

CHAPTER 2

WHAT HOGS DO.

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Many of us have seen them; several of us have behaved like them; a hog. There are many people that could be classified with hog mannerisms. Road hogs, grocery isle hogs, doorway hogs, sidewalk hogs, bus seating hogs, parking space hogs, which is my biggest peeve about them. Just the other day while trying to find a parking space in a packed filled grocery store parking lot there was this canary-colored SUV taking up two spaces. Suddenly, several blasting ugly words came out of my mouth venting my frustrations over this parking space hog's mannerisms.

If there is one thing in common real hogs and people with hog mannerisms have, it's a small thing called greed. Pig farmers usually separate their hogs from their piggies at mealtime because the hogs will steal their feed. Piggies, though, are much different from hogs. Pigs are clean, pigs are social, pigs are clever and intelligent, not like those hogs who only think for themselves and could give a rat's ass for the well-being of others.

Piggies are loyal and trustworthy; children learn at a very young age the values of trust with their savings put into a piggy bank. They know it will remain safe and secure because pigs do not steal. Hogs, on the other hand, are a completely different breed. They'll take whatever they want the second they have a chance and use it as they please without an ounce of conscience, even if it's their own piggies' property.

Hogs are always dirty and live in filth, others are left cleaning up their mess. When the prodigal son spent all his inheritance he demanded from his father, the only way he could find a way to eat was to take a job from a farmer washing hogs and their disorders.

Turning to our main characters over hog mannerisms are John Davies and Walter Thompson. Both are commercial developers and are borrowers of Tier 1 Syndicated Mortgage Investments (SMI's) raises. There were (11) projects the developers borrowed from Trustee Corporations acting on behalf of SMI investors. Davies controlled (6) of those projects while Thompson controlled the other (5) in which Davies was in partnership.



Davies



Thompson

We asked via text messages with Davies and Thompson if they had any behaviors regarding hog mannerisms.

Reply messages from John Davies said he is always respectful of others. His partner Walter Thompson disagrees, especially when it comes to paying people money he owes when he has it to pay them back.

“Davies never repays his debts. He’s got a long track record of that,” Thompson texts back.

Davies states, “Thompson has many disturbing disorders; a hog is one of them too. If there was a dollar left over after an equal split, Thompson would demand it should be his.”

It appears both partners see each other’s flaws, but not some of their own.

“They’re acting like greedy pigs”

Both Davies and Thompson’s hog mannerisms make them angry at each other.

Researcher and psychologist Jeremey E Sherman Ph.D. suggests, “spotting other people’s flaws makes us forget ours.” When angry over others’ behaviors we draw a sharp contrast between ourselves and those that angered us,” Sherman suggests.

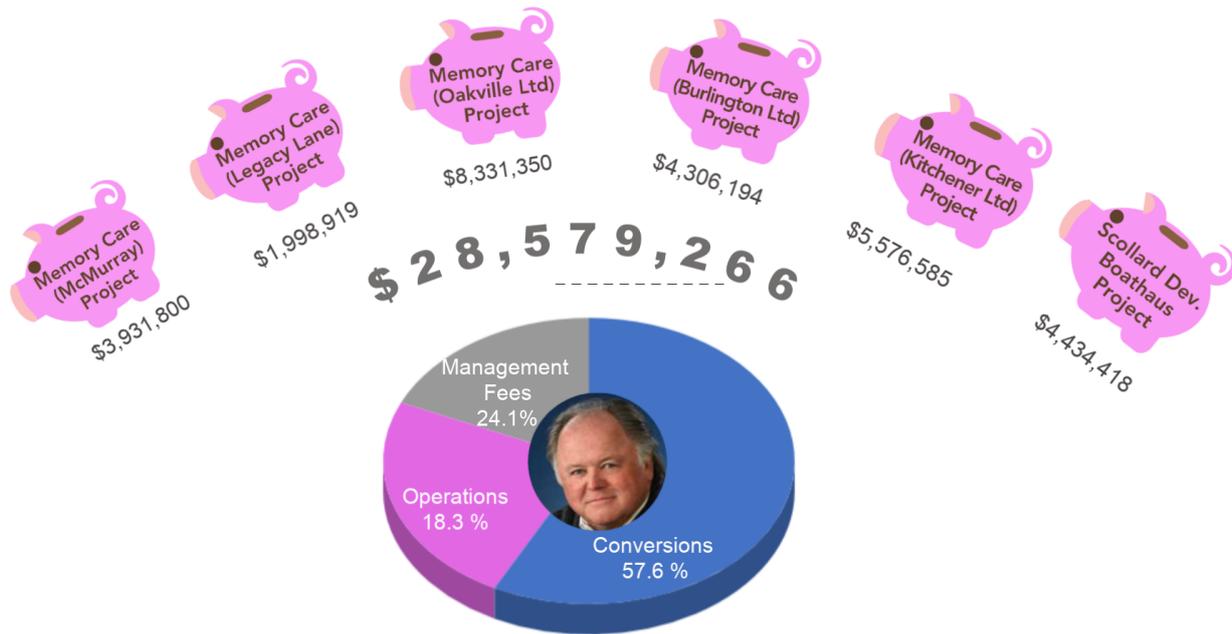
Sherman points to several statements he hears all the time. “They’re acting like greedy pigs,” the crowd shouted about certain politicians, losing for the moment all access to memories of times when they too had indulged at other people’s expense, Sherman points out as one of them. This is a prime example of Davies and Thompson attacking each others’ flaws on hog mannerisms.

It’s a state of denial we don’t want to admit to about ourselves, and we blame others for our negative emotions, research suggested by Carl Alasko Ph.D.

Meanwhile, taking a deeper look into the developer’s activities in the manner of controlling their respective commercial development projects reveals some disturbing issues at the higher end of the behavioral scale.

The following financial information was taken from the Projects General Ledgers and prepared without audit and subject to adjustments and are inconclusive, and other pertinent information has not been made available to confirm their accuracy. Therefore, caution to readers interpretations is advised. Other personal information was obtained through interviews and other search records along with a legal professionals’ overview on contractual agreements. Writer’s commentary is merely a connection opinion.

An overview on hog mannerisms turns into a living hell for Tier 1 Syndicated Mortgage Investors with the Davies-Thompson developments.



The above pie chart represents Tier 1 Syndicated Mortgage investment proceeds and other receipts deposited into bank accounts for the six development projects to cover those projects' developments soft costs.

Hog faced Davies was the controlling mind of those individual project's operations and had complete control over the bank accounts. Just over 57% of the overall project's cash flowed out of the bank accounts unrelated to that project's operations development costs as conversions the investment funds were to be used for.

While the total amounts are accumulative, meaning several transactions adding up to their totals suggesting hundreds of illegal conversions transactions occurred by the hands of Davies. Some of those transactions happened just days after the proceeds landed into their bank accounts.

For instance, Memory Care Burlington, an Alzheimer's development project, received \$1,848,833 net Tier 1 Syndicated Mortgage Investors proceeds into its bank account on May 22, 2015. On May 28, 2015, Davies moved \$1,000,000 to a parent company he controlled with his partner Walter Thompson.

Approximately two months later, Memory Care Burlington had **\$2,333** of the Investors proceeds left over in its bank account. The bulk of the balance remaining after the \$1,000,000 went out to other projects' bank accounts for other purposes not intended for the Memory Care Burlington project.

Davies admits to these transfers, but denies they were done improperly. “These transfers to other entities, Thompson’s and mine, were to cover other operations costs associated to the developments, like office overhead, rent, executive and general salaries.”

A General Ledger review over this other entity Davies and Thompson controlled over the \$1,000,000 Memory Care Burlington transfer shows the deposit going into the other entities’ bank account on 2015-05-29, but jaw-dropping disbursements of Burlington’s deposit shows that \$278,686 went into Davies’ and Thompson’s pockets, including \$65,612 to Nova Jet, an unknown expense, while \$71,500 went to Textbook Ross Park, one of Thompson’s development projects, \$10,594 in travel expenses and, \$600,000 in land deposits for upcoming other development projects leaving a deficit cash balance that was covered by yet another \$200,000 from a Burlington entity - 170 Ontario Ltd.

By its appearances alone over these massive disbursements intended for operations costs, hog mannerisms include contradicting intentions.

Davies paid management fees to himself, family members, and another executive. Also, an additional \$935,000 went to pay Davies’ mortgage payments on his personal residence that flowed out from the (6) projects’ bank accounts totaling \$6,890,372.

By the time Davies got through with these conversions, there was very little left for actual legitimate development costs. It appears from the conversions pattern Davies was operating these (6) projects bank accounts as though they were lenders to other projects and entities Davies and Thompson controlled. Apparently, hogs love to slaughter.



Hogs have an innate ability to justify their actions by the approval of others with hog mannerisms. Davies asserts most of his transactions with Investor proceeds were approved by the lender that loaned him the SMI's investors' money. Other records indicate a few of those conversion transactions were facilitated by Davies' lawyers and that the lender of Syndicated Investor funds was aware of those conversion transactions.

A clause in the mortgage agreements the borrowers agreed to indicates, they obtained all the necessary licenses, approvals and permits to build their commercial projects. Other records show Memory Care Oakville, Memory Care Burlington, Memory Care Kitchener under Davies' control and, 555 Princess, 525 Princess, 774 Bronson and possibly 445 Princess under Thompson's control mentioned below had not obtained permits on these projects.

A well-known Toronto, Ontario commercial real estate lawyer, David Franklin mentions, "This is a material misrepresentation. The lawyer acting for the investors had no legal authority to advance funds as these terms were not complied with."were not complied with."



**"No lender would ever mortgage a property over exceeding the land values to the mortgage amounts"
David Franklin**

Loan agreements also state that the funds were for the project for which they were advanced.

These agreements were signed by the borrowers, so the borrowers knew of these terms as did the Trustee (the lenders) and their lawyer.

Other agreements between the Trustee Corporations (the lenders) and the Syndicated Mortgage Investors (The Participation Agreement) where it comes to major decisions "the bare trustee shall not agree to or implement any Major Decisions unless the Bare Trustee has approval from the Ordinary Lenders."

There are no records discovered the lender had approval from the investors to grant these conversions of Davies over his (6) development projects of which he was in control.

Seemingly, hogs co-conspire with each other and Franklin agrees.

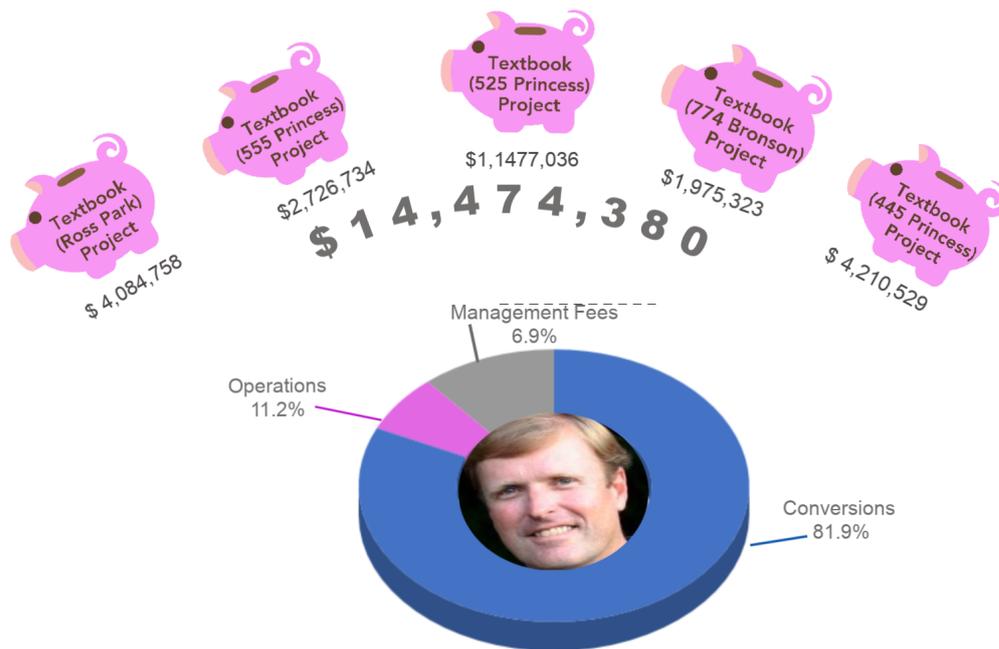
"All parties involved, the lender, the borrowers and their lawyers were co conspirers with Tier 1 Syndicated Mortgage Investments misuse of investors proceeds."Tier 1 Syndicated Mortgage Investors were disclosed fees amounts that were to pay brokers, agents' commissions and Tier 1's fees.

Records indicate Tier 1's Director who acted on behalf of the investors with Trustee Corporations who would mortgage loan investors funds to the borrowers received an additional \$892,797 in fees paid to Tier 1 and, \$992,755 in other fees paid to a company the Tier 1 Director controlled. These amounts were paid from the total (11) development projects under Davies' and Thompson's control that were paid out of the proceeds of investors' proceeds from the borrowers' lawyers' trust accounts.

Other records indicate Davies lived a lavish lifestyle, with a couple of Porsches parked in his driveway, a 3,000 square-foot cottage in Huntsville, another cottage in Arizona, and hundreds of thousands of dollars in fine art hanging on his walls.

While Davies has no vices with the three 'B's (Babes, Booze and Bets), keeping his hog pens extravagantly decorated turned into an uncontrolled need. This is one person with hog mannerisms you wouldn't want near your piggy bank.





“Smiling faces sometimes tell lies.” From the lyrics| The Temptations.

Smiley faced Thompson is a Chartered Accountant and was the controlling mind of five Textbook Student Suites. Initially, he furnished us with all the Projects Financials, including Davies. They appeared legitimate, but other records indicate this man is a magician when it comes to the numbers of the General Ledgers.

The above pie chart represents Tier 1 Syndicated Mortgage investment proceeds and other receipts deposited into bank accounts for the five Textbook residential suites development projects to cover that project’s developments soft costs. Then suddenly, poof, 81.93% of those proceeds flowed out of the banks unrelated to that project’s development operations costs as conversions the investment funds were to be used for. While fees to management were low, there was hardly any money left over to further the project’s developments.

As the same as Davies projects, the total amounts of conversions are accumulative. However, what is most startling with this man Thompson is his qualifications as an accountant, his position of trust and, being in the know of what is right and wrong when it comes to managing money.

Where it comes to the conversions of money from Syndicated Mortgage Investors, his behavior raises up the higher end of the spectrum over these illegitimate conversions.

Thompson asserts, “Textbook’s loans agreements are different than Davies’ loans agreements; my projects allow the use of SMI Mortgage advances for other purposes while the projects are in a stand still position.”

Toronto Lawyer David Franklin disagrees arguing, “the loan agreements also state that the funds were for the project for which they were advanced.”

There is a clause in Textbooks loans agreements where advances may be used to earn an interest income while the projects are at this so-called stand still stage.

A review of one of the Thompson’s Textbook conversions shows:

- Textbook Ross Park received on 2015-07-15 and 2015-08-21 totaling \$3,794,357 advances of SMI Mortgage Loans.
- Thompson disbursed, \$1,540,000 to an entity both he and Davies controlled, disbursed \$235,000 to some of Davies’ projects, over \$1,300,000 to a future project’s land costs and their expenses.
- Records indicate none of these transfers went to an entity producing an income to earn an interest for this stand still project.
- Another \$497,200 went to Davies and Thompson in management fees.

Franklin’s other point during a telephone interview is, “these advances should have never made, permits were not obtained.”

None of the (11) Davies-Thompson development projects had any revenue to pay back conversions going out from the projects except for HST/GST refunds.

While projects received money coming back to them, they were conversions from other projects, the overall accumulative conversions amount represents robbing Peter to pay Paul.

Thompson keeps his personal life private, but records show his assets include two expensive vehicles, a \$2-million personal residence and the ownership of an island in Gravenhurst, Ontario.



His debt load is off the charts; a possible mirage going on here?

Combined totals between Davies and Thompson show \$43,053,646 in net proceeds were deposited into the (11) development projects they controlled that was to be spent for those projects' developments, however, \$28,315,104 left the projects' piggy banks as conversions to other projects and entities Davies and Thompson controlled.

In other words, 65.76% of their operations wasn't in the commercial development project business; their primary functions appear to be on the other side of the law which an investigation is now under way. None of these assertions have been proven in a court of law. Approximately, 24% of the net proceeds went into management's pockets leaving a fraction spent for developments.

The ultimate message of this short story is twofold. All of us at some point in our lives behave with hog mannerisms. We need to look at our mannerisms and behaviors, and when it gets out of hand, we can hurt others.

To say the least, this is what hogs do.

“Why do you see the speck that is in your brothers' eye, but do not notice the log that is in your own eye?”

Jesus Christ.

Michael Laliberte.