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step by bankruptcy trustee Jerry Farinash to track down millions of dollars of investors' money that has disappeared.

Dec. 13, 2012

A Tennessee tax preparer in the city of Soddy-Daisy will lose his firm in the first step by bankruptcy trustee Jerry Farinash to track down millions of dollars of investors' money that has disappeared.

More than 30 families have filed police reports that accuse preparer Jack E. Brown of losing investments that he had promised to invest at a 15 percent rate of return. The police forwarded those reports to the IRS, which is listed as a creditor in Brown's bankruptcy filing.

Investors reached by the Times Free Press on Wednesday had not been contacted by law enforcement.

Farinash filed papers last week in Chattanooga's U.S. Bankruptcy Court to appoint a Decosimo & Company accountant to sell Brown's business. Forensic accountant D. Michael Costello will take home 15 percent of the private sale price.

Brown, who convinced dozens of Soddy-Daisy residents to invest their life savings with his company, Brown's Tax Service, could not be reached for comment.

Residents said that the Brown family lived a lavish lifestyle beyond the means of a humble tax preparer. His son Jason Brown, who the company website listed as a partner, tax preparer, insurance agent, bookkeeper, financial adviser and operations manager at the firm, also did not return calls for comment.

Jason Brown kept the books for some 20 companies, according to claims made on the company website.

Property records show two large homes with a private drive connecting them owned

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Hamilton County records also show that Brown owned three properties a stone's throw from Soddy Lake.

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Income Tax

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