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OC man may have to pay \$22 million for investor scam

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SANTA ANA, Calif.—A man cleared of charges that he slipped a date-rape drug to a former Olympic gold medal skater has been tentatively ordered to repay \$22 million for an alleged investment swindle.

James R. Halstead and his company, GamePlan, Inc., must repay the money to some 80 investors, U.S. District Judge David O. Carter wrote in a tentative summary judgment filed Monday. The ruling had not been finalized as of Wednesday.

In May, Halstead was charged with one felony count of administering a drug after former Olympic ice dancing champion Oksana Grishuk reported finding pills dissolved in drinks she had with him during an April meeting at a Newport Beach hotel.

The drug was found to be Nimetazepam, which is similar to the date-rape drug GHB. However, the charge was dismissed in June. The Orange County district attorney's office said tests of Grishuk's blood showed no trace of the drug.

Grishuk won Olympic gold medals for Russia in ice dancing in 1994 and 1998.

The fraud lawsuit claimed that from 2004 to 2006, Halstead and others took investor money for securities known as private investment in public equity, or PIPEs, promising returns of up to 40 percent.

None of the money was invested. Halstead, 61, of Santa Ana, instead used it for a lavish lifestyle that included a multimillion-dollar home in Las Vegas, according to allegations.

Halstead bought \$12 million in real estate and hundreds of thousands of dollars in jewelry that he lost in a taxi in Arizona "and never reported to police," the judge said in his tentative ruling.

Halstead also placed \$389,000 in a deferred compensation plan for his wife, who was listed as an officer of his company, and "showered his mistress with large sums of money and expensive gifts" that totaled about \$750,000 in 2006, Carter wrote.

"The icing on the cake, perhaps, is that on Christmas Eve 2005, Halstead bought her a brand-new Ferrari convertible. This token cost \$201,005," Carter wrote.

A call to Halstead's attorney, David Casterline, was not immediately returned Wednesday.

Steven L. Krongold, an attorney who represented some of the 80 investors in the lawsuit, said he would seek \$44 million more in punitive damages against Halstead, who could potentially face criminal charges.

"Regardless of whether a penny is paid back, my clients want to see these people brought to justice," Krongold said. While some of the money had been spent, there may be more funds in offshore accounts that can be tapped for the judgment, the attorney said.

Steve Perebzhak, who said he lost \$450,000, was skeptical that any money would be recovered.

"I'm glad we have the civil judgment, but we'll probably never see any of that money," he told the

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Los Angeles Times on Tuesday. I just hope they're put in prison so they can't spend it either."

The suit named Irvine lawyer Jeanne Rowzee, but she settled last month by agreeing to pay part of the \$22 million in compensation plus \$44 million in punitive damages, Krongold said.

Halstead and Rowzee would be jointly liable for the \$22 million.

Criminal charges of conspiracy and securities fraud also were filed against Rowzee but she struck a plea agreement that is confidential and was free on bond.

Rowzee was Halstead's lawyer a decade ago when he pleaded guilty to defrauding investors out of more than \$1 million in a scheme to sell crude oil and German bank shares. He was sentenced to probation in that case.

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