

CANADA

SUPERIOR COURT
(Commercial Division - Bankruptcy)

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

NO.:

**EARL JONES CONSULTANT &
ADMINISTRATION CORPORATION**, a duly
constituted legal person, having an office and
principal place of business at 1, Holiday Avenue,
Suite 430, West Tower, in the City of Pointe
Claire, District of Montreal, Province of Quebec,
H9R 5N3;

Debtor

-and-

MRS. MARY SUE GIBSON, domiciled and
residing at 707, Victoria Avenue, in the City of
Westmount, District of Montreal, Province of
Quebec, H3Y 2S3;

Petitioner

PETITION FOR THE APPOINTMENT OF AN INTERIM RECEIVER
(Section 47.1 et seq. Bankruptcy & Insolvency Act, Canada)

**TO ANY OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT IN AND FOR
THE DISTRICT OF MONTREAL, SITTING IN BANKRUPTCY MATTERS OR TO
THE REGISTRAR THEREOF, THE PETITION OF YOUR PETITIONER
RESPECTFULLY STATES:**

1. **THAT** your Debtor is in the business of administering testamentary successions, estates and trusts, and arranging financial investments on behalf of individuals and various estates and trusts;
2. **THAT** your Debtor's principal, Mr. Earl Jones, personally, acts as liquidator, trustee and administrator of various successions, estates and trusts, and is the alter ego of

your Debtor;

3. **THAT** Petitioner and her husband have known your Debtor and its principal, Mr. Earl Jones, for a period in excess of Ten (10) years;
4. **THAT** your Debtor and its principal, Mr. Earl Jones, have been administering various sums on behalf of Petitioner and on behalf of her husband, as appears from a statement of account forwarded by the Debtor to Petitioner, produced as Exhibit P-1;
5. **THAT** as can be seen from the statement, P-1, your Debtor allegedly made loans with Petitioner and her husband's money to various estates, under your Debtor's administration, and allegedly deposited various other sums into a personal account in the name of Earl Jones, In Trust, for Petitioner's benefit and that of her husband and their son, Noah, and their daughter, Brianna.
6. **THAT** Petitioner has learned that your Debtor made numerous other loans of other clients' funds to estates and successions under its administration, and has borrowed large sums in respect of the said estates, and which estates have no manner in which to repay the said sums, and moreover, in certain instances the said estates and beneficiaries thereunder were never aware of the said loans;
7. **THAT** Petitioner has no ability to access any of the sums she has placed with your Debtor referred to in Exhibit P-1;
8. **THAT** your Debtor and Earl Jones moreover, have issued cheques on behalf of each other and have co-mingled their funds and when Earl Jones, In Trust, cheques have not been honored, he has issued cheques on behalf of the Debtor in replacement of same and which cheques, as well, have not been honored, copy of cheques in respect of the above, issued to your Petitioner, are produced as Exhibit P-2, en liasse;
9. **THAT** on June 1, 2009, your Debtor issued to your Petitioner, cheques in the sum of \$1,200.00, and \$500.00, and a cheque in the sum of \$300.00 to Petitioner's son, Noah Gibson, allegedly representing returns from Petitioner and her husband's account referred to in Exhibit P-1, and which cheques have been returned unpaid by your Debtor's bank, copies of the cheques are produced en liasse as Exhibit P-3;
10. **THAT** your Petitioner has become aware that your Debtor's office is closed, and all staff have been let go and Petitioner is unable to communicate with the principal of your Debtor, who refuses to answer his home phone and is unreachable;
11. **THAT** your Petitioner has met with the representatives of the Autorité des Marchée

Financier ("AMF"), who have advised her that the AMF has received numerous complaints (approximately Twenty (20)) from other individuals that have indicated that each either has assets under administration, or are beneficiaries under estates being administered by your Debtor for amounts in excess of several million Dollars, and that they are unable to contact the Debtor and its principal, Mr. Earl Jones, and have no ability to have access to their funds under Debtor's administration;

12. **THAT** it appears that your Debtor has participated in a major *ponzi scheme* with the assets under its administration for many year, which has now collapsed due to the fact that numerous clients have requested the return of the funds which they have under the administration with your Debtor;
13. **THAT** your Petitioner has spoken with other persons who appear to be victims of your Debtor's scheme, and which are unable to access their funds, and is led to the belief that the ponzi scheme involves in excess of One Hundred (100) persons and estates, with funds inaccessible for millions of Dollars;
14. **THAT** Petitioner is informed that the Montreal and Quebec Provincial Police, fraud department, have presently commenced an investigation into the alleged fraud which appears to have been committed by your Debtor;
15. **THAT**, in addition to the above, your Petitioner has learned that your Debtor and its principal, Mr. Earl Jones, arranged to borrow money from various Lenders, in respect of various estates and successions and individuals with assets under its administration, stating that the estates and successions and individuals lacked liquidity for various reasons, and required short term loans for which he could arrange above average rates of interest as a return to the Lenders;
16. **THAT**, in fact, your Debtor arranged to borrow large sums from various Lenders, allegedly in respect of various individuals and estates or trusts, when in fact no consent of the alleged Borrowers was ever granted, and in certain instances the said individuals had no idea that their name was being used as a Borrower;
17. **THAT** in the case of Petitioner, your Debtor allegedly arranged a loan to Petitioner and her husband, on behalf of one of your Debtor's clients for the sum of \$125,000.00, and forged Petitioner and her husband's signatures on the said agreement, copy of same is produced as Exhibit P-4. Petitioner and her husband at no time authorized said loan, or were aware of same, or ever received the said loan proceeds;
18. **THAT** your Debtor appears to be hopelessly insolvent and appears to be involved in a major fraud of the nature of a ponzi scheme, which has now collapsed due to

the fact its clients all want their money back;

19. **THAT** in addition to the many clients of your Debtor who are unable to obtain the return of their funds under administration with your Debtor, your Debtor owes Mr. Robin Whitrod, C.A., a sum in excess of \$100,000.00, for having prepared various tax returns for various clients whose funds your Debtor was administering and which sum, as well, is unpaid and overdue;
20. **THAT** in addition to the forgoing, many of the clients whose funds were being administered by your Debtor and whose tax returns were prepared as above mentioned, were to have their taxes paid from the accounts being administered by your Debtor;
21. **THAT** certain of the individuals whose funds were being administered by your Debtor have been called by the Provincial taxation authorities advising them that their taxes are unpaid;
22. **THAT** Petitioner has been advised by Mrs. Christiane Jackson, that as of April 30, 2009, she had funds under your Debtor's administration in the amounts of \$1,659,956.86 CDN, and \$755,749.47 US, and that she is not able to access any of these funds, although having called upon your Debtor to release same to her, copy of a statement of account received from your Debtor is produced as Exhibit P-5;
23. **THAT** similarly, Petitioner has been advised by Dominique Jackson, that she has funds under administration of your Debtor, in an amount of \$200,000.00US, which she, as well, is unable to access, copy of a statement of account received from your Debtor is produced as Exhibit P-6;
24. **THAT** Petitioner has been advised by counsel that Johanna and Robert Earle have funds under your Debtor's administration in excess of \$800,000.00, which they cannot access, the said funds being held, allegedly, in a trust account by your Debtor's representative, Earl Jones, copy of a statement of account of January 2009, is produced as Exhibit P-7;
27. **THAT** your Debtor's offices are closed, and your Debtor's principal representative, Mr. Earl Jones, to date, has been unreachable at his personal residence, in Dorval, Quebec;
28. **THAT** this morning there appeared on CBC Radio Canada and on CJAD and other news programs, various reports in respect of other individuals who are not able to access their funds or estate funds, under your Debtor's administration;

29. **THAT** your Debtor's business premises are presently unoccupied with a hand written sign on same, advising that the premises are closed temporarily and there is no manner in which to speak with any personnel formerly working for your Debtor;
30. **THAT** as a result of the above, it is urgent that an Interim Receiver be immediately appointed to your Debtor's assets, in order to prevent any destruction of records, and to control its receipts and disbursements, and to prevent any further fraudulent actions on the part of your Debtor;
31. **THAT** in accordance with the CIDREQ, Mr. Earl Jones is a Director and Officer of your Debtor, and as a result of the closure of your Debtor's office, your Petitioner requests that permission be granted to serve the Petition for Receiving Order issued herein and all other proceedings herein, at the home of the principal representative and Director of your Debtor, at 870, Pr. Lakeshore, Apt. 3X, in the City of Dorval, District of Montreal, Province of Quebec, H9S 5T9, copy of the CIDREQ is produced as Exhibit P-8;

WHEREFORE your Petitioner prays that:

WHEREFORE PETITIONER PRAYS THAT BY JUDGMENT TO BE RENDERED HEREIN:

1. That Petitioner be dispensed from service of the present Petition.
2. That all delays of service and presentation of the present Petition be shortened.
3. That RSM Richter Inc., Trustee, be named and appointed Interim Receiver to all assets of your Debtor with power and authority to immediately:
 - a) take possession and control of all assets, books and records and bank accounts and money of your Debtor wherever situated.
 - b) control all of your Debtor's receipts and disbursements, but shall not interfere with the business of your Debtor, except to the extent required to perform its obligations hereunder.
 - c) dispense the Interim Receiver from any obligation to furnish security relating to its naming as Interim Receiver having possession of all assets of your Debtor.

4. Orders provisional execution of the present Judgment notwithstanding any appeal.
5. Grant permission to serve the Petition for Receiving Order issued herein and all other proceedings herein, at the home of the principal representative and Director of your Debtor, at 870, Pr. Lakeshore, Apt. 3X, in the City of Dorval, District of Montreal, Province of Quebec, H9S 5T9.

MONTREAL, July 10th, 2009

(S) Stein & Stein Inc.

STEIN & STEIN INC.
Attorneys for Petitioner

AFFIDAVIT

I, the undersigned, **MARY SUE GIBSON**, residing and domiciled 707, Victoria Avenue, in the City of Westmount, District of Montreal, Province of Quebec, H3Y 2S3, solemnly declare:

1. **THAT** I am the Petitioner herein;
2. **THAT** the facts alleged in the foregoing Petition for the Appointment of an Interim Receiver are true and correct.

AND I HAVE SIGNED

(S) Mary Sue Gibson

MARY SUE GIBSON

Solemnly declared before me at Montreal
this 10th day of July, 2009.

(S) Nicole Stevenson (149.044)

Commissioner for Oaths

CANADA

SUPERIOR COURT
(Commercial Division - Bankruptcy)

PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

EARL JONES CONSULTANT &
ADMINISTRATION CORPORATION

NO.:

Debtor

-and-

MRS. MARY SUE GIBSON

Petitioner

LIST OF EXHIBITS

- Exhibit P-1:** Statement of account as of February 2009;
- Exhibit P-2:** Earl Jones, In Trust, cheques which have not been honored;
- Exhibit P-3:** June 1, 2009 cheques that were not honored;
- Exhibit P-4:** Forged loan agreement;
- Exhibit P-5:** Statement of account as of April 30, 2009 received from Debtor of Christiane Jackson;
- Exhibit P-6:** Statement of account received from Debtor of Dominique Jackson;
- Exhibit P-7:** Statement of account as of January 30, 2009 received from Debtor of Johanna and Robert Earle;
- Exhibit P-8:** CIDREQ print out of the Debtor company.

MONTREAL, July 10th, 2009

(S) Stein & Stein Inc.

STEIN & STEIN INC.
Attorneys for Petitioner