Former Mamtek CEO Granted MO Public Defender

Alan Scher Zagier, Associated Press

HUNTSVILLE, Mo. (AP) — Southern California developer Bruce Cole initially arrived in rural Missouri with promises of an international business that would provide the town of Moberly with hundreds of jobs.

On Monday, the former Mamtek U.S. CEO was back in Missouri's Randolph County, this time in shackles and an orange jail jumpsuit, too broke to afford a lawyer to answer criminal charges of theft and fraud connected to the failed artificial sweetener factory.

Cole requested and was assigned a public defender in his initial court appearance, two days after he was brought to the county jail from California on an arrest warrant, even though he earns too much money to qualify for legal help from the state.

Associate Circuit Judge Mason Gebhardt denied Cole's request to lower his $500,000, cash-only bond. Public defender Raymond Legg told the judge that Cole's sole income is roughly $21,500 in Social Security payments, of which all but $221 each month goes toward his wife's health insurance. Cole's father has loaned his son an unspecified amount for living expenses but directed the money not be used toward legal fees, his appointed attorney said.

Cole faces one felony count of stealing and four counts of securities fraud. Mamtek received $39 million of industrial development bonds from Moberly, and authorization for up to $17.6 million in state incentives for a Moberly plant expected to employ more than 600 people.

Construction was halted on the partially complete facility after Mamtek missed a bond payment in August 2011. No state incentives were ever paid.

Cole is accused of ordering a consultant to submit a fake invoice for more than $4 million to Mamtek for engineering-related services by a nonexistent company. After Mamtek received the bond revenues in July 2010, Cole allegedly instructed the company's bookkeeper to wire $700,000 to his wife's personal bank account. Nanette Cole then used part of the money to make a mortgage payment and avoid an impending foreclosure on their Beverly Hills home, the charges state.

The federal Securities and Exchange Commission has also sued Cole and his wife, seeking financial penalties for the alleged fraud.

The SEC lawsuit, filed in U.S. District Court in California, said the Coles also used that money to pay credit card debt, homeowners and auto insurance, and household employees. It said Cole directed a second wire transfer of $204,167 from Mamtek to his wife's account to purportedly cover deferred compensation he was

owed. The suit seeks an order forcing the Coles to repay their "ill-gotten gains" with interest, plus additional financial penalties.

Cole, 65, did not speak at the Monday afternoon hearing. He is scheduled to return to court in early December for a bond hearing, with a preliminary hearing set for Jan. 17-18.

On Wednesday, Mamtek's unused land and dormant equipment will go on sale at a Moberly assets auction, with proceeds to go toward settling Cole's unpaid debts.

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