



Forsyth man accused of Ponzi scam that swindled local residents out of millions

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FORSYTH - When Bernard Madoff's Ponzi scheme investment empire collapsed in tatters, Forsyth-based investment guru William Huber told his Central Illinois clients to relax.

He sent them reassuring letters, saying he had no involvement with any of Madoff's funds.

"It's a shame people like Madoff make us honest people look so bad," one Decatur investor remembers him writing.

Now Huber stands accused of doing just what Madoff did, ripping off investors to the tune of millions of dollars, using what the Securities and Exchange Commission calls a "Ponzi-like" payment scheme in which one investor's funds are used to pay another.

The SEC has moved swiftly to kill Huber's financial empire. On Tuesday, it obtained a court order freezing Huber's assets and those of his Hubadex investment company, which has offices at 332 W. Marion Ave. in Forsyth.

The SEC accused Huber of living like a king while he took his wealthy clients to the cleaners. "William A. Huber falsely portrayed himself to investors as a successful money manager who managed three private investment funds with assets over \$40 million, consistently beating market indices through skillful trading and shrewd investments," the SEC statement said.

"In reality, he managed just \$3 million in investor assets, frequently lost money on his trading and misappropriated investor funds to pay for his lavishly bicoastal lifestyle," the SEC said.

Huber has homes in La Jolla, Calif., and Naples, Fla., and it's understood he's also bought houses in California for his two children. The Hubadex Web site, which was still up as of Thursday morning but had been shut down by Thursday evening, showed a picture of a broadly grinning Huber hugging his wife and kids at Busch Stadium in St. Louis. The office phones in Forsyth have been disconnected, too.

The site said Hubadex was created in 1994 by the 60-year-old Huber, who is described as a certified public accountant who rose to the level of chief financial officer in a 20-year career in the manufacturing industry. He devised a computer trading model, which he used to successfully manage his own investments and those of others.

"It is our mission to provide clients with opportunities to create and preserve wealth while minimizing the risk of significant loss of capital," the Web site proclaimed beneath a picture of a couple watching the sunset from deck chairs on a beach.

The site warns potential investors they must have a net worth of \$1 million and income "in excess of \$200,000 in each of the last two calendar years" if they want the chance to invest with Hubadex.

One 55-year-old Decatur investor, who says she and her husband are looking at a "seven-figure" loss at the hands of Huber, says he only dealt with people referred to him by friends.

She described him as laid-back, cool and convincing about his investment abilities, a man who moved easily among the country club set in Decatur, along with his wife.

"I knew his wife, I knew him from being at the Country Club of Decatur, I knew his wife from playing tennis with her at the Athletic Club," said the investor, who identified herself to the Herald & Review but asked that her name not be published.

"They were a presence in Decatur."

She and her husband began investing with Huber in 2001 and, for years, the checks kept coming, and there was never any problem withdrawing money if they wanted to. They would receive gift boxes full of cheeses, fruits and chocolates from him every Christmas and golf balls monogrammed with the Hubadex logo.

"I'd like to pelt him with those right now," the investor said. "What's happened to us feels like we've been kicked in the stomach. This was someone I had shared cocktails with and been to their home in Naples and seen on the golf course."

The first sign of trouble came a few weeks ago when Huber stopped responding to e-mails, and then a letter arrived saying he was being investigated by the SEC. Then another letter came, referring all inquiries to his lawyer.

As of Thursday, Huber's whereabouts were not clear. There were rumors he soon could be facing a criminal prosecution, but the SEC would not comment on that.

"Without saying anything specific about this case, we do often work with criminal authorities," said Tim Warren, associate regional director of the SEC in Chicago.

Those authorities range from the FBI to the U.S. Attorney's Office and U.S. Postal Service inspectors, who "ultimately make the decision" about criminal prosecution, Warren said.

He would not talk in detail about Huber's case but said the SEC began probing his operations recently after an investor called and "asked us a question about Mr. Huber's funds."

Whatever happens to Huber in the criminal courts, the SEC now is seeking "disgorgement" (the repayment) of money taken from investors, along with any interest that money has earned. The SEC, which alleges Huber lied to its investigators, also is seeking civil penalties against him. "We want him to pay back his ill-gotten gains," Warren said.

U.S. District Court Judge Ruben Castillo already has granted an injunction barring Huber and Hubadex from trading while freezing their assets. Next, the court will appoint a receiver to plow through the financial wreckage and round up money that eventually will be used to compensate claimants, but how much will be found is anybody's guess. It is understood investors in and around Decatur are considering a class-action lawsuit.

Jim Minton, an investment adviser with Investment Planners Inc. in Decatur, said he had lost a few clients to Huber and once asked him how he achieved his supposed high rates of return.

"He replied that he was never invested in the market overnight," recalled Minton, saying that Huber claimed his strategy was driven by computer models.

Now, as Huber's empire collapses and families are faced with losing their savings and retirement plans, Minton said legitimate investment advisers will have to watch their profession being dragged through the mud again.

"Our industry is about trust; people need to be able to trust the people they are getting advice from," he said. "And whenever you have instances like this, it makes it harder and harder for you to have that trust."

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