Second Interim Report: October 25, 2013

1. Subjects of the Investigation

Canadian Organization for International Philanthropy (COIP)
Relief Lending Group Ltd (RLG)
Mission Life Financial Inc (MLF)
Pharma Gifts International Inc (PGI)
Integrated Receivables Management Inc (IRMI)
Related Individuals and Corporations

It is now more clear than ever that the Group of companies listed above are all controlled by a very few individuals. The tactics, messages, formatting, and style are all consistent within the Group. So the PGC investigation continues to refer to The Group and occasionally references one specific entity. We expect that what one company does, the others will follow suit at some point.

2 . New Complaints and Investigation Details.

The following is a summary of the member complaints that have been received since the First Interim Report. Again, similar complaints have been received for several of the Group's entities and are therefore not duplicated in their entirety. All evidence supporting the allegations made herein is contained in the PGC Evidence Vault as described in the first Interim Report.

Complaint 1: The Group is ramping up their debt collection activities, with collection telephone calls, repeated emails, and letters. Integrated Receivables Management Inc (IRMI) claims to be the third party, arm's length collection agent for the Group.

Results of Investigation: Most of this is clearly true and yet very inappropriate. IRMI is acting as a debt collection agency, however, they are not registered and licensed to perform this function. Debt collectors are regulated in many of Canada's provinces and IRMI is in violation of Consumer Protection Laws for calling or contacting donors for third party debt collection. IRMI appears to employ commissioned telemarketers who are given the authority to offer interest rate reductions to donors as well as major reductions in the principal amount owing. These tactics are both non-compliant for the donor's tax status, as well as illegal under most provincial legislation. It is clear the agent is just trying to collect whatever amount a donor is able to pay. IRMI is clearly not arm's length, but controlled by the Group.

Complaint 2. Mission Life Financial (MLF) has now offered 2011 and 2012 donors a new settlement offer. But for those wishing to settle with pharmaceuticals, the cost for the same pills used in prior years is now twice the price or more. The cost to settle my debt does not give me a net refund of my prepaid interest that I expected.

Results of Investigation: This also is true. PGC believes the reason for doubling the price of the pharmaceuticals is to avoid any situation where a donor might be entitled to a refund of prepaid interest. It is clear that MLF does not have the trust money available to refund to donors who settle early. PGC issued an Alert A13-14 to members on the Mission Life settlement offer. There are cases now where the Group is basically offering the same pills to the same donors but for different prices based on the amount of interest they have left.

Complaint 3. I have purchased pharmaceuticals using the Justice Pharma program to settle my debt with the Group, however, the Group claims Justice has not delivered any pharmaceuticals on behalf of donors. They continue to try and collect the debt from me.

Results of Investigation: PGC has endorsed the Justice Pharma program and therefore has taken this complaint seriously. The investigation has shown, however, that this claim is false. The Justice legal counsel has indeed been working diligently to deliver donor pharmaceuticals to the Group. The Group has been made aware of very large quantities of pharmaceuticals ready to deliver, however, the Group has thrown up road blocks at every avenue. This frustration attempt started over 6 months ago and some of the tactics used have now actually been made public by the Relief Lending Group in their latest emails to donors.

The RLG emails to donors explain that they are willing to accept pharmaceuticals from anyone to settle their debts. The new criteria necessary to do so is shown on their Website FAQ updated Oct 23, 2013 and subject to change. Some of the criteria imposed on donors are impossible to meet and are not a requirement of the original contract that donors signed. RLG has retroactively changed the original contractual requirements, which is not lawful. RLG has also changed it yet again from their 2012 written instructions to donors. In fact, in reviewing documents from the Group, it is apparent that there are various sets of requirements being imposed on donors, all with the apparent attempt to prevent donors from delivering replacement pharmaceuticals. The packaging and identification requirements now imposed by the Group would also very likely preclude the efficient use or distribution of the product in the future.

The new criteria for evaluating, shipping, packaging, identifying, and storing the replacement pharmaceuticals are also different than what was originally used for the pharmaceuticals first supplied to donors. It is PGC's view that replacement pharmaceuticals should be handled and evaluated in the same manner the original pharmaceuticals were handled on behalf of donors.

The first set of new criteria was created after the first settlement shipment was delivered to the Group in April 2012. That delivery was made in accordance to the original instructions provided in writing by the Group.

A few representative examples of the Group's frustration tactics are provided as follows:

a. RLG requires donors to clear customs in the UK for their shipment. This is an impossible task, since the pharmaceuticals were never cleared into the UK originally and never intended for local use. Agkuran and RLG are not authorized to use these pharmaceuticals in the UK, it would be illegal to do so. The shipping point is a bonded warehouse , used for shipments in transit to other destinations where these pills are permitted.

b. RLG now requires a third party certificate of analysis for all shipments. This was never required originally and is not industry standard. Certificates of analysis have been provided for all batches by the manufacturers' accredited and World Health Organization approved laboratory.

The Group has also insisted on random batch testing for each shipment, something unnecessary, not contractually required, and impractical.

c. RLG makes claims and offers on behalf of Agkuran when it comes to communicating with donors. However, when it comes to accepting the pharmaceuticals, RLG insists that Agkuran is the only authorized contact. In reality, PGC has discovered by reviewing correspondence from the Justice legal counsel, that the Group has been continually changing/adding/removing contacts and counsel for the settlement process. Many messages, emails, letters went unanswered by the Group for extended periods of time.

d. PGC is of the opinion that as these frustration tactics by the Group continue, they have put themselves in breach of contract. A donor, therefore, who has purchased settlement pharmaceuticals through the Justice Pharma program, and given notice of delivery of same, may consider his debt settled at that time. This is in accordance with the legal opinion originally obtained for the Justice Pharma program.

Complaint 4: The Group refers to "unauthorized vendors" and tells me I should beware.

Results of Investigation: PGC has been previously aware of this tactic by the Group. It appears to be intended to discourage early or independent debt settlement through anyone other than themselves. The "authorized" vendor as described in the initial documents referred only to the fact that the Group would transfer any un-accrued prepaid interest to this "authorized" vendor to assist with the purchase of pharmaceuticals. It has nothing to do with the validity of the vendor chosen to provide the proper settlement pharmaceuticals according to the other terms of the contract. In March 2013, PCG wrote a Technical Bulletin T13-10 on this topic for readers interested in more details regarding "authorized" vendors.

5. Summary

The Group continues to wrongfully collect as much money as they can from donors. It is becoming clear they will only allow debt settlement through their own companies. They have been introducing new and changing obstacles to donors attempting to settle independently. These tactics present a huge problem for donors attempting to maintain a valid claim to their original tax credits.

Since it is PGC's prime mission to help donors protect their valid tax credits, we strongly recommend that members avoid dealing with any of the Group's entities. PGC recommends you treat your original contracts as valid and binding, and attempt to settle your donation debts properly as required by law. This is the only way possible to maintain a valid claim to your Profitable Giving.