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FOOD & LIFESTYLE
COVER STORY

Cincinnati gold store founder's second act ends in court (Video)

Jon Saylor's second act, as a top gold entrepreneur, didn't last

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A television news camera was there to capture it all on Aug. 22, 2011.

The price of gold had just climbed to a record high, and people crowded into the headquarters of JS Gold & Coin on Kenwood Road waiting to sell old rings, bracelets and necklaces.

A reporter interviewed [Jon Saylor](#), founder of JS Gold & Coin, who sat behind a desk with a TV microphone pinned to the lapel of his black suit. He seemed almost in awe of his own success. In just four years, he'd gone from buying scrap gold from his front porch to opening four retail stores across Cincinnati.

"Gold crossed the \$1,700 mark. And that's big. It's amazing. It's far larger than anyone would have ever expected," he said in the interview for WLWT.

After a voter fraud conviction, Saylor was now a successful businessman. He drove a Porsche Cayenne and a Maserati Gran Turismo, lived in a secluded Mariemont subdivision, threw out the first pitch at a Reds game and created a foundation in his name to help local charities. JS Gold & Coin spent \$10,000 a month for billboard ads and thousands more on TV commercials, turning it into a household name.

It seemed like a great American success story. JS Gold & Coin had grossed \$22 million in 2010 and could top \$75 million by the end of 2011, he told reporters. When the price of gold rises to historic levels, it's easy to buy low and sell high.

What happened next shows how quickly a business built on volatile pricing can evaporate.

Over the past seven years, "volatile" is an understatement when it comes to gold. The price rose and fell dramatically as the nation climbed out of the worst economic downturn since the Great Depression.

The two people behind JS Gold & Coin, Saylor, who founded the company, and Nancy Hendricks, who bought it from him, could not be located for comment for this story. Saylor didn't respond to interview requests made through an attorney, Howard Cade. Cade declined comment.

Creditors and attorneys have no valid address for Hendricks and were forced to place ads in the newspaper to notify her of judgments against her. JS Gold & Coin is still listed as an active business on the Ohio Secretary of State's website, but court documents say that Hendricks closed the business.

"It's almost like the earth has swallowed them up," said Robert Mendelsohn, a Cincinnati attorney who represented Saylor and Hendricks for several years, but hasn't heard from them in nearly a year.

The reversal of fortune of one gold business isn't what makes this story so unusual. It's that two leaders, along with company assets, have become so hard to find. Saylor and Hendricks seemingly can't be located in the face of evictions, lawsuits and more than \$440,000 in court judgments against JS Gold & Coin and/or Saylor and Hendricks for unpaid bills.

"He (Saylor) was spending money like a drunken sailor on leave," said Brad Karoleff, owner of Coins Plus, who knew Saylor first as a customer then as a competitor.

"We had been through this before. We knew his business model was not sustainable," said Karoleff, who has been in the gold and coin business for 40 years. "Our business model was for the long term and theirs was for the short term."

But Karoleff is left with one question about the money brought in JS Gold & Coin. It is a curiosity shared by creditors and attorneys.

"Where did it all go?"

The Second Act

Mike Snyder was in shock the first time he saw a TV ad for JS Gold & Coin.

"He was behind the counter and I thought, 'Is that Jon Saylor?'"

Although 10 years had passed, Snyder recognized the handsome, charismatic Saylor in those TV ads. It was the same man he'd met on the campaign trail in 1999 when the two were competing for the same Fairfield City Council seat, an unforgettable election in which Saylor, a political unknown, upset the older Snyder.

Months later, authorities uncovered a voting fraud scheme that rocked the small, middle-class city. Saylor created sham voters, ordered absentee ballots sent to the home of a friend, and then filled them out as votes for himself, said Mary Swain, who at the time served on the Butler County Board of Elections.

"As much as I hate to say it, it was kind of clever," said Swain, now Butler County's clerk of courts.

Saylor, then 27, pleaded guilty to 58 counts of voter fraud and was sentenced to two years in prison.

When Saylor re-emerged a decade later as a successful businessman, Snyder said he was pleased to see him doing so well.

"I thought of giving him a call and saying congratulations and no hard feelings," said Snyder, who was appointed to Saylor's seat and still serves on council. "He had a foundation and billboards all over the place and TV ads. He'd turned his life around and served his time."

In fact, Saylor had made great strides after prison to reshape his life. He graduated from Miami University with a bachelor's degree in political science and a concentration in geology in 2005.

That same year, Saylor began working as a numismatist, an expert in coins and currency, and an assayer, someone who studies precious metals, according to his LinkedIn profile.

Joe Barrett, who owns Main Street Coin in Fairfield, said his late business partner, Mike Dickmann, helped mentor Saylor back then. At first Barrett didn't realize it was the same Saylor he'd grown up with in the poor Hamilton neighborhood called "The Knob," and the same man who had gone to prison for voter fraud.

"I said, 'I know that name but it can't be the same guy because that guy (had been) in prison,'" Barrett said. "But it was."

Barrett said he warned his partner to stay away from Saylor.

Saylor was soon working on his own. For months he bought and sold gold from the front porch of his Mariemont home while saving money to open a store, according to a 2012 story in *Creative Living* magazine.

His timing was perfect. In 2007, "gold parties" first gained popularity, as the plummeting economy had people everywhere selling old jewelry for extra money.

A gold rush was coming.

The Gold Rush

During times of turmoil, when stocks tank and investors worry, gold moves in the other direction. It's a safe haven.

"It tends to trade on fear," said Jeff Krumpelman, a senior portfolio manager at RiverPoint Capital Management.

The stock market fell 37 percent during 2008. The nation was sinking into the Great Recession with a bursting real estate bubble, subprime mortgage crisis and subsequent bank bailout.

"People were saying, 'We have no confidence in the economy, things are broken. Let's buy gold,'" Krumpelman said. "There was an unbelievably strong surge."

With this seemingly ideal backdrop, Saylor opened his first JS Gold & Coin store on July 1, 2008, according to the Better Business Bureau, and by mid-month gold was at \$990 per ounce. The store at 7322 Kenwood Road would become both his headquarters and his flagship store.

By late October, gold had dropped to about \$712 an ounce before beginning its long, steep climb. By late 2009, it already had jumped to \$1,105 an ounce.

Saylor sold Nancy Hendricks the company and she applied for a precious metals dealers license with the state on Jan. 13, 2010. Since she was the 100 percent owner and sole senior officer of JS Gold & Coin, a criminal background check was required only for her, said Michael Duchesne, assistant director of communications for the Ohio Department of Commerce.

It would be 26 months before Hendricks was actually granted that license. In the meantime, JS Gold & Coin operated without one, violating state law.

Hendricks may have been the owner, but Saylor was the face on television.

Over the next two years, JS Gold & Coin opened stores in West Chester, Anderson and Florence. Invoices and contracts attached to several Hamilton County lawsuits reveal how Hendricks and Saylor spent their money, which included \$10,000 a month on billboard advertising.

In June 2010, Saylor bought a 3,400-square foot home in Williams Meadows, near Mariemont, for \$428,000, according to mortgage documents.

Saylor threw out the first pitch at a Reds game. Hendricks bought Reds Diamond Club seats behind home plate, which includes an in-seat bar, food service and access to a private lounge.

"We want to be at every corner of the Tri-State," Saylor said in a June 2011 YouTube video about JS Gold & Coin. "By having more stores, doing more volume, it will allow us to pay higher."

The price of gold kept rising. Saylor incorporated two more firms, Aiko Properties and JS Coin LLC, as well as his much-touted JS Foundation.

The JS Foundation was incorporated on Dec. 17, 2010, with [Nancy Hendricks](#), [Jon Saylor](#) and [Bobby Saylor](#), who is believed to be [Jon Saylor's father](#), as directors, according to IRS documents. (An *Enquirer* story on Nov. 15, 2000, about [Jon Saylor's voter fraud sentencing](#), lists [Bobby Saylor](#) as his father.)

Gold hit an all-time high on Sept. 30, 2011 of nearly \$1,900 an ounce. A month later, while donating money to Mariemont Schools through his foundation, Saylor said, "Cincinnati has been really great to our business and this is our way to give back," according to a story on the foundation website. He said he donated nearly 40 percent of his profits to community projects and charities in 2010 and hoped to donate 50 percent in 2012.

Meanwhile, JS Gold still didn't have a required precious metals license to operate in Ohio.

"Applicant does not hold and has never been issued a precious metals dealer license for any of its business locations," according to a settlement agreement filed by the state department of commerce, which eventually granted Hendricks the license on May 23, 2012 after she paid a \$5,000 fine.

Gold prices stayed flat in 2012 as the economy recovered and investors tiptoed back to stocks. Yet Saylor and Hendricks continued their spending.

In May 2012, Saylor said he expected to donate \$1 million to charity that year through the JS Foundation, which he said was funded with revenue from the stores, according to the *Creative Living* story.

Yet IRS documents from 2010 and 2011 show that just \$40,000 was housed in the foundation. Of that, \$10,200 was donated in small amounts to local charities such as the Thanksgiving Day Race Fund and the United Pet Fund. With expenses paid, \$21,595 remained in the foundation in 2011.

The two continued to buy property in late 2012, first a building on West Court Street downtown purchased by Hendricks, and then a building in Silverton bought by Saylor.

Meanwhile, Saylor's competitors shook their heads and waited for the fall.

"Opening so many stores is not a result of success. They were simply casting a larger net," said Barrett, who owns Main Street Coin. When the price of gold fell, "They cut the net down."

The Plunge

On April 12, 2013, and again on April 15, the price of gold plunged to \$1,368, in the biggest sell-off in decades. This was the end of the gold boom.

Lawsuits against JS Gold & Coin began almost immediately. First, the Reds sued over unpaid Diamond Club seats, seeking \$26,273 related to the 2013 season seats.

Next came a TV station, a billboard company, an advertising agency and property owners, all filing lawsuits in Hamilton County for unpaid bills and evictions for back rent.

"They did a lot of billboard advertising. They paid for a while and then they stopped," said attorney Stuart Brinn, who filed a lawsuit against JS Gold & Coin in October 2013 for his client, Lamar Advantage GP Company LLC, to recoup unpaid contracts.

Banks filed for foreclosure on Saylor's Mariemont house (it was quickly sold and the foreclosure suit dropped) and the JS Gold & Coin building downtown on West Court street. A real estate company sued, claiming Saylor stopped making payments on his Kenwood commercial building.

"These companies are owed a lot of money by Jon Saylor that they will never get back," Karoleff said.

About this time, a former Hamilton County sheriff's deputy pleaded guilty to aggravated theft for stealing more than \$150,000 worth of gold and other metals over two years during his off-duty job at JS Gold & Coin and having his wife resell it at other gold stores. He was sentenced to two years in prison in May 2013 and his wife pleaded guilty to receiving stolen property and was ordered to pay restitution, according to court documents.

Meanwhile, many JS Gold & Coin stores were quietly sold as franchises. Throughout 2013 and early 2014, five separate JS Gold & Coin businesses were incorporated in Ohio, all owned by different people, all completely separate companies from the original JS Gold & Coin. Some still operate under the JS Gold & Coin name; others have changed their names.

This has made it hard for creditors to find remaining assets of Hendricks or Saylor.

"JS Gold & Coin Inc., by and through its namesake, Jon Saylor, is attempting to avoid its creditors and dispose of assets by selling off the assets of its stores," Brinn alleged in his lawsuit. He sued the newly created JS franchises in 2014, looking for assets to satisfy the \$56,450 court-ordered judgment for his client, Lamar.

In most cases, Brinn was just a little too late.

The owner of JS Gold & Coin of West Chester LLC said in a court affidavit that he signed a contract with Jon Saylor and assumed the lease of two stores, plus used display cases, safes and scales, for \$70,000, which he made the final payment for in March 2014.

"I elected to use a business name similar to JS Gold & Coin, Inc in order to try to build up my new business," the owner said. At the time he paid Saylor, the owner said the company "appeared to have sufficient assets to have satisfied this obligation."

But Brinn didn't come up entirely empty handed. He did find a promissory note that JS Gold & Coin of Montgomery had signed in January 2014. They now operate the Kenwood store. A judge ordered that all future payments remaining on the \$39,320 note be made to Lamar instead.

Not everyone was so lucky.

Dan Temming, an attorney for Northside Bank and Trust Co., has a \$231,302 judgment against Hendricks and JS Gold & Coin for foreclosure on the West Court Street building. It will be sold at a sheriff's auction early next year.

"(The bank) will take a loss, likely," Temming said.

Temming searched for Hendricks but couldn't find her; he had to publish notice of the judgment in the newspaper.

"It's been a long time since I've tried to find someone and failed to do it and had to service them by publication," he said.

"Nancy Hendricks, as far as we know, has no assets," he said. "The business failed and there's a lot of business debt out there. And she's gone."

The Aftermath

Although the current whereabouts of Hendricks and Saylor are in question, they did resurface a few times this year.

In September, Hendricks asked the Hamilton County probation department to change her restitution order in a case. Instead of repaying \$150,000 to JS Gold & Coin, Hendricks asked that the money be repaid to her because the business had closed. A judge agreed.

In September, Saylor was issued a traffic ticket for not having a rear light on the 1994 Toyota Previa he drove on Montgomery Road in Silverton. He was also ticketed for not showing a driver's license.

When he missed his court date, a Hamilton County judge issued two traffic arrest warrants on Sept. 30, setting bond at \$2,000 each.

His home address on the ticket was listed as 7047 Montgomery Road. On the Hamilton County auditor's website, Saylor is still listed as the owner of the retail building and low-rise apartments at 7045 Montgomery Road.

In May, Saylor filed a court affidavit through attorney Cade in an effort to save some of the money he had invested in the 7400 Kenwood Road building.

Two months earlier, a judge had ordered the \$1.5 million building forfeited back to owners Nisbet Property Holdings because Saylor's Aiko Properties had stopped making payments under a land installment contract and never responded to the lawsuit or appeared in court.

In his affidavit, Saylor admitted he stopped payments in November 2013. But he asked that the property be sold by foreclosure sale in order to recoup some of his more than \$600,000 investment. His argument: he never knew he was being sued.

"Neither Aiko (his company) or I ever received notice of the filing or pendency of this suit," Saylor wrote in his affidavit. Yet he did not list a current address for himself or Aiko. The Ohio First District Court of Appeals ruled against Saylor in October on one issue, but the trial court may revisit the matter based on another issue this winter.

Nisbet, which owns the building, sent notice of the lawsuit to 7322 Kenwood Road, the site of Saylor's first JS Gold store, and the address of Aiko listed with the Ohio Secretary of State's office.

That same 7322 Kenwood Road address is still on file as the home of Saylor's nonprofit foundation in documents filed with the state and IRS. Although no tax documents have been filed since 2011, the foundation is currently listed as a tax-exempt charity with the IRS and has status as an active Ohio charity. But its registration is not current with the Ohio Attorney General's Office.

"We would not necessarily red flag any organization that did not register with our office, absent complaints," said Dan Tierney, spokesperson for the Ohio Attorney General's office. And there have been no complaints.

Meanwhile, attorney Stuart Brinn is still trying to locate Saylor to collect the rest of his judgment for unpaid billboard ads. At the last address he tried, 7045 Montgomery Road, the summons was returned as undeliverable.

"Have you been able to locate Mr. Saylor?" he asked during a recent phone call.

"If you do, will you let me know?"



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