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CHARITY SCAMS

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Fraser Milner Casgrain sued again in class action lawsuit on charity donation tax shelter scheme

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The National Post reported that "Law firm Fraser Milner Casgrain LLP and accounting firm BDO Dunwoody LLP are among several defendants named in a proposed class action that seeks more than \$300-million in damages due to a failed donation tax shelter." I think this is the 4th time that a major Canadian law firm has been sued as part of a class action lawsuit.

FMC targeted in class action suit <http://business.financialpost.com/2011/03/15/fmc-targeted-in-class-action-suit/>

Tax shelter case subject of class action lawsuit By Jamie Golombek March 15, 2011
<http://business.financialpost.com/2011/03/15/tax-shelter-case-subject-of-class-action-lawsuit/>

Here is part of a press release from the law firm handling the case:

<http://www.newswire.ca/en/releases/archive/March2011/15/c3038.html> CLASS ACTION FILED AGAINST TRINITY CAPITAL CORPORATION, BDO DUNWOODY LLP, FRASER MILNER CASGRAIN LLP AND OTHERS IN A LEVERAGED CHARITABLE DONATION PROGRAM Income Tax Credits Promoted to Participants in a Donation Program Disallowed Resulting in Tens of Millions in Losses, Lawsuit Alleges

TORONTO AND WINDSOR, March 15 /CNW/ - A class action has been commenced in the Ontario Superior Court of Justice on behalf of all persons who participated in the Donation Program for Medical Science and Technology (the "Program") offered by Trinity Capital Corporation in at least one of the taxation years of 2001, 2002 or 2003. The Program was marketed as a tax shelter that permitted participants to make leveraged donations to charities.

The lawsuit alleges that donors who participated in the Program used their own funds for a portion of the donation and were provided with the option of financing for the balance. Official charitable donation income tax receipts were provided to each donor for an amount that included the financed portion of the donation. Subsequently, the Tax Court of Canada disallowed the income tax credits claimed by the donors. As a result, the donors lost tens of millions of dollars on account of disallowed income tax credits and various other fees collected by some of the defendants.

The plaintiff, who is represented by Sutts, Strosberg LLP and Groia & Company Professional

Corporation, alleges that the defendants were negligent in designing, promoting, and operating the Program.

Sutts, Strosberg LLP has recovered more than \$1.5 billion for its clients as a result of its involvement on the leadership teams of many of the most important class proceedings in Canadian history. Groia & Company Professional Corporation is experienced in class actions and is one of Canada's leading boutique law firms focused on litigation.

Please visit Sutts, Strosberg LLP's website (<http://www.strosbergco.com>), Groia & Company Professional Corporation's website (<http://www.groiaco.com>) and the Trinity Capital Corporation class action website (<http://www.trinityclassaction.com>) for more information the Trinity Capital Corporation class action.

For further information: Jay Strosberg Sutts, Strosberg LLP 519.561.6272 or 1.800.229.5323, ext. 8272 jay@strosbergco.com

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