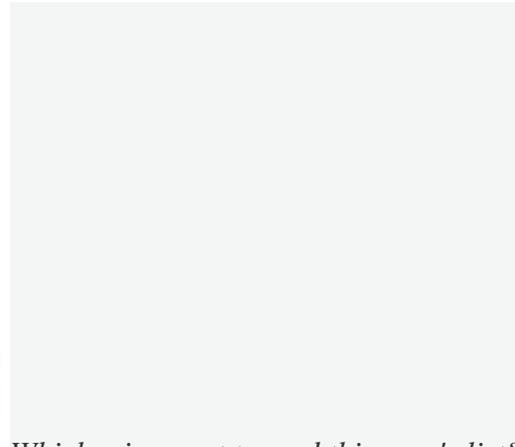


12 Worst Financial Advisors in America: 2013

It's time for ThinkAdvisor's second annual look at terrible advisors. We mean terrible.



Which miscreant topped this year's list?

It's time once again for the unveiling of the 12 Worst Financial Advisors in America. [Last year's rogues gallery](#) was bad enough that we thought it would be good to keep tabs on these financial wrongdoers.

Thanks to the [work of lawyer James A. Dunlap Jr.](#), the principal at James A. Dunlap Jr. & Associates in Georgia, we were able to find more of the bad eggs, who frequently operate under the radar, that make it more difficult for the vast majority of hardworking financial advisors to earn a living.

This year, scams involving death were popular. One involved a company that claimed it was raising money to bid on cemeteries and the other involved theft from a trust of someone who had moved on to the great beyond.

Besides the oddballs, like the advisor who used astrology to choose stocks (it isn't a good idea, it turns out), there was your typical hedge fund miscreant — that crime always seems to top the money list.

But where's the originality? Check out the 12 Worst Financial Advisors in America:



12. Casey Charles (Milwaukee)(Honorary Mention—fake advisor)

Fraud: \$900,000 tax scam, including from a widow

Charles wasn't really an investment advisor, he was just pretending and that's why he merits just an honorary spot on our list. If he had only bothered to get his certification he might have zoomed to the top because one of his victims was a woman who was widowed shortly after she forked over a cool \$100,000, as reported by fox6now.com.

Charles's scam was pretty basic. He sent postcards promising to make investments that would keep taxes down for retirees. According to the U.S. Postal inspector, no investments were made. In all, 22 people fell prey to the solicitation. Charles pleaded guilty last month to mail fraud and was ordered to make restitution. He was sentenced to three and a half years in prison.



11. David Laurence Marion (Minneapolis) Fraud: \$2.7 million coin

investment scam

Through the wonders of telemarketing, Marion managed to stack up a lot of coins: \$24 million worth in annual revenue in 2009 alone, the Minneapolis Star-Tribune reported. After that, the company's revenues dropped like a sack of change even as gold and silver prices were out of sight. Laurence was indicted last November for fraud involving \$2.7 million.

The indictment said Laurence used the money he took from clients and investors to bankroll his gambling habit. The meter is still running on his case.



10. Robert G. Bard (Warfordsburg, Pa.) Fraud: \$3 million investment fraud

A stockbroker, Bard was found guilty last month on 21 counts of fraud, involving bank, securities and wire, after a weeklong jury trial in Harrisburg, according to an article on Herald-Mail.com. Bard's crimes seemed to be garden variety. He used his investment firm, Vision Specialist Group, to defraud 43 investors. The indictment had alleged Bard had lost millions in risky investments and then lied to investors.

Bard could receive 75 years in prison. No sentencing date on the 21 counts was set. Lawsuits and investigations turned up only about one-fifth of the ill-gotten gains from the sale of properties in New York City, Long Island and Florida, and season tickets to the New York Jets. Like the Jets, at this point there's just not much left in the tank.



9. Lyman Bruhn & Yusaf Jawed (Oregon) Fraud: \$32 million Ponzi scheme, too unoriginal so they were downgraded

This entry is a twofer: partners in crime who led Grifphon Asset Management and Sasquatch Capital for decades. It was a sweet ride for Bruhn and his partner Yusaf Jawed as they raked in tens of millions of dollars from more than 100 investors and never bothered to invest it, according to the SEC.

The scheme came crashing down late last year with SEC charges and word of a criminal indictment. Jawed pleaded guilty to 17 counts of mail and wire fraud, the SEC said, and is awaiting sentencing in Oregon. The SEC accepted a settlement from Bruhn, the lesser light of the two, which barred him from working as a financial advisor.

The scheme included phony documents to show the firm was successful. They trumpeted lavish dinner and travel charges, fees paid to those who found investors and even the creation of a phony sexual harassment suit and settlement.

Evidently, investors took the last item as a sign the company was on the up and up.



8. Gary H. Lane (Reno, Nev.) Fraud: \$2 million stock scheme of elderly through E*TRADE

The former Reno financial advisor pleaded guilty last week to taking \$2 million from six investors, preying in particular on the elderly by persuading them to let him make investments through an e*Trade account that was outside his business. Lane's wife sent the money to the account. Lane then withdrew it as he wanted to pay for personal expenses or to satisfy other investors. Lane was employed by Bank of America Investment Services in 2010 and 2011. The guilty plea was reported by mynews4.com.

Lane could get 20 years of prison time for each of 12 counts of mail fraud. Sentencing is scheduled for Dec. 16.



7. Robert Rome (Chicago) Fraud: Embezzling \$4.3 million from trust funds

Rome, managing partner of Rome Associates accounting firm, must have figured that dead men tell no tales. Rome, who was sentenced in August to more than five years in federal prison, for stealing money from trust funds, including the account of someone who had died. He used the money for vacations, cars, boats and jewelry for his family.

Besides the prison term, Rome was ordered to pay \$1.7 million in federal taxes that had been skipped. The owners of the trusts got off pretty lucky: they were able to recover the embezzled money from third parties.



6. James Nicholson (Saddle River, N.J.) Fraud: \$100 million hedge fund swindle

(Nicholson is our winner if you going strictly by the amount stolen, but, really, where was the creativity?)

Nicholson, who ran Westgate Capital Fund, is serving 40 years in prison. Like Bernie Madoff's victim's, many of Nicholson's saw their retirement funds vanish. Lawsuits seeking restitution are still open, but there is little hope more of the stolen money will be found.



5. Richard A. Zakarian (Vermilion, Ohio) Fraud: \$4.4 million, including churches

If there is a special place in the afterlife for those who rip off those who try to help others, Zakarian, a tax consultant, has earned a spot by stealing money from business, charities and even churches. His victims numbered at least 10, according to newnet5.com, which quoted a statement from Steven Dettelbach, U.S. Attorney for the Northern District of Ohio: "This defendant preyed on non-profits, churches and small businesses that struggled to make ends meet while making their communities better. He never meant to help them, only to defraud them. This was a systemic, deliberate pattern of behavior that took place over the years."

Zakarian was sentenced to 17½ years in prison in August after pleading guilty to two counts of wire fraud and one count of making and subscribing false income tax returns



4. Angelo Alleca (Atlanta) Fraud: \$17 million Ponzi scheme involving a phony cemetery company

There's a certain ick factor in scams involving cemeteries even if no bodies were involved. Alleca created Summit Investment, a fund of funds to attract wealthy investors. The plan worked well for a half a decade, although the underlying scam seems to have been made for Dracula. Alleca collected the cash with the stated intent to put it into other private investment funds to cut the risk for investors. He did it by funneling money to the company of an associate. Detroit Memorial was in the business (or so they said) of bidding on cemetery properties.

Where the money really went is unclear, but the losses piled up, hidden by phony accounting statements. More notes were sold. Then Alleca and his partners created two more funds to get loot to pay back investors from Summit. The long arm of the law caught up with Alleca late last year.



3. Janet Fooshee, aka Janet Gurley-Katz (Morris County, N.J.) Fraud: \$150,000 stolen from retirement center & clients

Fooshee, or whatever her name is, spent a long time stealing a small amount of money. For that, we'll put her at No. 3. She used her advisory firm (which had its registration revoked in 2006) to bilk clients, including a retirement center where she was a volunteer bookkeeper. NJ.com reported that a grand jury indicted her last month on charges involving and creating false account statements to inflate by \$1.2 million the amount in the accounts. The crimes occurred over a period of nine years.

Fooshee, who now lives in Maine, faces up to 10 years in prison and \$150,000 in fines. Her husband was also charged as an accomplice.



2. Gurudeo "Buddy" Persaud (Orlando, Fla.) Fraud: \$1 million astrology-based stock fraud

Persaud probably should have seen his downfall written in the stars. The former securities broker pleaded guilty last month to defrauding investors by using astrology to play the stock market.

Maybe investors should have been suspicious right from the start. Persaud named his brokerage the White Elephant Trading Co. Persaud was sent to prison for three years and ordered to pay back the money to investors, according to the Orlando Sentinel.



1. Joseph Gennaco (Winthrop, Mass.) Fraud: \$7 million insurance scam, friends

Gennaco earns our top spot for having the temerity to steal from friends and family. Operating under a slew of names, Gennaco persuaded 40 investors, many of them friends and family, to hand over millions from 2001 to 2011 that he promised to invest in "life settlements" and other investments based in insurance. Instead, he used the money to pay for his living expenses in Winthrop and Jupiter, Fla.

Gennaco, according to Boston.com is remorseful. At least his lawyer says so. He probably is feeling bad now that he has been sentenced to more than eight years in prison after pleading guilty to 27 counts of mail and wire fraud in August. He was also ordered to pay restitution, although he is reportedly penniless.

