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Everything was going according to plan for Cindy and Larry Stevens.

For 35 years, the stay-at-home mom and her maintenance worker husband planned for an early retirement. In 2005, they sold their Mississauga home and bought a small lakefront cottage in Peterborough, where they also purchased a nearby house for their daughter, a single mom.

Life was perfectly on track. Until they decided to invest.

Flash forward seven years and today, the retired couple is \$300,000 in debt and have just \$14 left in their bank account. They will soon be forced to sell their daughter's home, which means the single mother and her three kids will have to move into the Stevens' three-bedroom bungalow.

The couple can no longer afford groceries and their 25-year-old son is paying their hydro bills. And after spending just a year and a half in full retirement, 58-year-old Larry Stevens is now looking for a job — any job.



Jason Laramée, seen here on his wedding day in 2005, had developed a real estate scheme that promised big returns for his investors. It all started to unravel last year, leaving a trail of devastating financial losses.

"We really watched our money. We paid down everything we own to get to retire early," says an incredulous Cindy Stevens, 53. "He's devastated us. He just totally devastated us."

The "he" Stevens is referring to is Jason Laramée, a 38-year-old real estate entrepreneur from Oakville.

Over the past seven years, the Stevenses invested hundreds of thousands with Laramée — as did several relatives, a neighbour and 64 other creditors who placed their trust in the respected local businessman and family man.

But today, 71 creditors know Laramée to be a convicted criminal in the United States and the person they blame for their financial ruin. The Stevenses and 19 other creditors are now suing for at least \$3.5 million in damages, alleging fraud, conspiracy, breach of contract and many other wrongdoings.

According to a statement of claim filed with the Ontario Superior Court, Laramée and several co-defendants have committed "calculated and heartless fraud" and "wrongfully used the amounts invested/loaned for the purpose of making a secret profit." The defendants — Laramée; his corporations; his wife, Renata Schumaker; three former employees and a "close associate and confidante" — were supposed to be served with their papers this week. The allegations have not been proven in court.

Laramée has not responded to repeated interview requests from the *Star*.

But the three former employees, accused of "receiving kickbacks from Laramée" and being "willfully blind" or negligent, say they have nothing to do with any alleged fraud or wrongdoing. They believe they are being unfairly targeted because of their friendship or professional association with Laramée.

As for Schumaker, who "wrongfully received and misused" investors' money, according to the statement of claim, she also maintains her innocence, says her lawyer, Douglas Burns.

"Renata's a homemaker, a housewife, she's not involved directly in the business," Burns says. "Being named in a lawsuit doesn't necessarily mean you had anything to do with anything."

The first sign of trouble came in late January, when the Real Estate Council of Ontario (RECO) inspected Laramée's Oakville-based real estate brokerage Brekland Realty Group. They found hundreds of thousands of dollars missing from the company's trust account.

Laramée and his broker of record, Matt Cappuccitti, have been charged with several provincial offences under the Real Estate and

Business Brokers Act.

On Feb. 2, Brekland's registration was also suspended, stalling some 100 ongoing deals and leaving the company's 213 real estate agents unable to work.

That same day, Laramée bankrupted his other company, RBL Capital Corp.

RBL is where the Stevens and dozens of other creditors had been investing in what they believed to be second mortgages and short-term loans. (Laramée also owns a company called RBL Capital Inc., but both corporations operated from the same location and acted as one, according to investors).

RBL now owes just under \$9 million to 71 unsecured creditors, according to bankruptcy documents. But nobody seems to know where the money has gone — not even an appointed trustee, who told creditors in February that he visited RBL's headquarters and could not find several cabinets, bank statements and files, including the registry of mortgages.

Halton police confirm they have launched a criminal investigation, but it is too soon to know whether charges will be laid, says Det. Const. Keith Nakahara, of the fraud unit.

"What is clear is that there is a very broad spectrum of victims and there are sizeable losses," Nakahara says. "It will be a lengthy investigation, for sure."

Creditors like Cindy Stevens cannot afford to wait for long, however. She and her husband exhausted their \$300,000 line of credit to invest with RBL.

She is haunted by the question many creditors are now asking themselves: What were we thinking?

"I feel so stupid that I put our family into such a bind," she says ruefully. "We truly, truly believed this man."

As creditors grapple to understand the sudden wreckage of their lives, many cannot help resorting to clichés. Hindsight is 20/20, they sigh miserably, and they believed in something that was too good to be true.

Many now recognize that they failed to do their due diligence before investing. Why did they not ask more questions? Demand to see more paperwork?

"Greed is obviously number one on the list," admits one investor. He asked not to be named for fear of tarnishing his professional reputation.

"I go back on some of the emails I've had with (Laramée) and I think to myself: 'What the hell was I thinking? The emails were just reeking of desperation.'"

People say they liked Laramée, a kind of guy-next-door and devoted father of two young children. But today, many realize how little they actually know about the man.

It was not widely known, for example, that Laramée once owned a company called Brethren Venture, which was shut down by the province's tax branch in 2008.

And most creditors had no idea that Laramée once went by the alias Jason Steele and was convicted in the United States for his role in an international telemarketing fraud.

In the late 1990s, Laramée was one of 48 people and 11 corporations charged in a six-year joint investigation by the RCMP and the U.S. Postal Inspection Service. According to newspaper reports, the scam bilked thousands of American investors of more than \$52 million and involved selling phony gems to unsuspecting buyers.

In February 2000, Laramée pleaded guilty to conspiracy to commit mail and wire fraud. He served nine months in a low-security jail in Pennsylvania.

One year after his release, Laramée was back in Ontario and starting over. He incorporated his company Brethren and, two years later, created his two corporations under the RBL banner. He married Schumaker in 2005. One year later, he started yet another company, called Monster Realty Corporation, which eventually became Brekland Realty.

RBL — which Laramée named after his son's initials — provided mortgage brokering services but also offered investment opportunities in

second mortgages and short-term loans.

The offers were attractive: 12 per cent returns, a guarantee of 30 days to get your money back, and an investment that sounded secure.

"We thought this was 100 per cent guaranteed," Cindy Stevens says. "(If a deal went under), he would take whatever property he would give a mortgage to, repossess it and resell it. So it would never be anything coming back to us."

Investors received promissory notes, which did not offer any security on the loans, and a one-page informational sheet explaining the scheme. No other documentation was provided.

"In all honesty, we as investors became complacent," admits Larry Lefort, a former Brekland real estate agent now spearheading the lawsuit against Laramée. "Our cheques were coming in; we were getting good returns on our money. There were no hiccups until 2011."

The 63-year-old invested half a million dollars with RBL. He made attempts to secure his investment shortly before RBL went bankrupt, however, by going online and registering a lien on Laramée's company. While the move has prompted some suspicion, Lefort says he was only acting on instinct, having sensed something was amiss once RECO began investigating.

The Stevenses, and their relatives, stand to lose \$877,000 between the seven of them.

They invested because Laramée's companies were reputable and his investments sounded secure. But mostly, they trusted Laramée because he came recommended by their own relatives.

The first in the family to invest was the Stevenses' nephew, Mark Rao. In 2004, Rao met Laramée's wife at a Scotiabank branch where he was working and Laramée called him soon after to offer him a job.

Mark Rao says he never saw any problems while working for RBL and left the company in June 2010 after suffering a nervous breakdown from being overworked.

But by then, Rao had already hooked several relatives into investing. Today, nobody blames him, but Rao cannot help feeling guilty.

"I have to watch my family lose everything," he says, his voice breaking. "To a certain degree, I don't care if I get my money back, man. But my uncle is going to lose his house, my brother's going to lose his house. I'm watching my family lose everything because of this."

Rao personally invested \$235,000, a loss that threatens to cripple his business. His younger brother, Steve, invested \$167,000, which he planned on putting towards a home. The Rao brothers, both in their 30s, have recently been forced to move back in with their parents.

Their 50-year-old cousin also invested \$75,000. The IT worker — who asked not to be named for fear of jeopardizing his job — says he planned on eventually putting the money toward a new business venture, which will now be delayed. He also introduced the investment to his elderly parents, who stand to lose \$25,000.

Rao's mother, Lynda, on the advice of her son, invested \$75,000.

Lynda Rao is a real estate agent who started working for Laramée in 2006 — her son had recommended her for a job at Brekland. Rao says she helped grow the company from a struggling upstart to a thriving real estate agency with more than 200 brokers and three locations.

Rao had never invested before in her life. But she says she trusted Laramée, who she thought of as a third son.

"He said, 'You're like my mother,'" she recalls. "I would have done anything for him ... (and) the company."

As the interest payments continued to roll in, it became increasingly easier for investors to give Laramée more and more money.

The Stevenses invested five times since 2005, when they were first introduced to RBL by Mark Rao.

Their first was a \$50,000 investment, offering 12 per cent interest. Laramée gave the Stevenses postdated monthly cheques, which they never had any problems cashing.

Four years later, they asked Jason for \$20,000 back so they could add a small addition to their house. Again, no problems.

In September 2010, Laramée started approaching the Stevenses with what he called "quick flips" — short-term deals he only gave to close friends and family, offering even more stellar returns.

Drawing from their line of credit, the Stevenses gave Laramée \$100,000. After three months, he paid them \$5,000 in interest and asked if

they wanted to roll the money over to another investment; this went on for two years and they always said yes.

Laramée approached them three more times offering quick-flip investments: In April 2010 (they invested \$90,000), August 2011 (\$50,000) and then last October, when Laramée approached them a fourth and final time.

He wanted \$80,000. This time, the Stevenses hesitated. They had no more money left on their line of credit.

"He said, 'Cindy, I haven't served you wrong yet, have I?' He said, 'I promise, it's only for three weeks,'" she says. "So, we took the money out of our goddamn last savings account and we gave him the \$80,000."

Their investment was due back in November. But this time, when they demanded their money back, Laramée started making excuses.

Creditors say that in the final months of 2011, Laramée hooked several new investors, including Pauline Golebski, a 61-year-old widow from Peterborough.

The recent death of her husband left her in a precarious financial situation, so Golebski turned to an investment opportunity she once heard about from her neighbours, Cindy and Larry Stevens. In October, she gave Laramée \$50,000 — the entire payout from her husband's life insurance plan.

On Dec. 20, Laramée sent Lynda Rao a desperate email.

"I am in a real bad spot. Anyway (sic) I can borrow 45,000.00 this morning?" he wrote. "As a friend can you please help. I will have it back within 30 days."

She agreed. Laramée responded "U saved my ass. Thanks. Xoxoxo."

Shortly after, she and the other creditors learned that Laramée had been checked into a hospital, reportedly for an attempted suicide. He was charged by RECO not too long after.

At a creditors' meeting on Feb. 21, a casually dressed Laramée showed up with his lawyer and black bandages over his wrists. Creditors say he kept his eyes downcast and occasionally sipped his Tim Hortons coffee, refusing to answer any questions.

"My husband (said), 'You knew us. We were clients of yours since 2005 and you've put us to the point where we have zero money, not even grocery money,'" Stevens says. "My husband — a lot of people will say he's really hardnosed but, you know what, he broke down in tears talking to Jason."

Laramée has since laid low and did not attend his first two appearances in provincial offences court. At his Oakville home two weeks ago, nobody answered the door and a rented trailer and silver Hummer, registered to RBL, sat in the driveway.

Trustee James Graham says the bankruptcy process could take several years to conclude. Many unanswered questions remain, and in his trustee report, Graham wrote that Brekland was "apparently" a source of revenue for RBL. Laramée's bankruptcy filing states that RBL is also owed \$5 million by a debtor located at 169 Robinson St. — the registered address for RBL.

Meanwhile, the creditors have become a fractious group, with some even starting to suspect each other. And at the end of the day, there could be no money left for any of them, Graham says.

"There's a process, unfortunately, and the wheels of justice often turn very slowly," Graham says. "That's the nature of the process of insolvency."

The 20 plaintiffs on the lawsuit will now be seeking a court injunction to stop Laramée and his co-defendants from unloading their assets.

Laramée and his wife live in a \$2.3-million home on Lakeshore Rd. in Oakville. In October, the couple also put \$800,000 down on a \$3.7 million cottage in Muskoka, which they bought from developer Howard Sokolowski, the former Argonauts co-owner and husband of Senator Linda Frum.

But Laramée and his wife recently put their Oakville home up for sale and in late February, the couple sold three of their properties (including RBL's headquarters) to their second mortgagors.

Laramée also still owes "a lot of money" on his recent Muskoka purchase, according to Sokolowski.

Sokolowski — who says he only met Laramée briefly when he came to inspect the property — took back the mortgage on the cottage at the point of sale and has also staked a \$350,000 claim on Laramée's Oakville home.

As for Cindy Stevens, she just wants to know where her money has gone — and how she can get it back.

“I’m so embarrassed that I’m in this position,” she says. “I’m embarrassed that I need someone to give me food.”

Stevens feels she has no choice but to pursue legal action. Her family cannot just sit idly by and wait as they lose everything, she says.

“We can’t just let him walk away with our life, we can’t,” Stevens says. “We just can’t do it.”