

## Profits under scrutiny

### **MX FACTORS: The court-appointed receiver may demand profits from investors.**

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By **DEVONA WELLS / The Press-Enterprise**

Those who profited from investments in Riverside's MX Factors, beware: The company returning money to investors might go after you.

Investor refunds, so far, amount to just \$3 million -- less than 10 percent of the \$39.4 million people are owed, according to court-appointed receiver Robb Evans & Associates.

The receiver says it will ask a federal court judge to let it pursue another \$10 million from those who received sales commissions or profited from the venture.

Riverside's MX Factors raised about \$58.5 million from Inland investors using BBH Resources of Palm Desert and Corona's JTL Financial Group, the receiver says.

Two years ago, the state Department of Corporations ordered MX Factors to stop taking investments. The Securities and Exchange Commission later called MX a Ponzi scheme, which pays early investors using money from later ones.

Randall Harding, president of JTL, has since pleaded guilty to wire fraud and money laundering. He faces up to 30 years in prison and a \$500,000 fine but has yet to be sentenced.

While houses are sold and bank accounts typically drained to pay back investors, money from those considered winners in Ponzi schemes is also fair game.

Robb Evans & Associates, for instance, plans to seek \$4.5 million it says was made by investors and salesmen in the Riverside Ohana International case.

Salesman Scott Truppelli doesn't think he should have to repay the commission made from a company he thought was legitimate. As an agent for BBH, Truppelli brought in more than \$2 million on behalf of friends and family.

If he does have to pay back commissions, Truppelli said he expects to file for bankruptcy. Truppelli said he also personally invested more than \$300,000.

"This nightmare just never, never ends," he said.

Investor Chuck Crites, however, likes the idea of making salesmen and investors pay back their profits.

"People put a certain amount of trust with people who sell them investments," he said. "They have a responsibility to do due diligence before they sell something."

Reach Devona Wells at (909) 368-9559 or [dwells@pe.com](mailto:dwells@pe.com).