

Corporate Bonds and Corporate Stocks

From: VIVIAN KRAUSE <vivian.krause@me.com>

To: joel@renewalpartners.com

Date: January 04, 2011 1:02:23 PM

Mr. Solomon,

Having taken a preliminary look at the corporate bonds and corporate stocks in which the Endswell Foundation has had investments, I would like to inquire as to whether Endswell may have or have had conflicting or competing interests related to investments in the oil and gas industry over roughly the same period that Endswell has been funding efforts for a continued moratorium on oil and gas development in British Columbia. Below, I have listed my questions and the observations on which they are based.

Observations:

- From 1997 to 1999, Endswell reported both corporate stocks and corporate bonds as part of 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 held by VanCity.
- In 1997 and 1998, Endswell reported about \$780,000 in corporate bonds named "BUNDESobligation SERIES 124," German bonds. Endswell had more invested in BUNDESobligation SERIES 124 than in any other corporate bond.
- From 1997 to 1999, Endswell reported about \$470,000 in corporate bonds named "TIDES." Next to BUNDESobligation SERIES 124, Endswell had more invested in TIDES corporate bonds than in any other corporate bonds.
- 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 accounted for roughly 11 percent of Endswell's total corporate bonds. In addition to that, 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.
- In 2002, Endswell paid the B.C. Environmental Network Education Foundation \$5,000 for "support for the oil and gas moratorium project."
- Between 2000 and 2009, Endswell did not report corporate bonds. However, Endswell continued to report corporate stock with Genus and Real Assets. From 2000 to 2001, the ending book value of Endswell's corporate stock increased by about 2.5-fold, from \$3.4 million to \$10.9 million.

Questions:

1. Were the corporate bonds named "Trans Quebec Maritimes" part of Trans Canada which owns the Keystone pipeline?

2. 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, such as TransCanada or any of its subsidiaries?
3. 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?
4. What did the "oil and gas moratorium 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 pressure for a continued oil and gas moratorium?

I would appreciate your response during the course of this week.

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

As before, I can be reached at 604.618.8110.

Sincerely,
Vivian Krause