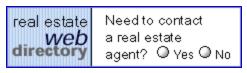
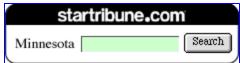
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Man sentenced for taking client funds for personal investments

Friday, April 20, 2001

St. Paul businessman John A. Davies was sentenced Thursday to 34 months in prison for illegally using the money of real estate clients to invest in the stock market on his own behalf.

U.S. District Court Judge David Doty also ordered Davies to pay restitution of nearly \$4.2 million.

Davies, owner of the National Institute for Real Estate Education, Like Kind Exchange Services Inc., and Nation Wide Exchange Services, served as a financial intermediary for real estate transactions. He held sale proceeds in purportedly low-risk money market accounts for clients for up to 180 days while they purchased another parcel to avoid paying capital gains taxes.

But instead of placing the money in an interest-bearing account, Davies transferred \$9 million in client funds into a brokerage account where he bought and sold stocks, eventually losing nearly \$2.1 million, according to the fraud charges against him.

-- David Phelps

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