



Business

## Victims of Earl Jones take fight to Royal Bank; Some lost everything in Ponzi scheme

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They braved sub-zero temperatures, a hardy band of seniors all victims of jailed money manager **Earl Jones**, to protest what they see as the Royal Bank of Canada's role in their estimated \$50 million loss.

The victims, average age 73, stood on the frigid sidewalk, carrying red balloons and singing carols, in hopes of putting a human face on Jones' **Ponzi** scheme - and perhaps persuading the bank to settle their lawsuit swiftly.

"These people are living out the last years of their lives. We've had three victims pass away since the demise of the **Earl Jones** Corp. And not one of them or their families has been provided with restitution," said Joey Davis, whose 80-year-old mother, Margaret Davis, lost about \$200,000.

Jones' brother, Bevan, was among the victims who came on a bus from Montreal, where most of them live. "I lost everything," he said, as did several other family members.

The victims, who are suing the bank for \$40 million in a class action, allege the bank knew or should have known that Jones was fraudulently using his personal chequing account at a branch in Beaconsfield, Que., to commingle his clients' money.

Jones said it was a trust account, but used it to pay for Montreal Canadiens' season tickets and club memberships in Boca Raton, Fla.

Jones pleaded guilty to two charges related to defrauding 158 clients. He was sentenced in February to 11 years in prison but is eligible for parole after 22 months.

The bank said that it, too, is one of Jones' victims.

"We were deceived by **Earl Jones**, just as his clients were," said bank spokeswoman Gillian McArdle. "Until 2009, there was nothing to signify **Earl Jones** was anything other than the successful and legitimate businessman he claimed to be." The bank, Canada's largest, has yet to file a formal statement of defence, and none of the claims against it has been proven in court. A trial is set for the fall of 2011.

The protesters accomplished at least one of their goals. They had hoped to present a book they had published telling their story to the bank's president and chief executive officer Gordon Nixon.

Called "**Earl Jones** and the Royal Bank of Canada," the hardcover tome contains 60 letters addressed to Nixon, along with photos of Jones and his victims.

After initially telling the protesters that no one from the bank would meet them, McArdle and Geoff Owens, both from the bank's communications department, came outside to accept the book.

"I wouldn't have missed today. I'm so glad I could be part of it," said 72-year-old Marcia Thomson.

Now living in a mobile home in Puslinch, Ont., Thomson lost her investments and her home after Jones persuaded her to remortgage her house. "I lost everything, right down to my dog."

"This is about much more than just money. This is about losing your independence," said Carol Daoust, whose 82-year-old mother now lives with her in Oakville, having lost her home to Jones' schemes. "Many of these victims' health is failing. Several have died. **Earl Jones** defrauded a lot of people and the Royal Bank was asleep at the wheel."

Wendy Nelles, right, with her daughter Ginny Nelles looking on, hands a book to Royal Bank officials. The hardcover book, which victims of the **Earl Jones Ponzi** scheme had published, tells their story. RICK EGLINTON/TORONTO STAR

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