



TAMPA BAY BANKRUPTCY CENTER, P.A.

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## Amish Group Wants Bankruptcy Case Dismissed

The Amish are a close-knit communal Christian sect that lives according to the principles of the Bible. In an extraordinary bankruptcy case, members of the Amish community in Sugarcreek, Ohio are requesting their bankruptcy case to be dismissed by the judge. A total of 2,900 creditors from 29 states, mostly Amish invested \$33 million into a company called A&M Investments under the control of Morgan Beachy, an Amish himself. From 1986 to June 2010, Beachy sold investment contracts that were purported to be used to purchase risk-free U.S. government securities, but instead made speculative investments.

This is a classic case of affinity fraud. 77-year old Beachy filed for Chapter 7 bankruptcy in June last year in a court in the Northern District of Ohio. Out of the \$33 million entrusted to him, he has less than \$18 million left. The media has been drawing comparisons between Beachy and Bernard Madoff who ran a \$50 billion ponzi scheme since the early

<http://tampabankruptcy.pro/blog/>

90s because of the long periods both men deceived investors into thinking that their investments were making money.

The Amish believe that by taking charge of their case themselves, they would be able to distribute the money owed to them more effectively. About 2,550 of the creditors or 94% are in favor of dismissal of their case. The bankruptcy court received 67 filings containing multiple form letters from them. One such letter stated, “I take strong objection to my investment in A&M Investments being made the subject of a bankruptcy proceeding, because my participation as a creditor is abhorrent to deeply held spiritual principles on which my family and I have based our way of life.”

In their application to strike out the case, the Amish have proposed an “Amish Alternative Plan” in which a group of the community’s leaders will be entrusted to distribute the assets worth \$18 million “based on Christian principles of love and care for the poor and needy.”

In his own filing, Beachy also applied to dismiss the bankruptcy case. In his filing, Beachy stated, “After initiating these bankruptcy proceedings, I consulted with community and religious leaders and have decided that I no longer wish to participate in these proceedings.”

It was common for the Amish to pull their resources together (as they did when they invested with Beachy) and settle disputes among themselves.

It also appears that Beachy did not pocket the money himself nor live a lavish lifestyle.

On the other hand, the bankruptcy trustee and the SEC filed their motions to oppose the Amish's application to strike out the bankruptcy case stating that not all the creditors were Amish and expressing concerns that the distribution might not be impartial.

If you wish to file for bankruptcy, call us at (813) 200 4133 for a free consultation.