered.

Mr. Jones' criminal case heard that he never invested a penny of the money people gave him.

Six victims have lost their homes and 11 more face possible eviction when their mortgage relief runs out in August.

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