

## Exclusive: Runaway Swiss Businessman Returns to Dallas... In Handcuffs

*By Natalie Posgate – (Jan. 9, 2017) – Cuffed hand-and-ankle in an orange jumpsuit, Swiss businessman Rudolf Suter needed the help of U.S. Marshals to shuffle to a seat in a Dallas federal courtroom on Friday.*

Suter looked solemn as he peered down through round glasses to flip through the criminal complaint he had just been served by the Department of Justice.



Rudolf Suter

“Do you understand what you’re being accused of?” U.S. Magistrate Judge Irma C. Ramirez asked him.

“Yes,” Suter politely replied from the podium, where he now stood in a slouched position.

Suter, the former chief executive officer of an Irving optical company, is accused of making false statements during a Chapter 7 bankruptcy. But his appearance in a Dallas courtroom Friday is only the latest twist in a cat-and-mouse litigation saga between Suter and a Florida investor who has accused Suter of using bankruptcy proceedings to avoid a judgment from a European arbitrator.

Suter was arrested December 11 in New York’s John F. Kennedy International Airport when he deplaned a flight from London. According to court filings, he had been held at the Metropolitan Detention Center in Brooklyn until his transfer to Dallas.

Suter had been a fugitive since March 2016 when he boarded a flight to the United Kingdom just as a Dallas judge was set to order his arrest as part of a civil contempt proceeding. The court issued a warrant and ordered that Suter be “coercively incarcerated” until he paid legal fees and met discovery requests in a longstanding civil case.

The civil action was brought by a Florida businessman named Peter Denton and his company, Harvest Investors. The suit was an attempt by Denton to collect \$2 million awarded in 2011 by a Swiss arbitration panel regarding a failed business deal.

The case was transferred to Dallas after Denton learned Suter had relocated to the U.S. (to avoid paying the arbitration award, as Denton asserts) and was living a lavish lifestyle in the Dallas area as the new CEO of Pro Fit Optix, an Irving manufacturer of prescription lenses and eyewear. The company, now known as PFO Global, has since moved its headquarters to Farmers Branch.

In 2012, U.S. District Judge David Godbey confirmed the Swiss panel’s judgment, which has since swelled to \$3 million from post-judgment interest and other added fees. He referred the matter to U.S. Magistrate Judge David Horan to supervise compliance; and as the case continued under Horan, Suter continued to dodge even the most basic court proceedings and procedures. Discovery requests went unanswered, hearings unattended and even fees for sanctions left unpaid.

To date, Suter has refused to pay one iota of the 2012 judgment. Instead of paying the judgment, Denton’s attorneys allege, Suter wired tens of thousands of dollars to his wife in Switzerland, took lavish trips overseas, bought BMWs and purchased a \$465,000 townhouse for his mistress. In the week leading up to the June 11, 2011 Swiss arbitration award, they discovered, Suter had \$2 million from an account at Regions Bank, which was withdrawn on the day the award was announced.

In January 2014, Suter initiated bankruptcy proceedings, which halted the proceedings in Horan’s court. Denton’s lawyers, Robert Allen and Richard Dafoe, viewed the filing as >



SERVING BUSINESS LAWYERS IN TEXAS

another Suter delay; and once in front of U.S. Bankruptcy Judge Stacey G.C. Jernigan, Suter fell into the same dismissive habits. Again, he failed to respond with discovery requests or attend hearings, complying with the basics only when Judge Jernigan threatened to toss him in jail.

"Let me make clear, if you don't show up, I will send U.S. Marshals to pick you up, okay?" Judge Jernigan said to Suter, according to a bankruptcy court transcript. "[You] started this case. You started it, and really this is... basic stuff, producing documents in bankruptcy.

"Thousands of people file for bankruptcy, and produce documents concerning their bank accounts," she continued. "You're not being picked on, it's just run-of-the-mill, okay? And most of them just produce this stuff. This has become a cause célèbre for no reason."

By the time the bankruptcy stay in Judge Horan's court was lifted, Suter had waived discharge of his debts to Denton. That meant that Suter would owe Denton and Harvest Investors at least the amount of the judgment for the rest of his life.

Moreover, Suter's pattern of noncompliance led to a hearing conducted on March 9, 2016 in Judge Godbey's court, which was Suter's last opportunity to convince the judge why he should not be held in contempt. Suter, who was acting pro se in the matter, did not show up. Instead, he boarded a British Airways flight to London that afternoon.

He also stepped down as CEO at PFO Global three days before Judge Godbey issued his contempt order. However, Suter and his replacement, Matt Cevasco, told an optical industry trade journal that the leadership change had nothing to do with the Suter-Denton legal saga.

After Suter was arrested, according to court records, U.S. Magistrate Judge David Horan ordered his transfer back to Dallas "as soon

as practicable" for a hearing that would determine whether Suter had fully responded to Denton's interrogatories regarding his assets and paid \$35,000 in attorney's fees incurred by Denton's legal team up to the March 2016 contempt hearing.

Court documents show that on Dec. 19, Suter's daughter and her husband had wired the \$35,000 fee to Denton. Also while in MDC Brooklyn, Suter attempted to answer 13 discovery questions. In short responses, Suter stated that neither he nor his wife were in possession of his financial records and that over the past two years he had paid his wife, Dolores, and former mistress, Sheena Winfield, "multiple payments" of more than \$1,000, but has no record of those transactions.

In a Dec. 28 response, Denton's lawyers termed Suter's answers part of a "continued and intentional and antagonistic failure to maintain records on his financial affairs."

"It is interesting that upon his arrest, Suter wired the money portion awarded to his contempt order in no time flat," the filing says. "On the one hand, Suter pays people to whom he is not in debt significant amounts of money. On the other hand, Suter stubbornly refuses to satisfy even a portion of the judgment against him."

Suter thought he was being brought to the Earle Cabell building Friday to discuss these matters. But rather than a hearing on the civil contempt matter, Suter was shuttled to another courtroom where Assistant U.S. Attorney David Jarvis and an agent from the IRS Office of Criminal Investigation were waiting. Once Suter was seated, Jarvis approached him and introduced himself and handed him the criminal complaint. Suter read it in silence.

The seven-page complaint refers to Suter's failure to provide "complete and accurate information regarding his assets, including the existence of >



## SERVING BUSINESS LAWYERS IN TEXAS

both open and closed bank accounts" during bankruptcy proceedings.

According to the IRS special agent, an attorney for the U.S. Trustee's office turned Suter in to the DOJ after documents produced by Suter later in the case revealed he had allegedly violated the bankruptcy code by failing to mention the closure of five bank accounts within a year prior to entering bankruptcy on the Statement of Financial Affairs that he filed to the bankruptcy court in the beginning.

Court personnel asked Suter if he had retained counsel. The clerks nodded in recognition as Suter stated he had retained Jeff Ansley, one the most respected – and expensive – white-collar attorneys in Dallas.

Ansley, who was out of town when Suter retained him, deferred comment until after he meets with his client to learn the details about his case.

Suter's preliminary hearing is scheduled for 2 p.m. Wednesday in U.S. Magistrate Judge Renee Harris Toliver's court. Judge Horan said Friday that he would delay the hearing he had ordered until Suter gets the chance to consult with his counsel on the criminal development.

"The sad reality is he did this to himself," said Robert Allen, Denton's lead attorney. "He has been avoiding the U.S. legal system for over five years. Although it took a while, it looks like the system has caught up with him."

*Please visit [www.texaslawbook.net](http://www.texaslawbook.net) for more articles on business law in Texas.*