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Sad Story of an RLG (Relief Lending Gift) Donor and why we need PGC oversight

In speaking across the country (74 times now) it is amazing the sad stories we constantly encounter due to the errors, omissions or egregious misconduct on the part of either promoters or their reps.

The tremendous lack of education, understanding and knowledge on behalf of innocent donors and reps is pathetic and hence is why we need, in a new industry going forward, the leadership and oversight of Profitable Giving Canada (PGC).

One such story begs to be heard about a donor from our recent speaking engagements in Saskatchewan. It is as amazing and shocking as it is sad and clearly illustrates donor abuse which we are trying to correct via PGC.

John Donor is the nicest and most trusting person anyone could ever meet. In 2008 he was sold \$32,000 of RLG by Sam Agent, a result of an inducement to do his income taxes for free. Sam Agent used RLG as well as a way to invest in one of his many unregulated Private Equity deals which also went sideways on John Donor and others.

It was clear that John Donor didn't have any understanding of the RLG workings or his obligations under them. For all he knew, he put up \$6000 in prepaid interest (PPI) to buy \$32,000 of pills to donate, thus doing good and getting back a \$16,000 tax refund which went towards Sam Agents investment program.

Time went on, and in 2011, CRA reassessed John's 2008 participation. While Sam prepared John's tax returns, he took no responsibility to ensure that John would file the appropriate Notice of Objection, even though he was the original rep, who was now selling GLGI.

Suffice it to say, John missed the 90 day deadline and had his reassessment confirmed and lost his \$16,000 refund which he now had to repay. At this point, John is now out the \$6000 he paid in PPI, plus the \$16,000 he had to repay to CRA for a total of \$22,000 out of pocket for a benefit of zero. But that's not the end of the story.

As we all now know, RLG went sideways with rogue promoters and they billed him an additional amount of interest of \$1600+, which he paid (no rep. guidance) to pay him up to November of 2015. Then, even though he paid PPI to November 2015, the promoter, through Integrated Receivables Management (IRMI), had him pay an additional \$6700+ to presumably settle his \$32,000 debt bringing his total out of pocket to \$30,300.

However, this did not settle his debt with Akuran – the promoters' other company, which to settle with he needed to buy pills, which, thankfully he could do for \$3200 with Justice Trading. Unfortunately, his out of pocket cost is now \$33,500 for a benefit of zero to him and \$32,000 of pills to Africa.

Sam Agent is telling all of his RLG donors to pay IRMI the interest, then the settlement amount, and finally to repay the tax to CRA when all this could be settle for an insignificant fraction with Justice Trading which Sam Agent knows about.

These are the sad stories we come across only too regularly and it is what gives our industry the bad reputation it has. This is why we have to get behind PGC with both our monetary and participatory support so that we can again have an honorable industry through licensing and accreditation of reps and promoters and regulation. As we profitably serve the needy in a way and a magnitude few charities can.

Amazingly, while John Donor is now fully aware of the shortcomings and bad advice from Sam Agent, he now knows from the seminars not only how the programs work and what he has to do to satisfy all of his obligations, but that the programs are solid in spite of the misconduct of the promoters. He is also eager to engage in a newer regulated and licensed program when they become available.

Now a much wiser, but still very charitable donor.

Regards,

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