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## Twin Cities advisers accused of fraud, mismanagement

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Two Ohio families and their pastor filed a federal lawsuit in Minneapolis this week accusing some "confusingly intertwined" Twin Cities investment advisers and a dozen business entities of fraud, misrepresentation and other breaches in the handling of their life savings.

The eight plaintiffs claimed Trevor Cook, 37, of Burnsville and Gerald Durand, 58, of Lakeville persuaded them to invest nearly \$5 million in a currency arbitrage program that guaranteed instant liquidity and promised annual returns of 10.5 to 12 percent. But the plaintiffs say they ran into resistance this spring when they tried to withdraw some of their money.

Chief U.S. District Judge Michael Davis took the unusual step Tuesday of issuing a temporary restraining order that freezes as much as \$5 million in several of the

defendants' bank and investment accounts. He scheduled a hearing for Friday on a motion for a preliminary injunction in the case.

According to the lawsuit, Durand notified the plaintiffs last month that he had split away from Cook, and that he had heard "that a large sum of money invested with Cook was missing" and that an investigation was pending. Durand advised one of the investors to get all of his money out quickly or he would be unable to do so, the suit says.

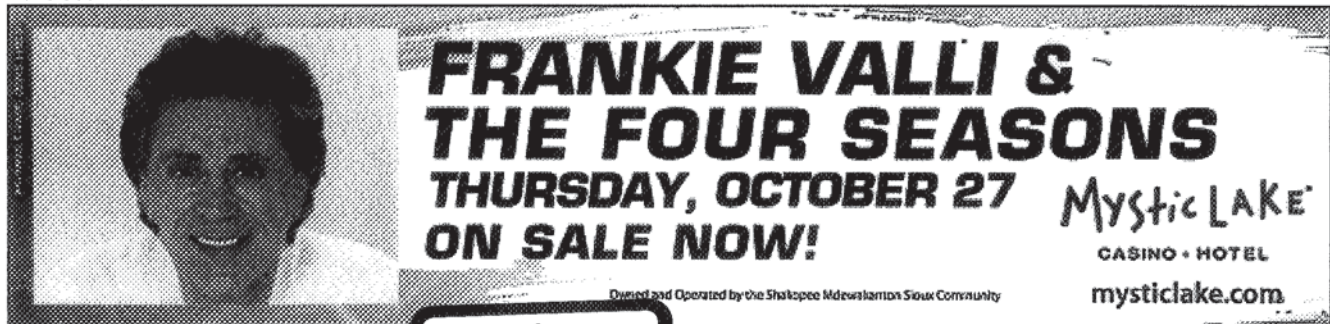
In an interview Wednesday evening, Durand denied saying that. He said although he split away from Cook in June 2008, it was more of a personality dispute and not because he suspected any wrongdoing.

"My name will get cleared," Durand said. "The only conclusion I want people to draw from this is that I'm not associated with these people [the defendants] and haven't been for some time."

Cook did not respond to requests for comment.

The investors say in their lawsuit that after talking to Durand in June, they tried to

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withdraw from the investment program, but that Cook didn't respond to their requests.

"These folks are farmers. Rural, salt-of-the-earth, real sweet people who are horribly embarrassed by all of this." said Jack Harper, an attorney with Krass Monroe in Bloomington, who is helping an Ohio law firm with the case.

### Plaintiffs heard radio show

According to the lawsuit, the plaintiffs include the Phillips family of Swanton, Ohio; the Hale family of Wauseon, Ohio; and the Coleys of Swanton, Ohio.

Howard Phillips retired as a result of a disability and is undergoing therapy for metastatic prostate cancer; Sharon Phillips is a housewife. Their daughter, Joy Phillips, 22, lives with them and is also a plaintiff, as is David Phillips, Howard's brother. David also is retired with a disability and lives between homes in New York and Virginia.

The other plaintiffs are Kenneth and Judith Hale and their daughter Roxanna Holliker, and Timothy and Leesa Coley. Timothy is pastor at Bethany Baptist Church in Grand Rapids, Ohio.

Peter Silverman, the plaintiffs' attorney in Toledo, said Kenneth Hale first invested in the currency arbitrage program in February 2006 after listening to Durand on a shortwave radio program. Durand said the program was part of the Worldwide Christian Radio network, which is based in Nashville.


The lawsuit notes that Durand currently is managing director of Wealth Survival, a program that markets investment opportunities and services on the David Strom radio show (AM 1280 "The Patriot") on Saturdays. Durand and his partner in Wealth Survival, Chris Pettengill, said it has nothing to do with Cook or the allegations in the lawsuit.

The lawsuit says Durand and Cook, holding themselves out as investment advisers, made a presentation at the Hales' home in Ohio in 2006. The Phillipses and others attended the seminar.

Durand acknowledged making the trip Wednesday, but said he just spoke about the economy while Cook described the investment programs.

All together, the plaintiffs say their records indicate they have about \$4,739,000 in the investment accounts, which they expected

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would yield 10.5 percent returns for four years with their principal protected. Some of them received monthly distributions for a period.

### Others named in suit

Cook's business cards and other documents indicate he's an investment director and managing partner at Oxford Global Partners and is the chief investment director at Oxford Global Advisors. Both companies are listed at the VanDusen mansion on LaSalle Street in Minneapolis, which Cook bought for \$2.6 million in June 2007. (He sold it to Oxford Global Advisors in April 2008 for the same amount.)

The lawsuit also names Oxford Private Client Group as a defendant, describing the firm as an affiliate of Oxford Global.

Investment adviser Jason Bo-Alan Beckman, 39, of Plymouth, founded the Oxford Private Client Group in August 2005, according to records at the secretary of state's office. He declined to comment on the lawsuit.

Durand said that he worked as an independent contractor with Cook at UBS Diversified, another firm named in the suit, several years ago, but that both of them left

that company to join the Oxford companies, along with Pettengill. Durand and Pettengill said they left Oxford just over a year ago.

The lawsuit says two other individuals were involved in the investment programs pitched by Durand and Cook. They are:

•Patrick Kiley, who signed the monthly distribution checks that the plaintiffs had received for a while. Kiley pitches his investment strategy in recorded audio and video programs on the Internet. Kiley did not respond to an e-mail seeking comment Wednesday.

•Tom Richardson, who is identified as a principal, partner, owner, employee or other affiliate of Oxford or other defendants. According to a publication called Oxford Global Report published in January, Richardson has "more than 25 years in the international business management and investment business, with a wealth of experience in the global currency market." He's listed as COO of Oxford Global Partners. He could not be reached Wednesday for comment.

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