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FOR IMMEDIATE RELEASE

Court Orders Huntington National Bank to Return up to \$73 Million

To Victims of Ponzi Scheme

Grand Rapids, Michigan. On March 17, 2011, a federal bankruptcy judge in the United States District Court for the Western District of Michigan ruled that Huntington National Bank will be required to return to victims up to \$73 million the Bank improperly received in connection with a Ponzi scheme perpetrated by Barton Watson through an entity known as Cyberco and its sham affiliate Teleservices. The \$100 million Ponzi scheme victimized lenders across the country in a financial fraud involving phony sales of non-existent computer equipment from Teleservices to Cyberco. The Court ruled that Huntington turned a “blind eye” to the six (6) and seven figure large round dollar transfers into Cyberco’s depository accounts from Teleservices which Huntington admitted was an unknown and suspicious source. These transfers within the six (6) month period prior to collapse of the Ponzi scheme totaled \$73 million stolen from finance companies across the nation. From these stolen monies and immediately prior to the collapse of the Ponzi scheme, Huntington repaid itself the \$16 million loan it had made to Cyberco. The Court determined that Huntington for at least the six (6) months prior to the collapse of the scheme did not act in good faith when it turned a “blind eye” to evidence of Cyberco’s fraud, that it “cared about little else other than getting [itself] repaid,” and that “it really didn’t matter [to Huntington] where the money came from.”

The Court found that the Bank was the recipient of stolen monies harvested from the Ponzi scheme and must disgorge those funds where it failed to act in good faith. Marcia Meoli, Trustee of Teleservices seeking relief on behalf of the victimized lenders, was represented by

Douglas Donnell of Mika Meyers Beckett & Jones and special trial counsel, John E. Anding, of Drew, Cooper & Anding, P.C. John Anding stated: “the Court’s holding that Huntington Bank failed to exercise good faith signals that financial institutions may not benefit from the fruits of fraudulent conduct by accepting transfers of funds from dubious sources while turning a ‘blind eye’ to clear indications that there is fraud afoot.”

Further inquiries regarding the decision should be directed to:

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