

RCI improperly risked immigrant investor escrow funds by holding them in its Vancouver corporate account

It's public knowledge amongst prominent Taiwanese immigration agents and others that for a period in 2007, John Park recklessly risked numerous immigrant investors' \$120,000 Federal Immigrant Investor Program (FIIP) deposits by holding them in the private corporate account of his Vancouver company RCI Capital Group Inc. (RCI) instead of an insurance protected escrow account in his Montreal-based Renaissance Capital Inc. Renaissance, also wholly owned by Park, was the company investors signed their FIIP investment agreements with. It is a self-regulated member of both the [Investment Industry Regulatory Organization of Canada](#) (IIROC) and the [Canadian Investment Protection Fund](#) (CIPF) whereas RCI in Vancouver is a private non-reporting corporation. Renaissance President Sylvain Payette did nothing to stop these investor 'escrow' funds from being diverted away from Renaissance to the Vancouver corporate operating account controlled by his boss John Park.

A senior executive of RCI, SVP Sean Riley, only found out details of the practice in late 2010, the year he had moved from Vancouver to Beijing and taken over marketing duties as the Managing Director for RCI Group operations in China and Taiwan (and a concurrent role as SVP of a RCI joint venture with an American investment firm). Riley visited numerous agents in Taiwan and it was the first time a RCI representative had visited the territory since December 2007. Several agents, including the owner of Taiwan's largest agency, told him about the 2007 escrow issue and said it was a major reason why most Taiwanese agents (who operate under strict Taiwanese government regulations protecting consumers) had stopped sending clients to RCI in 2007. Riley thought that it was certainly prudent thinking to be protective of one's clients' interests. He even congratulated the owner of Taiwan's largest agency for his integrity and being careful to do the right thing for his client's welfare. They had a very long talk about the matter.

Riley thought it best to frankly admit to any who asked that he did not know why the practice had occurred, that he agreed it was a bad idea, and that with a lesson learned, it was not being done anymore. He explained that all FIIP escrow funds were once again being held only in Renaissance Capital's Montreal escrow account where they were protected under the auspices of the CIPF. Several agents expressed relief of this news and said they would either recommence doing business with RCI or at least consider switching to the company.

How soon after John Park bought RCI in June 2006 he started diverting some escrow funds to Vancouver Riley did not know. In late March 2011, while on a trip with Sylvain Payette to Taiwan, he took the opportunity to ask Payette why he allowed Park to divert the escrow funds to Vancouver for the FIIP. Payette confided that he was pissed at Park about it but there was nothing he could do. Riley also later determined this issue was a major contributing factor as to why both RCI's Vancouver-based Taiwan marketing manager Chloe Wang, and soon after, Renaissance's Montreal-based Senior Legal Counsel and in-house lawyer Denis Buron, would both quit RCI in early 2008. Buron, in fact wrote a scathing resignation letter to Park and Payette saying he had to quit because of what he found out about RCI.

RCI reverted back to depositing escrow funds in Renaissance only after considerable complaints from long-time agents and a noticeable loss of new clients. Luckily for the investors, John Park didn't lose the 'escrow' funds while playing with them and his private Vancouver company did not become insolvent while these funds were at risk.