

MAN'S LIFESTYLE SOLD INVESTORS

Businessman lived high life as he bilked others, police say

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David Cahall moved easily among his peers around The Lakes Golf & Country Club.

The Delaware County club draws many of its members from the surrounding Highland Lakes subdivision, some living in million-dollar homes a chip shot from a fairway.

Cahall, 38, displayed the accessories of success. He drove a BMW or a Porsche and lived in a \$350,000 home just down the street from the mansion like clubhouse.

"He had the right DNA. He was the all-American white boy," said Bernie Fernandez, who did business with Cahall -- and once trusted him.

Cahall told Fernandez and others that he bought discounted clothing, which he would resell for profit to T.J. Maxx and Marshalls stores.

Investors who loaned him money for clothing purchases could expect quick returns of at least 20 to 30 percent.

Charles Simon, a country club member whose majestic house with a multicar garage overlooks

the course, invested at least \$195,000 with Cahall, court records show.

There were at least five other investors, many of whom Cahall met at the country club. Altogether, investors gave Cahall at least \$2.5 million.

Now the investors and investigators wonder where the money went.

Today, Cahall sits in the Delaware County jail accused of 21 counts of engaging in a pattern of corrupt activity, theft, money-laundering and passing bad checks. His trial in Delaware County Common Pleas Court has been postponed from May 31 to Sept. 19.

Investigators think Cahall ran a Ponzi scheme, skimming money for himself as he paid early investors with dollars collected from later investors.

"There were multiple checks and wire transfers," Westerville Police detective Ted Smith said. "It's mind-boggling."

Cahall, who declined to talk about the charges, has pleaded not guilty.

Gary Zeune, a Powell accountant and nationally known anti-fraud consultant said a country club is an ideal setting for such a business proposition.

"Being a member of the club would give him an air of credibility," Zeune said. "It's a psychological phenomenon. They are comfortable around each other."

Cahall's business, Jo Cahland Enterprises Inc., appeared to be like so many other new white-collar businesses in Westerville. He rented space in the new Office Suites Plus building on Olde Worthington Road, just off Polaris Parkway.

Fernandez, who has his own Internet-marketing consulting business, had an office next door to Cahall's.

Cahall had new clothes strewn around the office: shirts from Nike



David Cahall, of Westerville, is accused of theft and money-laundering, among other charges.

and Abercrombie & Fitch, skirts from The Limited.

He urged Fernandez to take some of the clothes home to his family.

Now Fernandez thinks Cahall was baiting the hook.

Fernandez said he lent \$4,500 to Cahall and got a quick return.

Soon, his investments grew to \$50,000 and then to \$200,000, Fernandez said. He brought in another man who invested \$900,000.

As the investments grew, the returns came more slowly. For instance, Cahall would pay \$100,000 to someone owed \$400,000. But he paid enough to keep hope alive for another day, Fernandez said.

Fernandez said he checked Cahall's background; people who knew him spoke highly of him.

One reference he checked was Tom Skladany, the former Ohio State and NFL punter and kicker who runs a printing business in Westerville. Skladany's daughter baby-sat for Cahall's daughter, Fernandez said.

Skladany invested with Cahall, Fernandez said. Skladany did not return phone calls seeking comment.

Cahall "put on a great show," Fernandez said. "You thought the guy was for real."

Cahall told investors that he had an affiliated company in the Charlotte, N.C., area. When an investor wanted to see the operation, Cahall drove him by a warehouse, which he passed off as his.

They then went to dinner with a woman who said she was a clothes buyer named Shannon. Court

documents say she actually was Cahall's employee, Krista Sproles. Sproles has not been charged, detective Smith said.

"She was a big-eyed girl right out of college. She thought she had the greatest job in the world," Fernandez said.

Sproles soon quit.

Delaware County prosecutors and Westerville police won't say how they think Cahall spent his money.

But court documents say he had a fondness for gambling, travel and luxury automobiles. He ran up more than \$17,600 worth of gambling debts on credit cards, according to divorce records.

"He threw money around like it was candy," Fernandez said.

Cahall also had a troubled side that investors apparently knew nothing about.

On June 3, 2002, about two years before he began discussing investments with Fernandez, a distraught Cahall barricaded himself inside his house with his 9 mm Glock pistol and threatened to kill himself. Earlier, he had called his mother and threatened to kill her, his wife and his daughter, Genoa Township police report. The Delaware County sheriff's office tactical team arrived, and negotiators persuaded Cahall to surrender.

Don White, a neighbor, said people in the neighborhood were evacuated until Cahall surrendered.

Cahall paid a \$200 fine for disorderly conduct. The episode coincided with a disagreement over the family business, Vista Industrial Packaging. Cahall agreed to leave the company, according to court documents.

Cahall was embarrassed about the incident, White said, and began to avoid his neighbors. Cahall went into his own business and boasted about a deal in which he shipped in golf balls from Asia, White said.

"I like the guy," White said, "but then again, I was never taken."

Fernandez said that if he'd known about the gun incident, he would have been hesitant to invest. He said he knew that Cahall broke from the family business because of a dispute.

The beginning of the end for Cahall came in January. National City Bank contacted Westerville police after Cahall bounced a check for \$94,628.

Cahall also failed to deliver on Simon's \$195,000 investment. Simon didn't return numerous phone calls seeking comment.

Fernandez said Cahall reassured him that everyone would be paid soon because someone was going to buy Cahall's company for \$4.5 million.

When Cahall was arrested March 4, Fernandez said, he called collect from jail. Cahall insisted that it was all a mistake and that everyone would get their money. Fernandez said that, as a result of the investigation into where the money went, his bank accounts were frozen.

"The biggest factor in this thing was greed. Greed on all of our parts," Fernandez said. "If it sounds too good to be true, it probably is."

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