



Florida & International Corporate & Financial Fraud Investigators

ORACLE International

PO Box 10728, Naples, FL. 34101 :: Tel: 239 304 1639 :: Fax: 239 304 1640

Copyright 2001 The Dallas Morning News

The Dallas Morning News

May 23, 2001, Wednesday THIRD EDITION

SECTION: METRO; Pg. 35A

LENGTH: 653 words

HEADLINE: Federal inquiry under way into group of Dallas firms

SOURCE: Staff Writer

BYLINE: Bill Lodge

BODY:

A network of Dallas companies that has attracted more than \$ 20 million from investors is under investigation by three federal agencies focused on a string of bankruptcies, tax debts and unpaid workers.

The attorneys general for Missouri and Arizona also are looking at the transactions involving Net.Return Inc., Talk Productions Network Inc., Money Business Inc. and Digital Information & Virtual Access Inc., according to court records.

Carrollton investment promoter Paul Owen Ptak, 49, controls Net.Return. Dallas print and broadcast entrepreneur Joe Harold Glover, 50, controls the other three.

The investigations began after Net.Return granted \$ 11.7 million in unsecured loans to Mr. Glover's firms, which were placed in Chapter 11 reorganization proceedings in federal bankruptcy court last month.

Mr. Ptak did not return messages left at his home and office.

Mr. Glover confirmed this week that the Securities and Exchange Commission is investigating the transactions. But he added that he does not think that investigation is targeting him or his three firms. He said he knows of no securities violations by Mr. Ptak.

"I'm convinced that everything that Paul did was done with the very best of intentions," Mr. Glover said.

He said any securities violations the SEC may find at any Glover firm would be "technical violations only."

The Internal Revenue Service and FBI also are studying the four companies' dealings.

Representatives for Mr. Glover's three companies said last week that they carry a combined debt load of about \$ 25 million. If Mr. Glover and his associates cannot obtain sufficient financing to salvage his three companies and remove them from bankruptcy, more than 1,000 investors across the United States could lose more than \$ 20 million that they poured into the Glover and Ptak firms.

Some former employees have complained that wage statements reflect money they never received. They have filed claims for more than \$ 300,000 in back wages. And officials of the firms in bankruptcy have reported that debts include \$ 1.8 million owed to the IRS.

Although Mr. Ptak did not require security for the \$ 11.7 million lent to the Glover companies, Mr. Glover planned to convert that cash into stock in Digital Information, also known as DIVA, Mr. Glover said. But that plan fell through when Mr. Ptak's firm no longer could finance DIVA and its subsidiaries, Mr. Glover said.

IRS and FBI investigators may have been attracted to the firms after appearances by Mr. Ptak and Mr. Glover at offshore conferences conducted last year by the Institute for Global Prosperity.

Institute founder Dan Andersen of Massachusetts has publicly described Global Prosperity as a forum where potential investors can meet with entrepreneurs with innovative ideas. He also has described it as a legitimate source of tax information and investment advice that can be purchased for as little as \$ 1,250.

But securities regulators in North Dakota and several other states have suggested that Global Prosperity materials encourage gullible people to pay for tax avoidance plans that, if followed, could violate tax laws.

Earlier this year, the IRS executed search warrants and seized records at several Global Prosperity offices across the country. IRS Commissioner Charles Rossotti said at the time that the raids were part of the largest enforcement action in IRS history.

Mr. Glover said Monday that neither he nor any of his employees solicited investors at the Global Prosperity conferences.

Eric Sham, a former employee of Mr. Ptak's, said investors solicited through Global Prosperity are typically people in their 30s earning more than \$ 50,000 a year or people nearing retirement and hoping to expand their nest eggs.

"Some have lost hundreds of thousands of dollars," Mr. Sham said, adding that about 1,000 people invested through Mr. Ptak's organization.