

Riverside fraud case nears end

PROBE: There are doubts whether Christiano Hashimoto can pay the \$18.4 million judgment.

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By DEVONA WELLS / The Press-Enterprise

HIGH YIELD

Christiano Hashimoto, through his investment companies, offered investors returns of **20 percent** the first month and **10 percent** every month thereafter.

Source: Securities and Exchange Commission.

A judge ordered Christiano Hashimoto Monday to pay \$18.4 million in damages as the Securities and Exchange Commission wrapped up its fraud case against the Riverside businessman.

Money recovered so far, however, amounts to \$1.2 million, according to the company appointed to return funds to the more than 1,200 jilted investors. More could come from the sale of stock and Hashimoto's personal assets, but Securities and Exchange Commission regional trial counsel Michael Piazza said Monday the penalty likely will never be fully paid.

"We think it outstrips the defendant's resources, but you never know," he said.

Hashimoto pitched a high-interest deal offering 20 percent the first month and 10 percent thereafter. Through his companies, Financial Solutions and Ohana International, Hashimoto told investors their money was used to make loans to government contractors or buy interests in companies, according to receiver Robb Evans & Associates.

The Securities and Exchange Commission obtained a federal court order in November shutting down the companies.

Hashimoto appeared in Los Angeles' U.S. District Court on Monday, but declined to comment after the hearing. He also has not answered Securities and Exchange Commission questions, a precaution his attorney told Judge Stephen V. Wilson was taken to protect Hashimoto should he be criminally charged.

Monday's judgment does allow the receiver to go after money made by third parties, such as Hashimoto's sales force.

According to court records, 157 agents were paid \$4.5 million in undisclosed commissions. Brick Kane, chief operating officer at Robb Evans, declined to say if such money will be pursued.

Less than a year ago, Frank Sofer of Los Angeles said he gave Hashimoto nearly \$300,000 in savings. Sofer, a general contractor, said after the hearing he thinks only a little of his money will ever be returned.

"I came for closure," he said. "I took a big risk and got burned."

Stock recovered by the receiver has yet to be liquidated, though it is not expected to be sold any time soon, Kane said. One of the stocks carries restrictions limiting when it can be sold; another is worth 1 cent per share and cannot be sold in large quantities, he said.