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January 6, 2011

To: Mr. Joel Solomon, President of Endswell, Vice-Chair of Tides Canada
Mr. Ross McMillan, CEO & President, Tides Canada Foundation

Mr. Solomon & Mr. McMillan,

RE: Corporate stocks and bonds of the Endswell Foundation and other investments

Noting that the Endswell Foundation has granted at least \$12 million to Tides Canada and that Endswell has had investments in gas companies and in a subsidiary of TransCanada (Nova Gas Transmission), I am writing to inquire as to whether Endswell and Tides Canada may have or have had conflicting or competing interests over roughly the same period that Endswell and Tides Canada have been funding efforts for a continued moratorium on oil and gas development in British Columbia.

As before, I am writing to you as a concerned member of the public. As I believe that this is a matter of public interest, I will be posting this letter at my blog: www.fair-questions.com.

On the accompanying pages, I have listed my specific questions and the observations on which my questions are based. In particular, I would like to inquire about:

- Endswell's corporate bonds in gas companies (Nova Gas Transmission, Consumer Gas Ltd. and BC Gas), corporate stocks, and investments held by Genus and Real Assets which, if I'm not mistaken, is at VanCity.
- The severe fluctuations in the value of Endswell's corporate stock and program investments, eg. from \$8.9 million to \$271,207 in 2009 alone.
- The bequests and gifts for \$3.4 million that Endswell received in 1997 that had to be held for not less than ten years.
- The asset ("ENVIRONMENTAL PROTECTED PROP.") that Endswell had and that was worth \$6.7 million, where that originated, and what became of it.

I also note that the Rockefeller Brothers Fund has had investments in the energy and pipeline companies over the same years that RBF paid Tides Canada for a web-site about "Oil Sands Tourism," and funded other organizations "to prevent the development of a pipeline and tanker port."

As before, if I have stated anything that is factually incorrect, or if I have missed any important points, please let me know. I can be reached at 604.618.8110.

Sincerely,
Vivian Krause

**Corporate Bonds, Corporate Stocks and Other Investments and Other
Assets of The Endswell Foundation (1997 - 2009)**

A. OBSERVATIONS:

1. \$3.4 Million not to be spent before 10 years

In 1997, Endswell received bequests and gifts totaling \$3,400,125. The U.S. tax return for that year specifies that the funds were "to be held not less than ten years."

2. Corporate Bonds

- From 1997 to 1999, Endswell reported both corporate stocks and corporate bonds in its U.S. tax returns. From 2000 to 2009, corporate stocks were reported but corporate bonds were not. Corporate stocks were from either Genus or Real Assets which if I'm not mistaken, is VanCity.
- In 1997 and 1998, Endswell reported about \$780,000 in corporate bonds named "BUNDES OBLIGATION SERIES 124," German bonds. Endswell had more invested in BUNDES OBLIGATION SERIES 124 than in any other corporate bond.
- From 1997 to 1999, Endswell reported about \$470,000 in corporate bonds named "TIDES." Next to BUNDES OBLIGATION SERIES 124, Endswell had more invested in TIDES corporate bonds than in any other corporate bonds.

2.a. Corporate Bonds in Gas Companies and a TransCanada Subsidiary:

- In 1997, 1998 and 1999, Endswell reported corporate stock in Consumers Gas Ltd., Nova Gas Transmission and BC Gas. According to on-line information, Nova Gas Transmission is a wholly owned subsidiary of TransCanada. The total ending book value of the bonds in gas companies was approximately \$470,000 and, according to my calculations, that accounted for roughly 11 percent of Endswell's total corporate bonds. In addition, in 1998, Endswell reported \$406,906 in corporate bonds named "Trans Quebec Maritimes" and in 1998, Endswell reported \$390,429 in corporate bonds in the same company.

3. Oil and Gas Moratorium Project

In 2002, Endswell paid the B.C. Environmental Network Education Foundation \$5,000 for "support for the oil and gas moratorium project."

4. Canada and Provincial Bonds

From 1997 to 1999, Endswell had approximately \$3 million (\$3.6 million in 1999) in Canada and provincial bonds. After 2000, no investments in Canada and provincial bonds were reported.

5. **Corporate Stock - From \$13.4 Million (2003) to \$51,973 (2009)**

- From 1999 to 2001, the total value of Endswell's investments in corporate stock more than doubled from \$4.4 million in 1999 to \$6.5 million in 2000 and then to \$10.9 million in 2001. Over the course of 2003, Endswell's investments in corporate stock also increased substantially, from \$8.7 million to \$13.4 million within one year.
- In 2008, the value of Endswell's investments in corporate stock declined substantially from \$11.2 million to \$4.2 million, a decrease of \$7 million (62 percent). That same year, Endswell's other assets increased from \$399,355 to \$2.4 million but of the \$2.4 million, \$2.3 million was pre-paid grants to Tides Canada. In previous years, the amount of pre-paid grants never exceeded \$400,000.
- In 2009, the value of Endswell's investments in corporate stock went from \$4.2 million to \$51,973. The value of Endswell's "other investments" fell from \$2 million to \$47,284. The value of Endswell's "other assets" went from \$2.4 million (mostly pre-paid grants) to \$383,067. As a result of these three substantial decreases in the value of investments in corporate stock and other investments, the ending book value of Endswell's total assets went from \$8.9 million to \$271,207 in 2009 alone. According to my calculations, this means that **Endswell's investments in corporate stock lost 97 percent of their value in a single year**. Even considering that most corporate stocks took a big hit in 2009, this seems unusual to me.

6. **Program Investments: From \$2 million to \$47,284 in a single year (2009)**

Between 2000 and 2002, Endswell reported roughly \$80,000 in "community banking deposits" and \$700,000 in "program investments." From 2003 to 2004, the value of Endswell's program investments fell to \$243,360 in 2004 and to \$223,682 in 2005. In 2006, Endswell's program investments increased in value to \$1.6 million. By 2007, program investments were worth \$2.5 million. However, from 2008 to 2009, the value of Endswell's program investments declined substantially from \$2 million to \$47,284.

7. **Property Ownership**

Over the course of 1997, the value of Endswell's "other assets" increased from \$849,795 to \$6.9 million. That same year, Endswell reported an asset worth \$6.7 million which is described as "ENVIRONMENTAL PROTECTED PROP."

B. QUESTIONS:

1. Funds to be held for no less than 10 years

Where did the \$3,400,125 originate that Endswell received in 1997? Why was it specified that these funds had to be held "not less than ten years."

2. Investments in pipeline and gas companies (eg. TransCanada)

- Were the corporate bonds named "Trans Quebec Maritimes" part of TransCanada which owns the Keystone pipeline?
- In which industries and companies are the Genus and Real Assets corporate stock that Endswell owned from 2000 to 2009? Was any of this stock in companies in the oil and gas industry?
- Are or were the TIDES corporate bonds affiliated with the U.S. Tides Foundation or with Tides Canada Foundation? In what industry are or were TIDES corporate bonds that Endswell held from 1997 to 1999?

3. The "oil and gas moratorium project"

What did the project involve for which Endswell paid the B.C. Environmental Network Education Foundation \$5,000 in 2002? In addition to that \$5,000, did Endswell provide further funds for environmental organizations to continue public pressure for an oil and gas moratorium?

4. Canadian and provincial bonds

After 2000, did Endswell entirely discontinue investments in Canada and provincial bonds? Did Endswell shift from a mix of stocks and bonds to only stocks?

5. Severe Decrease in Endswell's Corporate Stock in 2009

What are the factors that caused the severe decrease in the ending book value of Endswell's corporate stocks - from \$8.9 million to \$271,207 in a single year?

6. Program Investments

What were Endswell's "program investments" between 2000 and 2009 and why did their value fluctuate so widely, from a high of \$2.6 million in 2007 to only \$47,176 in 2009?

7. ENVIRONMENTAL PROTECTED PROP.

In the assets description "ENVIRONMENTAL PROTECTED PROP.," does "PROP" stand for property? Did Endswell acquire a real estate property in 1997? If so, which property? What became it?