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# THE RISE AND FALL OF A NORTH TEXAS CON MAN



How a one-time car salesman swindled millions from Dallas’ wealthy elite

By **Sarah Mervosh** (mailto:smervosh@dallasnews.com) | Staff Writer

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Rise

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Spencer Edwards lived large, even by Texas standards.

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When the 50-year-old oilman wasn’t at his office, which he boasted had the same view as J.R. Ewing’s on the original Dallas, he socialized at the area’s finest steakhouses, wearing a \$300 button-down shirt and designer cowboy boots. Flashy, friendly and unrestrained with his oil money, he embodied the extravagance his city and state are famous for.

Edwards walked into one of those posh restaurants to meet friends for lunch last November, but on this day, the normally upbeat businessman seemed different. He looked glum, his skin ashen, said Jeff Armand, who ran the restaurant and served Edwards regularly. As the group sat at the bar drinking wine and vodka, the wait staff overheard disturbing comments — something about having “one last drink,” Armand said.

Edwards, it would turn out, was planning his suicide.

That macabre lunch marked the beginning of a strange two days, in which Edwards told others about his intentions, handwrote a will and left a suicide note. Then, on Nov. 29, 2013 — the day after Thanksgiving — he killed himself, authorities say.

Edwards' enigmatic death sparked an onslaught of lawsuits and accusations of shady business dealings, which shocked his loved ones and raised questions about the real Spencer Edwards. Was he the affable salesman who charmed friends and adversaries alike with surprise gifts and rides in his limo? Or was he a crook who betrayed dozens of people — even those closest to him — in his pursuit of prestige?

“All the people loved him. When he died, there were all kinds of accolades about him,” said business associate Bill Evans. “But when he turned bad, he was real bad. Never harsh words, but he just set you up — and then took you.”

## ARLINGTON BOY

Edwards didn't come from a lineage of wealth.

He grew up the youngest of three children on a 6-acre property along the outskirts of Arlington. His family had a comfortable, if not fancy, upbringing. His father, a Naval Academy graduate, worked as an aeronautical engineer for Ling-Temco-Vought. His mother was a registered nurse, but stayed at home for most of the children's formative years, said a family member who didn't want to use her name because she fears retribution from Edwards' associates.

Edwards attended Arlington High School, where former classmates remember him as popular and good-looking. “The girls all had crushes on him,” said Biff McGuire, who went to school with him.

After he graduated in 1981, Edwards obtained an associate degree, then honed his sales skills at several high-end car dealerships, the family member said.

“He bragged that he was the No. 1 Cadillac salesman in the United States for one year,” said Tommy Palmatier, a retired pilot who knew Edwards through business.

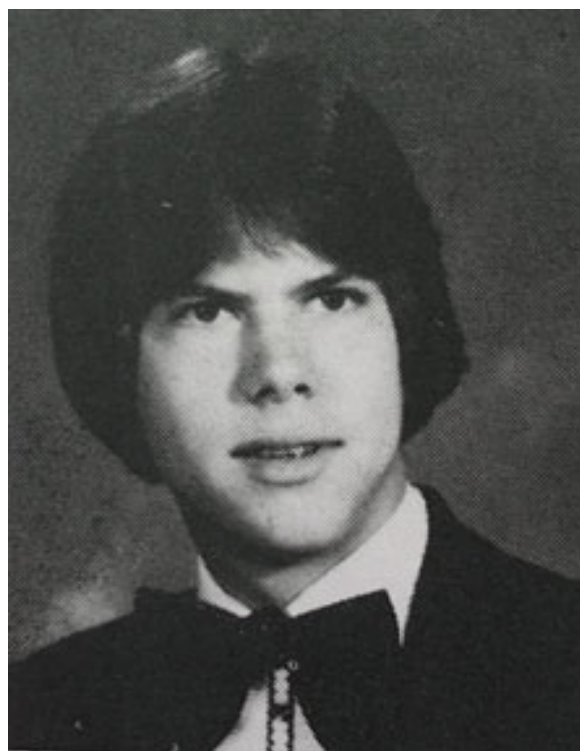
By the early 1990s, Edwards had started applying his talents to a new industry: oil and gas. Family members say he drilled in West Texas, and state records show he co-founded a company called Edwards-Foster Inc. in 1992.

Edwards developed the affluence and connections he didn't have — but always wanted — in his youth. And he soon used them to pursue his future wife, a beautiful blond named Holly Raines whom he met in a Dallas restaurant in 1993, according to a story in *The Dallas Morning News* that chronicled their romance.

When Edwards asked Holly out, she told him she was going on a family vacation in Fort Lauderdale. Undeterred, Edwards promised to meet her there. He traveled to Florida, surprised her with a ride on a friend's 50-foot yacht for their first date and then borrowed another friend's plane to fly her to the Florida Keys.

The trip sparked a two-year courtship that included more out-of-town dates and a European vacation. In 1995, Edwards proposed, and the couple wed later that year. Edwards told The News at the time that he believed they could "move into a double-wide trailer and still live happily ever after. Because this is true romance."

But the newlyweds would never stoop to such accommodations, even when times got bad. Instead, they both hustled to penetrate Dallas' exclusive social circles, living for a time in Preston Hollow and Highland Park.



**Photo of Spencer Edwards' yearbook picture, Arlington High School Class of 1981.**

File photo



**Spencer Edwards carried his bride, Holly, just after their vows in a medieval-theme wedding at Enigma in Dallas. Leon Sanders (left) officiated. They later had a formal wedding in Mexico.**

File photo

As the breadwinner, Edwards supported their lifestyle. After a failed stint as a restaurant and nightclub owner in the late 1990s, he refocused on his oil and gas business. Records show it operated under multiple names: Edwards Development Corp., Edwards Exploration, Edwards Operating Co., Edwards Petroleum.

He ran the business out of an office in a Turtle Creek high-rise, the one he claimed had the same view as J.R. Ewing's. With help from a handful of employees, he solicited middle-class and wealthy investors to fund oil and gas deals in North Dakota and Wyoming.

## MAKING CONNECTIONS

By the early to mid-2000s, Edwards had established himself as the quintessential Dallas oilman:

He was 6 feet and 235 pounds of artful salesmanship and Texas flair. His clean-cut hair and low-set eyebrows set off his square face, giving him a commanding presence. His signature outfit — jeans, boots and a designer button-down shirt — made him seem businesslike, yet approachable.

Edwards spent a lot of time dining out, making connections and wooing potential investors. He ate often, sometimes daily, at Al Biernat's steak and seafood restaurant in Oak Lawn, where he positioned himself at the bar or in booths by the restrooms. Prime spots to see and be seen.

Edwards' penchant for fine dining aligned with his lifestyle. Friends say he drove a silver Mercedes, had a suite at Dallas Cowboys games and claimed to ride motorcycles with Steven Tyler when the Aerosmith singer came to town.

But some believe his insistence on eating out — and his seating choice when he did — also reflected a driving insecurity: Edwards didn't come from money, and in a world where status and reputation are everything, he felt he had something to prove.

"He and Holly desperately wanted to be accepted in the higher social strata of Dallas," said Palmatier, the former pilot. "People considered them as nouveau riche."

Dallas marketing executive Andrea Alcorn put it this way: "He wasn't going to the parties with Ross Perot, but he had the appearance of being successful, with his limousine and going to nice dinners and going to charity events."

But no one knew about the financial difficulties that plagued Edwards as he and Holly moved around the Dallas area with their young daughter.

Many who knew the family say Edwards maintained an air of wealth because it mattered to his wife, a stay-at-home mom who had developed a taste for Versace and Neiman Marcus. "He enjoyed it, but she took it to a different level," Edwards' family member said.

Holly reportedly has cut off contact with her husband's family and friends since his death. And her father, Larry Raines, said his daughter wasn't available for an interview. But Raines said that it was Edwards — not Holly — who demanded a highflying way of living. "Spencer wanted Holly and [their daughter] to have the best of everything," he said.

Edwards adored his only child. Friends say he sent her to private school, talked about her volleyball games and dreamed of buying her a McLaren sports car. "That was his little sweetheart," said Chris Rupert, a friend and former employee.

Even when dealing with financial troubles, loved ones and records indicate, Edwards continued to occupy prestigious addresses, including a gated community in North Dallas and a 5,000-square-foot home in Rockwall County that's now worth more than \$500,000.

When the couple downsized in the months before Edwards' death, they still lived in a penthouse apartment near the Galleria. Records show they rented the property for about \$4,000 a month.

The Edwardses also got involved in charitable outreach.

Emmitt Smith Enterprises, the NFL Hall of Famer's company, lists them on its advisory board, alongside Cowboys owners Jerry and Gene Jones and Dallas chef Dean Fearing. Holly also told D Magazine in 2004 that she served as a Cattle Baron's Ball member.

Meanwhile, when his friend Rupert went through a divorce, Edwards gave him a spare couch and tables so he could furnish his home. "He was just nice and always put other people first," Rupert said.



**Spencer and Holly Edwards**

Photo courtesy of Debby Mullen

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## 'MADOFF MOMENT'

That image has tarnished since Edwards' death.

Dozens of people have come forward with claims that they lost money investing with his oil and gas business. And many have sued with a shocking allegation: Edwards, they say, orchestrated a multimillion-dollar Ponzi scheme.

Collectively, his investors lost at least \$20 million, based on court documents. Larry Friedman, an attorney representing about a dozen of those investors, said the total could exceed \$50 million.

"It's an embarrassment," said one well-known real estate developer, who asked for anonymity because he feared the disgrace of being duped would ruin his reputation. "He hoodwinked all of us. It's a very sad episode in an investor's life. It was our Bernie Madoff moment."

It's not clear how far back the alleged scheme goes or whether Edwards' business started out as legitimate. But over several years, his victims included a schoolteacher, a World War II veteran, a prominent Dallas plastic surgeon, a Park Cities jeweler, French businessmen and many of his own friends.

Some lost everything; for others, the biggest loss was their pride.

A year after Edwards' death, they are bedeviled by questions: How did a former car salesman manage to defraud Dallas' wealthy elite? What exactly happened the night Edwards died? And what, if anything, can they do to get their money back?

The story of how Edwards persuaded North Dallas resident Debby Mullen to invest nearly \$1.7 million illustrates how his alleged Ponzi scheme worked — and how it began to collapse in the last months of his life.

Mullen says she and her longtime boyfriend got to know Edwards in 2011 after she saw Edwards' wife at a bingo luncheon. They became "fast and furious best friends," going on double dates to dinners and concerts. Mullen said she believes Holly helped recruit her as a potential investor, but court records show Holly testified that she had only a limited knowledge of her husband's work dealings. "Spencer and I didn't talk about his business," she said.

Edwards soon asked Mullen to invest in a Wyoming oil and gas deal. She knew friends who had invested with him, and the detailed forms and maps he provided seemed legitimate. So she paid him \$500,000 in exchange for interest in the wells, meaning she'd make money off whatever oil and gas they produced, according to the lawsuit she later filed.

He continued to offer her lucrative deals over the next year and a half, including a chance to get in on a new technology he claimed could filter fracking water and revolutionize the oil industry. She said he promised big returns to sweeten the deal and came through just often enough to keep her hooked.



“You want to believe in goodness,” Mullen said. “He had a fun, charming way about him. He made you believe.”

Unbeknownst to Mullen, Edwards’ life had grown increasingly unstable. He owed the IRS close to \$1 million in unpaid taxes dating to 2000, records show, and he was indebted to investors for much more.

In hindsight, Mullen said, she had noticed some incongruities that should have been red flags. On a weekend trip to visit Mullen and her boyfriend at their Santa Monica condo, Edwards rented a \$5,500-a-day Bentley, they say. But at the end of the trip, he asked Mullen for a \$50,000 loan.

By the fall of 2013, Mullen said, she was fed up: She had received only a few checks, often drawn from the wrong Edwards business account. When Edwards wrote her a hot check for \$100,000 in September, she took it to the Dallas County district attorney’s office. A DA spokeswoman said the office put Edwards on a payment plan that he had to meet or else face prosecution.

His first payment, Mullen said, was due the Monday after Thanksgiving.

## IMPATIENT INVESTORS

In addition to the DA investigation, Edwards faced several lawsuits from disgruntled investors. In October, he had reported to Dallas police that someone had threatened to kill him and hurt his family. Police never charged anyone with a crime.

Palmatier, the retired pilot, said he was among the growing group of investors pressuring Edwards for repayment. He said he planned to confront Edwards at a Highland Park Village coffee shop in late October, but when he got there, Palmatier reconsidered. Edwards looked terrible: Unshaven and bloodshot, he looked as if he had slept in his sport coat and slacks.

My reputation is ruined in Dallas, Edwards told Palmatier, confessing his financial and legal problems. I’m thinking of killing myself.

Palmatier said he urged Edwards to consider bankruptcy, but Edwards wanted to discuss another option. As they walked to the parking lot, Edwards stopped at his silver Mercedes, where his life insurance policy sat open in the passenger seat.



**From left, Spencer Edwards, Holly Edwards, Debby Mullen and her longtime boyfriend Tim Alexander.**

Photo courtesy of Debby Mullen



Edwards asked him to decipher its conditions: If he killed himself, would the \$5 million policy still pay? Palmatier said he hesitated, but Edwards pleaded for help. Relinquishing, Palmatier told him it would.

When Palmatier saw Edwards at the Crescent hotel the next week looking clean and well-rested, he hoped the suicidal thoughts had subsided. But by the day before Thanksgiving, Edwards had apparently made up his mind.

Around lunchtime that day, Edwards met friends at an Uptown steakhouse. The group included longtime friend Terry Hale, attorney Jeff Lynch and employee Erik Najera. Najera, a salesman for Edwards, said his boss cried and alluded to his impending suicide, sipping on wine and gazing listlessly out the window as they tried to talk him out of it.

Armand, the restaurant employee, said he noticed that “something was weird. Something was not right. ... He had an awful color to him — a gray — and he just had a sadness, which he never was sad.”

It’s not clear how, or if, Edwards celebrated Thanksgiving the following day. But on that Friday, loved ones and attorneys say, he created a holographic will, meaning that it was handwritten, signed and didn’t require a formal witness. Then, interviews and records indicate, he spent his final hours at his penthouse apartment with Holly, Najera and Hale.

Holly later told authorities that she stopped her husband from drinking battery acid that night. “If I can’t kill myself today, I’ll do it tomorrow,” he told her, according to the medical examiner notes.

Najera told The News they tried to persuade Edwards not to commit suicide, but “it looked like his soul had already left him. It’s like I saw a zombie.”

Najera said he went to the balcony for fresh air. Hale joined him. Najera said he thought Holly was watching Edwards in his bedroom, but when he went back inside, he saw Holly coming out of a different room.

The bedroom was empty. Edwards was gone.

Downstairs in the lobby, people heard a sharp crack around 8 p.m. They ran outside to see what happened and found Edwards’ body in the courtyard. He had jumped 160 feet to his death.



**Even in hardship, the Edwardses lived in a penthouse apartment costing \$4,000 a month. It was here that Edwards took his life.**

Louis DeLuca/Staff Photographer

## EDWARDS' WISHES

The Dallas County medical examiner ruled Edwards' death a suicide by blunt force injuries.

Edwards left directions to his widow in the holographic will: "It will be important to you to address several issue pretty quick so the insurance company will pay." He directed Holly, the policy's beneficiary, to contact Hale and Lynch, his attorney, for guidance. He also requested she use about \$1 million — a fifth of the life insurance money — to repay a dozen people who "helped us in good faith."

LAST will  
AND Testament

I Spencer E. Edwards, domiciled in Dallas  
Dallas, County, Texas being of lawful age  
and sound of mind, declare the following  
to be my last will and Testament.  
I revoke all previous wills and codicils  
made by me.

**An excerpt from Edwards' will**

That included Najera, Hale and Lynch, who were to receive a collective \$685,000, according to the will.

Because Edwards' suicide occurred more than two years after he bought the life insurance policy, a clause in the document allowed payment to his beneficiary. Holly testified earlier this year that the insurance company paid the benefits, court records show. Attorneys say Holly isn't legally required to share the \$5 million, but several people named in Edwards' will hope she will use the money to pay them.

Holly could not be reached for comment.

Much uncertainty surrounds Edwards' final days and, ultimately, his death. Wild theories swirl, including one that suggests Edwards painstakingly planned his suicide to benefit his friends and family. Another alleges Edwards faked his death and is in hiding to avoid legal ramifications.

Hale declined to comment, citing a gag order. Najera reiterated that he tried to stop Edwards. And Lynch, through his attorney, denied helping Edwards write his will.

"They're looking for somebody to blame, but it's not Jeff Lynch," said his attorney, Bob Fuller. "Jeff Lynch did everything he could."

## NOTHING SETTLED

Several lawsuits are pending against Edwards' estate, companies and business partners. Some people have put their hopes in a possible federal investigation. Multiple people said the Securities and Exchange Commission interviewed

them after Edwards' death, and the attorney for some investors said he also gave the FBI a detailed report on Edwards. Both agencies declined to comment.

That has left Edwards' investors with little recourse.

They don't know where their millions went. Lawsuits allege Edwards used it to repay debt, fund his life insurance policy and support his lifestyle. Bank statements show he used business accounts to pay for his daughter's schooling and expenses in Cancún, for example.

After Edwards' death, a group of his investors met at a Southlake hotel to tally their losses.

"The amount of money in that room, he didn't have anything to show for it. You couldn't even buy enough Rolexes to do a percent of it," said Tally Ragsdale, a 28-year-old investor from the Texas Panhandle who said she lost her family's inheritance money.

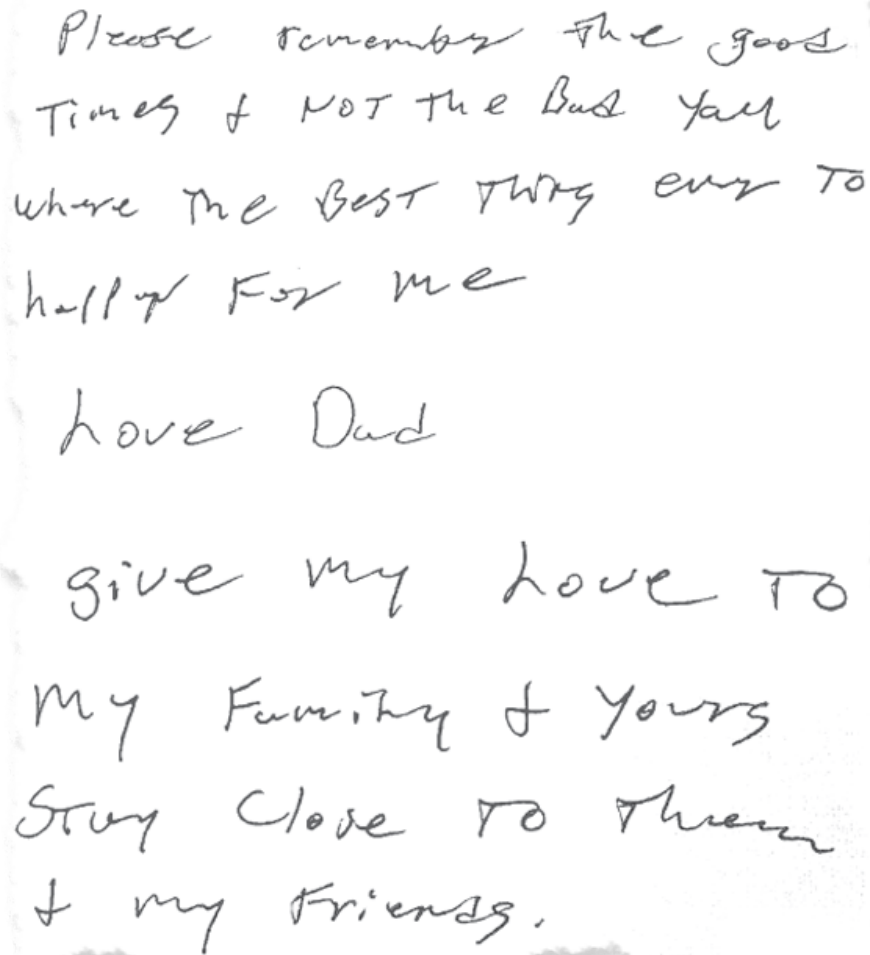
She said the mystery surrounding Edwards' death, and the fact that no one has been held responsible for what happened to her and other investors, gnaws at her.

"Nothing has been settled," she said. "There hasn't been any justice. It continues to consume everyone's minds."

Mullen said losing nearly 10 percent of her funds to someone she trusted made her "completely physically sick. I cried for two months." She said she cut back by selling her condo in Santa Monica.

For others, the financial hit has been more drastic. Bill Evans, a California man in his late 80s, said he lost his retirement money with Edwards. "He nailed me at the wrong time," Evans said. "I've still got some, but obviously I can't support long-term finances."

Edwards may have anticipated the quandary he left his investors in. He left a suicide note that said there was "no other way to fix the problems that I'm up against" because of "the unfulfilled commitments from my business partners."



Please remember the good  
times & NOT the Bad Y'all  
where the BEST thing ever to  
happ'n For me

Love Dad

give my love to  
my Family & Yours  
Stay Close to them  
& my Friends.

**An excerpt from Edwards' suicide note**

But he may not have been able to predict what else would happen: the stigma his name would carry. The controversy his life insurance would create. The devastation and discord that would spread among his loved ones, pushing Holly into hiding and leaving his elderly parents without answers.

In his suicide note, which contained several misspellings, Edwards urged his wife and teenage daughter to stay close to his family and friends. He asked them to live in his honor.

"Just wanted to tell you that things have got really bad with my company and it not going to get better. I love you two more than life and I'm not going to put you through any more of this," he scrawled. "Please remember the good times and not the bad. Y'all where the best thing ever to happen for me."

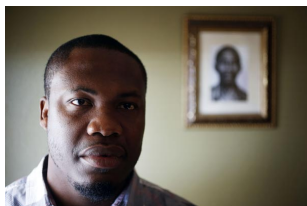
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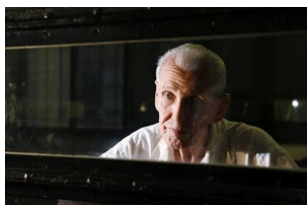
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Man

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