



PROFITABLE GIVING  
**CANADA**

*A Not for Profit Organization*

**PGC ALERT: A13-010**

January 23, 2013

Rev 1.1

**SUBJECT: Certain RPGA Programs Start Debt Collection Activities**

This alert pertains to the following Registered Profitable Gifting Arrangements:

Canadian Organization for International Philanthropy (COIP)  
Relief Lending Group (RLG)  
Mission Life Financial (MLF)  
PharmaGifts International (PGI)

To start, a recap of how these open market structured RPGAs work is provided. The major steps, followed by example amounts, are shown below. The details shown are for RLG and MLF, however, the other programs are substantially the same. There are additional steps in the programs that are not considered relevant for this alert.

- |  |          |
|--|----------|
| 1. Borrow a Large Denomination Credit Certificate over an 8 year term        | \$10,000 |
| 2. Pre-Pay Interest on the Loan for the first Four Years                     | \$2000   |
| 3. Purchase Pharmaceuticals at Canadian Prices, using the Credit Certificate |          |
| 4. Donate Pharmaceuticals to Canadian Charity and Obtain a Receipt           |          |
| 5. File Tax Receipt and Obtain a Refund                                      | \$5,000  |
| 6. Still in Debt to RLG  | \$10,000 |
| 7. Settle the Debt after 3 years using the Prepaid Interest held on account  | \$500    |

The purchase and loan contracts all provided participants with the right to return pharmaceuticals and/or the credit certificate to settle the donor's debt. The intention at the time of participation was that the donors would repay their debts by returning pharmaceuticals at the best price they could find in the world using the interest held on account at year 3 of the loan. The RPGA was to facilitate that repayment by allowing donors to deal with an "authorized vendor" to which the RPGA would transfer the donor's interest held on account.

**The ALERT**

The first of the above RPGAs to communicate on the topic of debt settlement was RLG. Several donors started making inquiries in the spring of 2012, well past the 3 years anticipated. RLG responded with "Statements of Account" accompanied by a "Release Of Information" which supposedly allowed them to start to process with authorized vendors to settle donor debts. This information was initially provided to just a few donors, and then to all 2008 participants. Example letters are provided on the next page.

Some donors were pleased with the initiation of the settlement process, however, that was short lived when RLG failed to respond with any authorized vendors. Many donors demanded help but with no or little response from RLG. As time went on, it became apparent that RLG was not going to assist donors with any element of the settlement

process as originally planned. In fact, it became apparent that RLG was attempting to collect more interest on their loans, and used the reasoning that it was important to the CRA. The collection efforts became widespread in late 2012 and early 2013 with letters and mass emails. Again, a few examples are provided below.

At one point, RLG telephone representatives told donors that they could settle their debts by sending the pharmaceuticals to Toronto. Then, when pressed hard, RLG provided an undated and unsigned letter, providing a few donors with the address and instructions to settle their debts by sending the pharmaceuticals to the England. A copy of this letter is also shown below. Please note that it is neither dated nor signed, but written on RLG letterhead. It appeared that RLG was putting up as many roadblocks as possible to prevent donors from settling their debts as planned.

The collections effort continued and intensified with emails and "pink" collection letters, threatening to transfer the debt to independent collection agencies. Many of their arguments regarding the importance of notifying the CRA and losing the right of objections are known to be false and misleading.

Strong evidence is emerging that the other RPGAs listed above are following the exact same course of action.

**RELIEF LENDING group inc.**  
10215-178 Street Suite 22  
Edmonton, Alberta T5S 1M3  
780-851-1961  
www.reliefendinggroup.com

**STATEMENT OF ACCOUNT**

Borrow Address: [Redacted] Coupon / Invoice Number: [Redacted]  
Customer Number: [Redacted] Statement Date: 30-[Redacted]

RLG Coupon/Loan Start Date: [Redacted]  
Coupon Outstanding Valued at: [Redacted]  
Prepaid Interest on Account as of date of this statement: [Redacted]  
Date Interest Fully Applied: [Redacted]

*\*\* Additional interest is payable within 60 days of the year-end in which the interest was fully applied, failing which your loan is not up to date and is not in good standing, and will result in adverse tax consequences with respect to your donation.*

**RELEASE OF INFORMATION TO PHARMACEUTICAL VENDOR(S)**

I, the undersigned hereby irrevocably authorize and direct Relief Lending Group Inc. (RLG) to release my full name, residential address, telephone numbers, email addresses and other personal information to authorized pharmaceutical vendors identified by RLG for the purposes of having such vendors contact the undersigned directly to assist in sourcing Medicine Units for the reacquisition of my coupon from Agkuran Distributing Ltd.\*\*\*

First Name Last Name: [Redacted] Signature: [Redacted] Date: [Redacted]

**RELIEF LENDING group inc.**  
10215-178 Street Suite 22  
Edmonton, Alberta T5S 1M3  
Tel: 780-851-1961  
Fax: 780-851-2229  
www.reliefendinggroup.com

**2008 Relief Lending Group Program - Options for settling the debt?**

Dear [Redacted]

We have received your inquiry on what options are available for settling your debt with Relief Lending Group.

Our records show you purchased 13,500 Medicine Units comprised of 13,500 Ciprofloxacin (250 mg) pills in 2008 with the following coupon# 2008-2984. If you made more than one purchase in 2008 you will have additional amounts owing.

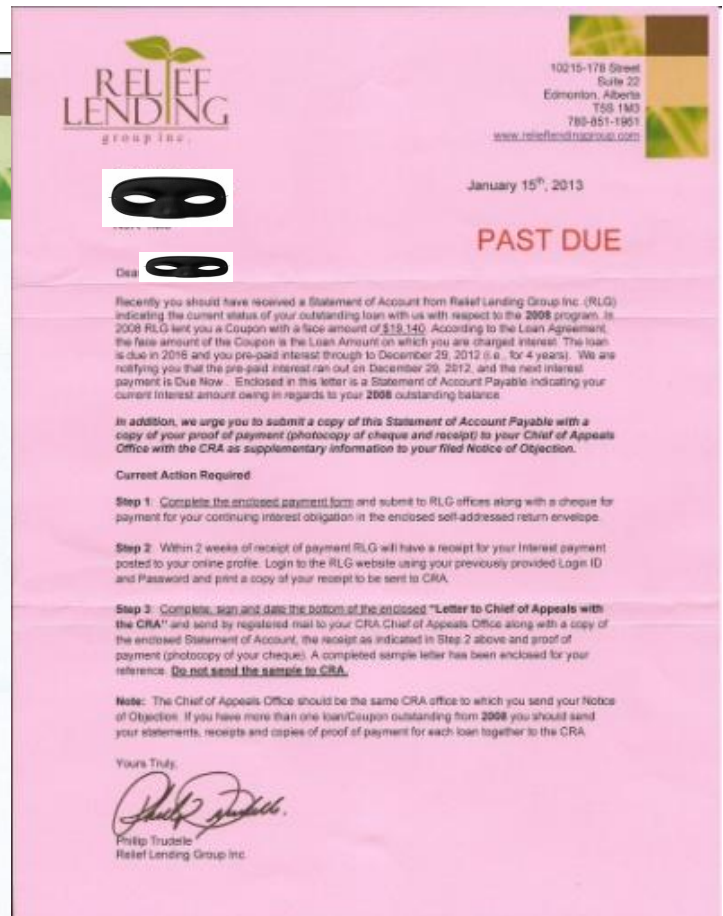
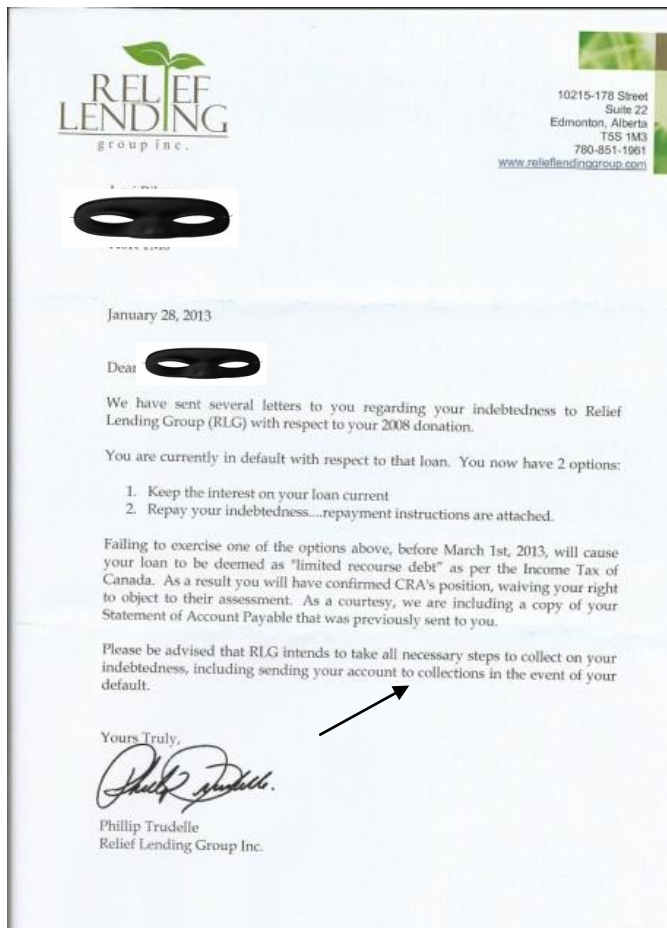
At any time you may source and purchase replacement pharmaceuticals on your own and ship them at your expense to:

Agkuran Distributing Ltd  
c/o Southern Cross Freight Logistics Ltd.  
9 Felthambrook Industrial Estate  
Feltham,  
TW13 7DU  
United Kingdom

**IMPORTANT actions or information to include:**

1. Certificates of Analysis need to be included with all shipments with a copy sent to Agkuran
2. Agkuran and Southern Cross should be notified by the shipping company in order that they may be prepared to accept the pills into Bond and clear them through customs
3. Ensure proper clearance instructions are provided to both Agkuran and Southern Cross
4. **ALL REPLACEMENT PHARMACEUTICALS MUST HAVE AN EXPIRY DATE OF AT LEAST 1 YEAR from the date of receipt to be accepted.**

Once Southern Cross has verified your shipment has been received and is complete, Agkuran will return your coupon to RLG on your behalf. RLG will follow-up with a letter releasing you of your debt. Please note that any interest amounts owing must be paid up to date in order for the Release Letter to be provided. If any amount of Pre-Paid Interest is on account, a refund will be provided along with your release letter.



## PGC RECCOMMENDATION

Based on the above, PGC is recommending to its Members and all participants in the aforementioned RPGAs to keep their debts in good standing and to settle their debts according to the options available in their agreements.

A group of PGC members formed the Debt Settlement Committee in December 2012 and after extensive review, it has endorsed the Justice Pharma program. This program is provided by Justice Trading Ltd with the intention to settle donors' debts in a compliant and efficient manner. Donors can get more information in the following places:

[PGC Debt Settlement Committee](#)  
[Justice Trading Ltd](#)  
[Justice Pharm Program Legal Opinion](#)  
[PGC Technical Bulletin T13-10](#)