

## Pundit Masuda's home searched over share deals

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The Yomiuri Shimbun

Police on Wednesday morning searched the home and other premises linked to self-styled current affairs commentator Toshio Masuda on suspicion that he sold call options on an unlisted Canadian information technology company.

The Metropolitan Police Department suspects that Masuda, the 71-year-old de facto head of Chuo Ward, Tokyo-based investment consultancy company Sunra World Corp., violated the Financial Instruments and Exchange Law.

Masuda is believed to have persuaded about 1,000 people to invest in the call options by telling them Arius 3D Inc., an IT firm based in Ontario, will be "the next Microsoft"--racking up about 5 billion yen in the process.

Despite Sunra World not having a license to sell securities, it told potential investors around October 2007 that Arius 3D planned to "list soon" and its share price would "jump 40- or 50-fold," according to the MPD.

The police suspect the company sold a total of about 5 million yen call options--the right to buy stock at a predetermined price before a preset deadline--to three people, including a 65-year-old man from Ibaraki Prefecture.

Sunra World reportedly sold such financial commodities as call options to people in its members-only investment club. Since around 2000, it has been feeding potential investors lines such as: "Arius 3D has developed a pioneering 3-D laser-scanning technology."

A senior MPD officer said Masuda was president of Sunra World at the time of its establishment in 1996. He left the board in 1997, but has always been a key figure in getting investors to prise open their wallets.

As well as Arius 3D, Masuda has amassed upward of 10 billion yen from three other enterprises--a bank and golf course in Palau, and a coffee plantation in Hawaii.

The three enterprises, however, have ceased to operate. In addition, despite Masuda reportedly trying to persuade people to invest in Arius 3D for 10 years or so, the Canadian firm has yet to be listed.

Masuda also has faced a succession of investors demanding their money back after their projected windfalls failed to materialize.

In January 2008, some investors lodged complaints with the MPD, accusing Masuda of violating laws such as the Investment Deposit and Interest Rate Law.

According to Masuda, investors have filed about 40 lawsuits seeking damages or making various allegations against him--about 20 of these are pending in court.

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