

April 21, 2020

To: John Bromley, President & CEO of Charitable Impact Foundation ("CHIMP")

c.c. Blake Bromley
Christopher Richardson
Leslie Brandlmayr
Victoria Nalugwa
Nadine Britton

c.c. Neil Bunker, PricewaterhouseCoopers LLP
Dr. George Iwama, President, Quest University
Mr. Jordan Sturdy, MLA, West Vancouver-Sea to Sky

RE: Quest University, Vanchorverve, CHIMP and other Bromley Charities

The purpose of this letter is to ask legitimate questions (attached) regarding the involvement of Charitable Impact Foundation ("CHIMP") and other charities in the funding of Quest University.

As we know, Quest University is in creditor protection over a mortgage debt dispute with Vanchorverve Foundation ("Vanchorverve").

According to my research into the tax returns for Vanchorverve, it was first registered back in 2010, under the direction of Christopher Richardson, Leslie Brandlmayr and Darian Kovacs. Since then, Victoria Nalugwa and Nadine Britton have joined the board. I am therefore writing to you in your roles as directors of Vanchorverve and other charities.

For its first seven years, Vanchorverve was financially inactive. In 2017, it received a gift of \$40,000 from Eden Glen Foundation. That was followed in 2018 by a gift of \$20.8 million from Charitable Impact Foundation ("CHIMP"), and a further \$100,000 in 2019, also from CHIMP. Thus, aside from interest and investment income (roughly \$865,000), the only revenue that Vanchorverve has ever reported is from CHIMP and Eden Glen. Both are among the many charities registered by Blake Bromley. What this means, as I see it, is that Vanchorverve is part and parcel of the Bromley enterprise.

Since it began in 2011, CHIMP's assets have soared from zero to \$202 million.

On the basis of my research it is clear to me that over the years, CHIMP has been given gifts totalling at least \$120 million, possibly more, that originated from tax-receipted donations reported by The Bromley Charities that established Quest. These gifts are as follows:

- \$ 34.4 million from Almoner Foundation (2011-2019)
 - \$ 33.8 million from Foundation For Public Good (2017-2019)
 - \$ 12.1 million from the Association for the Advancement of Scholarship (2012-2018)
 - \$ 10.5 million from Eden Glen Foundation (2017)
 - \$ 10.1 million from Timothy Foundation (2012-2017)
 - \$ 7.0 million from Mighty Oaks Foundation (2014)
 - \$ 4.0 million from Headwaters Foundation (2011)
 - \$ 3.7 million from Homestead on the Hill Foundation (2018)
 - \$ 3.4 million from Global Charity Fund (2014)
 - \$ 1.0 million from Theanon Foundation (2011-2014)
- \$120 million TOTAL**

At your earliest convenience, I would appreciate the opportunity to speak with you about these gifts for a total of \$120 million, and the additional questions that I have outlined on the following pages.

If I have presented anything that is factually incorrect or if I have missed any important points, please let me know.

I would appreciate it if you would please reply to this letter via e-mail during the course of this week.

Sincerely,
Vivian

Vivian Krause
@FairQuestions

Questions

A. The Bromley Charities As A Whole

1. Re-Gifting Among Bromley Charities: \$765 Million (2000-2019)

Over the years, The Bromley Charities have made 330 gifts to each other for a total of \$765 million. The average value of the 330 gifts is \$2.3 million. The largest 50 gifts made between The Bromley Charities account for a total of more than half a billion dollars. The average value of these gifts is \$10.6 million.

- What purpose is served by the gifting and re-gifting between The Bromley Charities?
- How many of these very large gifts are land, mortgages and loans?
- How many of these gifts pertain to property development at Quest?

2. Tax-Receipted Donations: \$600 Million

- Aside from Quest University, what major charitable purposes are The Bromley Charities supporting with \$600 million in tax-receipted donations?
- What is the origin of the \$100 million in tax-receipted donations reported by the Association for the Advancement of Scholarship (\$30 million) and Global Charity Fund (\$70 million). How much of that \$100 million was to be given to Quest University?
- Why have tax-receipted donations stopped so dramatically to all Bromley Charities except CHIMP, and simultaneously increased sharply to CHIMP, despite CHIMP spending almost nothing on fundraising? Is it fair to say that the Bromley enterprise has been consolidated in CHIMP?

3. Fees: \$27 Million

Between 2000 and 2019, The 50 Bromley charities reported spending \$27 million on fees for professional and consulting services (**Table 10**).

- How much of the \$27 million was paid to Benefic Group Inc., Blake Bromley's company?

4. Property Not Used for Charitable Activities

- The Bromley Charities report significant property not used in charitable activities. What are these properties?

5. Assets in Land and Buildings

As of 2015, The Bromley Charities reported assets in land and buildings for a total of roughly \$80 million. With the exception of \$930,000 reported by the Association for the Advancement of Scholarship, these assets are no longer reported as of 2018.

- What were The Bromley Charities assets in land and buildings for a total of roughly \$80 million and what happened to these assets?

6. Interest and Investment Income

The Bromley Charities have reported nearly \$150 million as Interest and Investment Income. The Stewart & Marilyn Blusson Foundation alone reported \$90 million and The Association for the Advancement of Scholarship reported \$15.8 million.

- What are the sources of interest and investment income reported by The Bromley Charities?
- How did the Association or the Advancement of Scholarship earn interest and investment income that was in excess of 100 percent of total assets (2015 and 2016)?

7. Specific Foundations

a) Global Charity Fund

- Who received the tax-relief for the \$70 million in tax-receipted donations?
- Who was paid the \$1 million in fees, and for what purpose?

b) Benefic Foundation, Seattle WA

- Why did Mighty Oaks Foundation give \$1.9 million to Benefic Foundation in Seattle rather than to Benefic Foundation in Vancouver? What purpose was served with the \$1.9 million?

c) Foundation for Public Good

Foundation For Public Good ("FPG") gifted \$57 million to other Bromley Charities, including nearly \$34 million to CHIMP. According to FPG's tax returns, not one nickel went to a charity that is not a Bromley Charity meanwhile more than \$600,000 was paid in fees for consulting and unspecified expenses.

- What charitable purpose is served by the Foundation For Public Good?
- How much of the \$52 million gifted to and from FPG pertains to the student residences, and other property development on the lands of Quest University?
- What is the origin of the \$4 million that FPG reports as interest and investment income?

8. Fiduciary Duty

- How are the directors of The Bromley Charities able to exercise their fiduciary duty while simultaneously on the boards of so many charities that give gifts to each other?

B. Charitable Impact Foundation ("CHIMP")

1. \$200 Millions Gifted Between CHIMP and Other Bromley Charities

Between 2011 and 2018, CHIMP received gifts for \$204 million from The Bromley Charities and CHIMP gave gifts to many of the same Bromley charities, for a total of \$207 million.

- Again, what is the purpose of the extensive re-gifting between CHIMP and other Bromley Charities? What charitable purpose is served by these gifts?
- Again, how many of the very large gifts made by CHIMP are land, mortgages and loans?

2. CHIMP's Total Assets: \$200 Million

Since 2011, CHIMP's total assets have soared from zero to \$204 million (**Table 16**). Long-term investments increased from \$39 million to \$122 million in a single year.

- What are CHIMP's long-term assets? What is the origin of these assets?

3. Non-Cash Donations

Of the \$300 million that CHIMP has reported as revenue from tax-receipted donations, about half is from non-cash gifts, a total of \$146 million (2011-2019). In 2019 alone, CHIMP reported \$72 million as tax-receipted non-cash gifts.

- What are the non-cash gifts that CHIMP has received for a total of \$146 million?
- What is the source of the \$76 million in tax-receipted, non-cash donations that CHIMP reported in 2018?

In 2013, Global Charity Fund made non-cash gifts for a total of \$32.3 million. In subsequent years, all of these gifts were re-gifted to CHIMP as cash gifts. Also in 2011, Global Charity Fund reported a gain on foreign exchange of \$388,482.

- What is the origin of the \$32.3 million that Global Charity gave in 2013 as non-cash gifts? What purpose will CHIMP serve with the \$32 million?
- Why did Global Charity Fund have a gain on foreign exchange in 2011?

4. CHIMP's Spectacular Growth

Since 2011, CHIMP's total revenue has soared to a high of \$182 million (2018), triple that of Vancouver Foundation. And yet, CHIMP spends virtually nothing on fundraising. CHIMP spent \$19,222 over the same years (2011-2018) that Vancouver Foundation spent \$14 million.

- How did CHIMP grow so fast without fundraising?
- Is it fair to say that the dollar figures in CHIMP's tax returns do not provide a true reflection of its actual spending on charity because CHIMP's revenue and expenditures have been greatly inflated by gifting and re-gifting with other Bromley Charities?

5. \$23 Million Paid to Chimp Technology Inc.

CHIMP has paid a total of \$23 million to Chimp Technology Inc. for Technology Transaction Services (\$14 million) and Human Resources and Business Services (\$9 million). That included \$12.8 million paid in 2018 alone.¹

- What services did Chimp Technology Inc. provide in 2018 at a cost of \$12.8 million?
- What is the origin of the \$23 million that Charitable Impact Foundation has paid to Chimp Technology Inc.?

6. Gifts to 2,000 Registered Charities For Less Than \$19 Each (“Chimping”)

Nationwide, more than 2,000 legitimate Canadian charities have been sent gifts from CHIMP for \$19 or less:

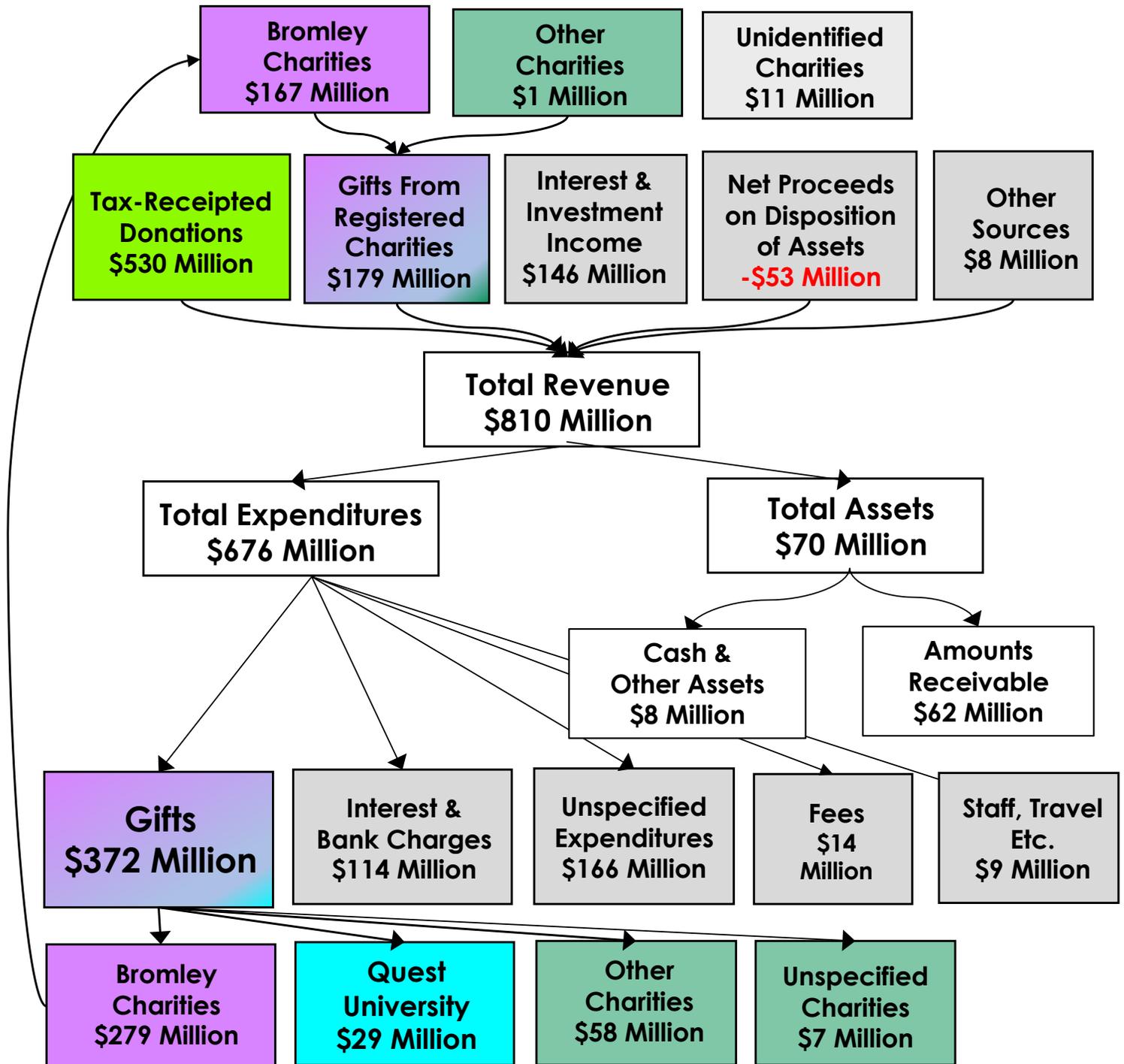
- Ontario: 624 charities
- British Columbia: 550 charities
- Quebec: 426 charities
- Alberta: 165 charities
- Saskatchewan: 65 charities
- Manitoba: 48 charities
- Nova Scotia, New Brunswick & P.E.I.: 91 charities
- Newfoundland: 13 charities
- N.W.T., Yukon & Nunavut: 6 charities
- Unspecified provinces: 28 charities

Hundreds of CHIMP's very small gifts have been stale-dated and cancelled.

- With assets of \$200 million and the ability to pay Chimp Technology \$23 million, it would appear that CHIMP has significant resources. Why then does CHIMP make so many thousands of meaninglessly tiny gifts?
- What is the source of funds for the thousands of very tiny gifts made by CHIMP?
- Why were there hundreds of stale-dated disbursements for \$15 during 2014 and 2015?

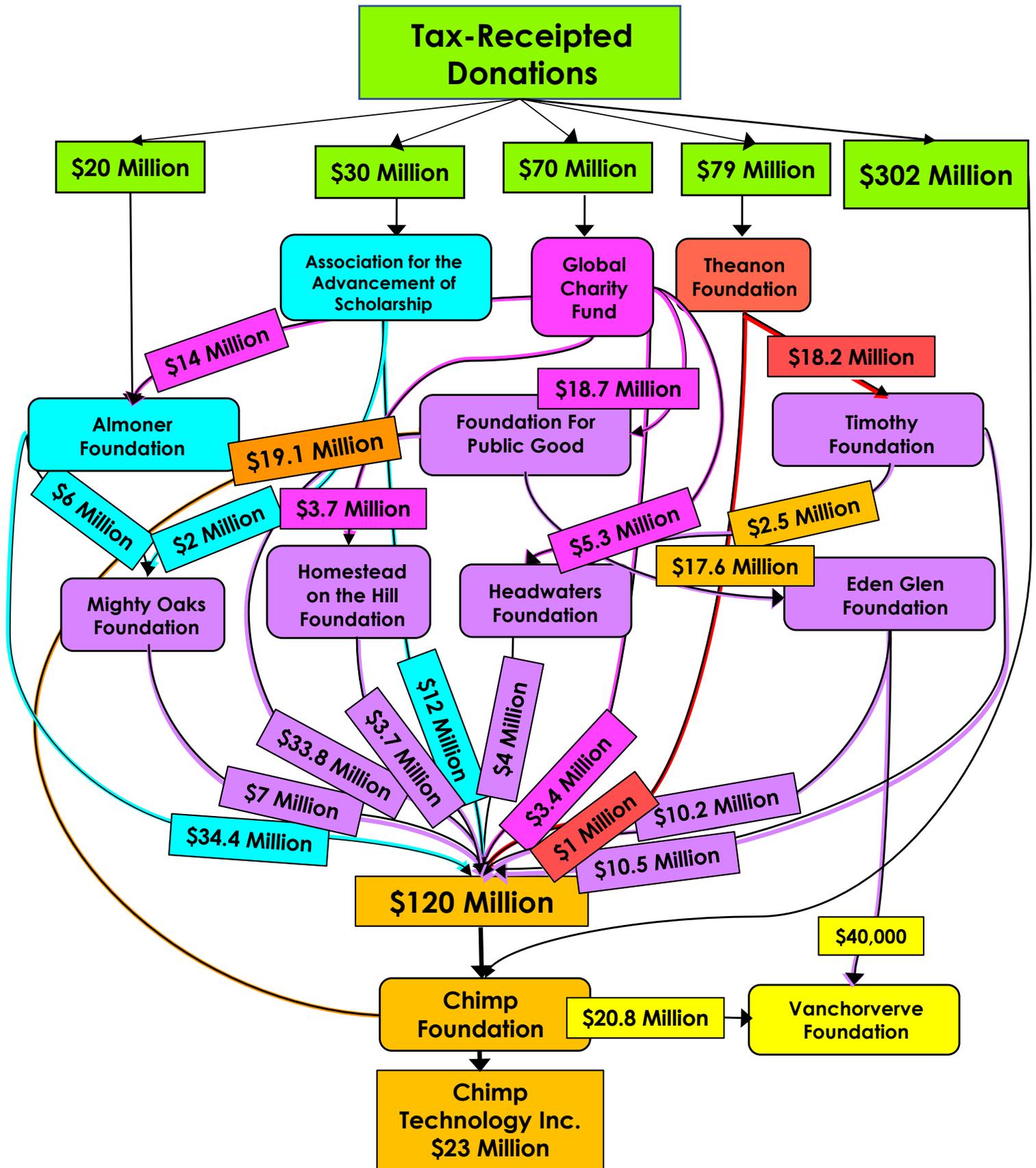
¹ The \$12.8 million paid in 2018 consisted of \$7.3 million for Technology Transaction Services and \$5.5 million for Human Resources and Business Services.

The Combined, Total Assets, Revenue & Expenditures (2000-2019) of The Bromley Charities Involved in the Early Development & Start-Up of Quest University: A Rough Overview



Source: This figure was compiled from the publicly available Canadian tax returns of these organizations: The Stewart & Marilyn Blusson Foundation, C & R Foundation, Loyalty Foundation, Theanon Foundation, Canadian Education Forum, Sea to Sky Foundation, Association for the Advancement of Scholarship, HSEF Renaissance Academy, Howe Sound Samaritans Foundation, QUC Residents Housing Foundation, Global Charity Fund, Almoner Foundation and Prescient Foundation. **Six of these charities are now closed. The tax returns for their last months are not available therefore final information for these charities is incomplete.**

How \$120 Million in Tax-Received Donations Was Gifted To CHIMP



Source: This figure was compiled from the publicly available Canadian tax returns and financial statements of the charities mentioned here. Note that in addition to receiving \$33.8 million from Foundation for Public Good, CHIMP also gifted \$19.1 million to Foundation For Public Good.