

## Parishioners Sue Hope Chapel, Pastor in Ponzi Scheme

*By Macias Counsel*

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HERMOSA BEACH, CALIF.--Parishioners of Hope Chapel in Hermosa Beach filed a lawsuit this week charging the church's former pastor of bilking them out of \$115,000 in a fraudulent investment scheme (Robert Mason, et. al. vs. International Church of the Foursquare Gospel, Hope Chapel Christian Church-Hermosa Beach, Michael Maffe, Trumpet Properties, LLC, et al, Case No. BC421680, Los Angeles Supr. Crt, Sept. 14, 2009).

Former district pastor Michael Maffe conducted typical pastoral duties including giving sermons and providing spiritual guidance and counseling services, but the suit alleges that in 2006, his duties expanded to include counseling parishioners about financial matters. "Maffe was presented by the church to his congregation as a money and financial genius," says Richard Sherman, a partner in the Beverly Hills law firm of Sherman & Nathanson who is representing church members. "The church encouraged parishioners to seek out his financial advice. He would discuss financial matters during sermons, during counseling sessions and during church meetings. The church failed to disclose to its members that Maffe had filed bankruptcy after gambling away his family's life savings."

In July 2006, the plaintiffs invested in a Texas real estate development proposed by Maffe. Under the name Trumpet Properties, LLC, a company created by Maffe, Maffe promised a 7 percent return paid quarterly. "Although Maffe gave quarterly reports on the progress of the development and even provided quarterly payments to the plaintiffs, it all turned out to be fake. It was a big ponzi scheme," says Sean Macias of Macias Counsel, a Pasadena attorney who is legal co-counsel for the plaintiffs. "In November 2007, he admitted to the church members that he gambled their money away in risky stock market ventures and he begged for their forgiveness."

The plaintiffs went to Hope Chapel's leadership, explaining the situation and seeking help in getting back some or all of their money. "Instead of helping, church leaders pressured the parishioners to sign an agreement promising not to sue Maffe and if they did sue, warned it was 'not Christian'," says Sherman. "They refused to be bullied and felt a lawsuit was their only alternative."

The lawsuit is alleging fraud, breach of written contract and negligent supervision. It seeks compensatory and punitive damages. "These parishioners trusted their pastor and their church with their savings," says Macias. "This case amplifies that faith can come at a cost."