

AUTHORITIES SAY PONZI HAD TIES TO CHRISTIAN CHAT SHOW

Two sons of 100 Huntley Street founder David Mainse have been named in an **Ontario Securities Commission** case involving a tangled \$15-million Ponzi scheme, but an official for the Christian television talk show says the men were also duped in the alleged fraud.

The OSC has alleged Ronald and Reynold Mainse promoted two investment schemes to dozens of their acquaintances, and were jointly paid a total of \$248,000 (Canadian) in commissions for their referrals. The OSC claimed Thursday the investments were in fact a Ponzi scheme operated by Gordon Driver, calling him “the directing mind of the fraudulent scheme” which ran from February, 2006 until March, 2009.

The Mainse brothers “were not party to the fraud,” the OSC said, but they allegedly breached securities rules because their actions constituted trading in securities, and they were not registered in Ontario to do so. The statement of allegations issued Thursday also named David Rutledge, an ordained minister who was previously employed by the Christian charitable organization that operates 100 Huntley Street. He is also accused of trading in securities without registration, but is not accused of participating in the fraud.

Don Simmonds, chief executive officer of Crossroads Christian Communications Inc., which runs 100 Huntley Street, said no money from any Crossroads donors was used in the alleged fraud, which was a personal business matter involving the Mainse brothers. He said the men were naive in trusting Mr. Driver, and now believe he befriended them because they could introduce him to investors.

“We feel it was a targeted situation,” Mr. Simmonds said in an interview Thursday. “One of our strong points in the Christian community is that we’re known for trust, but that trust can be taken advantage of or turn into naiveté at times. They were trusting, perhaps to a fault at that point.” ...

The OSC allegations against Mr. Driver are similar to allegations levelled last year by the U.S. Securities and Exchange Commission involving the same Ponzi scheme. Mr. Driver, who lives in the United States, settled the SEC case last December without admitting or denying the allegations. ...

The OSC alleged he traded “e-mini” S&P 500 futures through two schemes known as Axxcess Automation Investment and Axxcess Fund Investment. He promised investors they would recoup their entire upfront investment plus receive 25 per cent of the returns he generated, the OSC said.

(Source: *The Globe and Mail*: 13 August 2010)