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North Vancouver BC V7M 2J5
13 September 2010

To: Mr. Joel Solomon, Vice-Chair of Tides Canada, President of the Endswell Foundation and President of Renewal Partners
Mr. Drummond Pike, Founding Chair of Tides Canada, Chairman of the Endswell Foundation, Sr. Advisor, Renewal Partners

c.c. Mr. Ross McMillan, President & CEO of Tides Canada
Mayor Gregor Robertson and Council, City of Vancouver
Mr. Mike Magee, Chief of Staff, City of Vancouver

sent by e-mail

RE: Tides Canada, The Endswell Foundation and Renewal Partners

The Endswell Foundation says that it has been "the largest, B.C.- based, private foundation funding environmental issues in the province."¹ As such, I believe that your work is very important and that its fair to inquire about your operations. As before, I am writing to you as a concerned member of the public.

Renewal Partners says that it invests in companies that are producing new products and services needed for sustainability and "maximum community benefit."² This is important, so I would sure hope that Renewal Partners is actually doing what it says.

Further to my letters of 5 July and 5 August, I am writing to present additional observations, opinions, and questions, and to request your response. The attached pages present my questions and the observations on which my questions are based. If I have presented anything that is factually incorrect, or if I have missed any important points, please let me know.

According to a video posted at the web-site of the Vancouver Sun, Joel Solomon told the Vancouver Board of Change in August that Renewal Partners has invested in 75 companies. I could only find information for the 26 companies that I have listed on the attached pages. Which companies have I missed?

On the basis of the information that I have seen, it appears to me that to some degree, the Endswell Foundation, a registered charity in both Canada and the U.S., is a supporting political campaign activity and for-profit businesses - including two real estate companies and "Bodyworks" at Hollyhock Farm Ltd, which looks to me like a spa. If I'm mistaken, please let me know.

As I believe that my questions are fair and pertain to matters of public interest, this is an open letter. I will post this at my blog: www.fair-questions.com

Sincerely,

Vivian Krause

¹ <http://www.renewalpartners.com/grants/endswell-foundation>

² <http://www.renewalpartners.com/investments/renewal-partners>

Questions

A. Tides Canada

1. Considering that the "Founding Chair" and the Vice-chair (Drummond Pike and Joel Solomon, respectively) are long-term, high-paid employees of Tides-affiliated organizations, how does the board of Tides Canada govern in a manner that is independent of the highly paid staff?
2. Considering that some directors of Tides Canada have "business relationships" (according to U.S. tax returns filed by both Tides and Tides Canada), how do these members of the board act at arms-length?

B. The Endswell Foundation

1. According to publicly available information at the web-site of Revenue Canada, the Endswell Foundation has been a registered charity since 1991. In what year did Drummond Pike become the chairman of the Endswell Foundation?
2. From 2008 to 2009, total assets, as reported to Revenue Canada, went down from \$10.9 Million to \$504,801. What happened to Endswell's long-term investments and other assets? Where did they go?
3. Why is Endswell's overhead so high (>50%)? Why did overhead *exceed* the total amount granted in 2003, and from 2005 to 2007, and again in 2009?
4. Since 2003, while 99 percent of funds were granted to Tides Canada, why did Endswell need to spend **\$11.4 Million** on staff and office expenses, including \$US2.2 Million for professional and consulting services?
 - Since 2003, while 99 percent of Endswell's grants were made to Tides Canada, what were the staff doing? What did they do in the years that no grants at all were made to any organizations except Tides Canada?
 - Why did the amounts paid for professional & consulting services increase substantially after 2004 - even as 99% of grants went to Tides Canada?
 - Of the **\$793,298** that the Endswell Foundation paid to Interdependent Investments Ltd., was any of that then paid - directly or indirectly - to Vision Vancouver or Mayor Gregor Robertson's election campaign?³
 - Who is "Candid" to whom the Endswell Foundation paid \$452,536?
 - Did salaries and office expenses (\$4.2 Million) paid by Endswell, the charity, also cover the office expenses of Renewal Partners, the investment firm?

³ A company search shows that since 1997, the only two directors and officers of Interdependent Investments Ltd. are Joel Solomon and Martha Burton. According to the elections database, Interdependent Investments Ltd. contributed \$5,000 to Vision Vancouver.

- Between 2003 and 2008, Endswell reported to the I.R.S. that it spent about \$2 Million on professional and consulting fees but to Revenue Canada, Endswell reported spending only \$417,054. Why the apparent discrepancy?
- Since 2003, Endswell has reported to the I.R.S. that it spent \$1.4 Million on "grantee support and education." During this time, 99 percent of Endswell's grants went to Tides Canada. Who got the \$1.4 Million for "grantee support and education?" Did this money go to Tides Canada - which seems to have been Endswell's only grantee since 2003?

C. Renewal Partners

1. If the reason for supporting Mayor Gregor Robertson is to make Vancouver a model of social change and sustainability, why invest in companies in New Hampshire, Colorado, Vermont and California? Why are almost half (10 of 23) of the companies in which Renewal Partners invested, in the United States?
2. Of all the green products and companies that Renewal Partners could support, why pizza and recyclable maxipads? Aren't there higher priorities? Why invest in yoghurt from New Hampshire instead of B.C.?
3. Why did Renewal Partners invest in Stonyfield Farm, a company that is 85 owned by Danone, the world's largest dairy operation?⁴ Did Stonyfield Farm, a brand on store shelves at Wal-Mart, really need "investment" from Renewal Partners?
4. By paying the salaries of staff at Renewal Partners - to the tune of \$US 2 Million - has the Endswell Foundation, subsidized the costs of for-profit businesses - including a real estate agency in Nashville, Tennessee, and the "Bodywork" (spa services?) at Hollyhock Farm Ltd.?

⁴ http://www.stonyfield.com/about_us/meet_our_ceyo_and_his_team/friends_and_partners/index.jsp

Companies in which Renewal Partners Invested

Renewal Partners describes itself as a seed-capital investment firm and says that it invests in companies that are producing new products and services needed for sustainability and "maximum community benefit." This is really important work, so its important that Renewal Partners is actually doing what it says.

According to my analysis of on-line information, Renewal Partners has invested in at least 26 companies. Of those, eight are or were located in Vancouver, and a further five are in Canada, but not based in Vancouver. Ten of the companies in which Renewal Partners has invested are based in the U.S.. For three companies, no information could be found.

Why so much investment in the United States?

Renewal Partners says that it has invested "heavily" in British Columbia. However, according to my analysis of information posted on-line by Renewal Partners, the only B.C. companies in which it has invested are an organic coffee company, a P.R. company, two grocery delivery companies, a recyclable, cloth maxipad company, and a real estate agency on Cortes Island - where, if I'm not mistaken, Joel Solomon has his home. Renewal Partners also invested in Happy Planet, the fruit juice company co-owned by Mayor Gregor Robertson and Inlace Investment Management, a mutual fund that appears to me to be held by Vancity.

Priorities for Sustainability and "Maximum Community Benefit?"

Taking a close look at the American companies in which Renewal Partners reports that it has invested, I find that these include:

- a pizza company and an organic yoghurt company in New Hampshire
- a cosmetics company in New York
- a Vermont company that sells environmentally-friendly cleaning products
- a a wild seafood company and a packaged goods company in California
- a music publishing company in Colorado
- a company that sells solar-powered battery chargers, based in Berkeley, Callifornia
- a seed-capital investment firm in Vermont.

Assuming that social change and sustainability are the goal, aren't there higher priorities such as public transit, solar technology, energy monitors and water meters, high-efficiency shower heads and toilets, organic fertilizer, and so on?

For-Profit Businesses?

Of the 26 companies in which Renewal Partners has "invested," two are real estate businesses. According to U.S. tax returns, Joel Solomon has 10 percent ownership in one of these real estate companies, Village Real Estate, located in Nashville Tennessee.

Another entity which the Endswell Foundation says that is has heavily supported, is Hollyhock which calls it self an "educational retreat center." Considering that Hollyhock has a staff of ten that does "bodywork" at a price of \$85 to \$170 per hour, it seems to me that Hollyhock is more like a spa. According to the Hollyhock web-site, "bodywork" is offered by Hollyhock Farm Ltd.. A company search shows that the president of this company is Joel Solomon.

26 Companies in which Renewal Partners has Invested

A. Vancouver Companies:

- 1) **Communicopia**
34 Abbott Street, Suite 601
Vancouver, BC V6B 2K4 Phone: (604) 844-7672
- 2) **Lunapads International Products Ltd.**
3471 Commercial Street
Vancouver, BC V5N 4E8 Phone: (604) 681-9953
- 3) **Happy Planet**
203 950 Powell Street
Vancouver, BC, V6A 1H9 Phone: (604) 253-7550
- 4) **Horizon Distributors**
5589 Trapp Avenue
Burnaby BC V3N 0B2 Phone: (604) 524.6610 or 1.800.663.1838
E-mail: general@horizondistributors.com
- 5) **Small Potatoes / Spud!**
1660 E. Hastings Street
Vancouver, BC, V5L 1S6
Phone: 604-215-7783 or 1-877-473-5001
E-mail: vancouver@spud.ca
- 6) **Inhance Investment Management Inc.** c/o Vancity
- 7) **Jorg. & Olif.** - a bicycle company now registered in the U.K.
- 8) **Shared Vision** - in hiatus as of April 2009. See: <http://www.shared-vision.com/>

B. B.C. Companies:

- 9) **Renewal Land Company**
- 10) **New Society Publishers**
P.O. Box 189
Gabriola Island, BC V0R 1X0 Phone: (250) 247-9737
- 11) **Saltspring Coffee**
#1-156 Alders Ave.
Salt Spring Island, BC V8K 2K5 Phone: (250) 537-1211

C. Canadian Companies:

- 12) **Investeco Capital Corp.**
70 The Esplanade, Suite 400
Toronto, ON M5E 1R2 Phone: (416) 304-1750
- 13) **Jantzi-Sustainalytics / Jantzi Research**
215 Spadina Avenue, Suite 300
Toronto, ON M5T 2C7

D. U.S. Companies

- 14) **Alter-Ecos Americas** - a packaged food company, based in San Francisco
2325 Third Street, Suite 324
San Francisco, CA 94107 Phone: (415) 701-1212
- 15) **Better Energy Systems LLC** - (www.solio.com) - solar-powered batter chargers
1510 Sixth Street_Berkeley, CA 94710_United States
Phone: (510) 868-8714
- 16) **Blue Horizon Foods** - a seafood company, based in Aptos, CA
804 ESTATE DR SUITE 200
Aptos, CA 95003 Phone (831) 685-1648
- 17) **Peacekeeper Cause-Metics - a cosmetics company in New York**
50 Lexington Avenue, Suite #22G
New York, NY 10010 Phone: (212) 673-2233
- 18) **Rustic Crust - a pizza company in New Hampshire**
31 Barnstead Rd
Pittsfield, NH 03263 Phone: (603) 435-5119
E-mail: info@rusticcrust.com
- 19) **Seventh Generation**
60 Lake Street
Burlington, VT 05401 Phone: (802) 658.3773
- 20) **Sounds True Inc.** - a media publishing company, based in Colorado
413 S. Arthur Avenue
Louisville, CO 80027 Phone: (303) 665-3151
- 21) **Stonyfield Farm**
10 Burton Drive
Londonderry, NH 03053 Phone: 1-800-PRO-COWS (776-2697)
- 22) **Underdog Ventures, LLC**
23 Route 105, E. Brighton Rd.
P.O. Box 443
Island Pond, VT 05846 Phone: 1(802)723-9909
E-mail: info@underdogventures.com
- 23) **Village Real Estate**
2206 21st Ave S.
Nashville, TN 37212 Phone: (615) 383-6964

E. Companies for which information could not be found:

- Altrushares
- Eatmore Sprouts
- The Nimble Company: <http://www.renewalpartners.com/investments/stories/the-nimble-company>