

Sean Riley

From: Sylvain Payette [spayette@rcican.com]
Sent: Thursday, May 19, 2011 10:19 AM
To: Sean Riley
Cc: jpark@rcicapitalgroup.com
Attachments: Resend FW: Requiring Action - Re: Jenny Huang (428 KB); URGENT ACTION NEEDED Re: CAC client - WANG Li Ming (68-0312) - Big Group... (84.0 KB)

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: Yellow Category, Purple Category, Red Category

Hi Sean,

John and I have read your emails carefully and discussed their content today. We have decided that I will be coming to Beijing with Arthur and address these administrative issues once and for all so you can focus all your effort on sale and marketing. Arthur will be landing next week and I will soon communicate my date of landing.

At this time, please refrain from arguing anymore with Jenny. If you need immediate assistance with anything, send me an email or call me and we will address it.

Regards,

Sylvain Payette, CA

President

Renaissance Capital Inc.

☎ Telephone: (514) 842-3666 Montreal

☎ Toll free: (866) 724-2271

☎ Mobile: (514) 865-9838

☎ Fax: (514) 842-5666

www.rcican.com

www.rcifpp.com

No virus found in this message.

Checked by AVG - www.avg.com

Version: 10.0.1375 / Virus Database: 1509/3646 - Release Date: 05/18/11

Sean Riley

From: Sean Riley [sriley@rcichina.com]
Sent: Wednesday, May 18, 2011 11:48 PM
To: John Park (jpark@rcicapitalgroup.com); 'Sylvain Payette'
Subject: URGENT ACTION NEEDED Re: CAC client - WANG Li Ming (68-0312) - Big Group of former CAC staff going after Alex Li

Categories: Yellow Category, Red Category

1] As per 'heads-up' conversation with Sylvain tonight, Paul Li and I got visit from Peter, the CAC branch manager who just sent us client funds for investment. It was another case of a CAC franchise branch being owed money by Alex Li and coming to agreement with Alex to pay monies owed before they would send us client for investment.

In this case, one of the former branch staff paid off had since moved to Beijing and tipped off all the former CAC Beijing China Operations Office staff that this one branch was successful in being paid by Alex. This group had appointed a guy called HU Huimin (胡会民) as their legal representative to go after Alex.

The group apparently consists of dozens of former CAC BJ CP and administration staff whom Alex allegedly stiffed for months of salary and commission. This is nothing we haven't heard before. I have not contacted this Hu and suggest we try to stay out of it as best as possible however these persons are holding a trump card that could potentially cause significant problems for RCI by association.

This Hu guy has threatened the branch manager that first of all, RCI should temporarily withhold any commission owed to Alex. The branch manager showed us SMS from this Hu guy saying the big group of Beijing owed money by Alex they have proof of over 100 CAC files where there was false documentation and they say if Alex does not pay them they will send this information to MICC and also implicate RCI as they are all RCI files and at the time RCI was owned and controlled by CAC Group. They also threatened to publicize everything and try to put but RCI and CAC out of business.

MICC refers to the Quebec government's Hong Kong imm. office (BIQ HK) where all immigrant investor applications filed.

I reiterated today that RCI has a problem of hands being legally tied in this matter in that if CAC and Alex Li are the signatory of RCI advisor agreement then he must be paid. RCI has not been associated with Alex Li or CAC since June 2006 and it has little influence over him. I did my best to distance RCI from Alex and said as always we are very sympathetic but they would be best to direct their attention to Alex Li as their dispute is entirely with him and not RCI.

As apparently Alex Li is now in Vancouver, I said I would contact John Park and suggest he talk to Alex. I cautioned as we have no association now with Alex that John can only seek to talk common sense to him. I tried my best to paint RCI as sympathetic to these people and distance ourselves from being the target they should direct attention to in this instance. I pointed out the fact that since 2006 separation in fact RCI has received very few CAC as evidence we are not connected with CAC or Alex Li.

I got the name of this Hu and his mobile number but did not contact him.. He has been given the message I assume that I will do as I described above and that is that I would do my best to have John park speak to Alex and influence him to settle this matter.

I suggest John or Sylvain might also speak to this Hu to get their side of story correct. Whatever you do don't give them a reason to paint a target on you otherwise today's efforts would be nil. Anyway, I leave next step in your hands. I will coordinate form this end however appropriate but take any further action until I hear from you. I think this might best be nipped in the bud if Alex can settle their grievances and leave RCI out of it. However, like it or not, the worst case scenario is these persons may have nothing to lose to doing what they

threaten if necessary. I wouldn't want to call their bluff. This is China after all and this type of thing happens all the time.

2] John, While I have your attention, I sent you recommendation that this new accountant be fired today. She is not working out at all. All of Beijing staff say the same. Yet I've gotten no response from you on this whatsoever. Is your support for this new girl hired 3.5 weeks ago, that has asked for raise 3 times and taken time off for overtime already, got caught lying twice, and that I documented everyone wants gone, so strong that you consider supporting her employment over losing loyal employees who work hard to avoid crises such as this latest one?

This girl has made it very clear to all staff that RCI is in dire financial crisis as evident by major fiscal restraints and people being fired and laid off. Staff are now nervous to travel and visit agents because they second guess if they pay all expenses of travel by themselves if maybe RCI might do to them like Alex Li did to his employees. You implemented a new policy where all staff have to pre-pay all travel expenses (except airfare) for any trip up to 5 days. Do you think anyone wants to do that? Staff are saying it is entirely unfair that they should use their own money to lend credit to company for business travel. Since Jenny arrived here and took over expense reimbursements; not one staff received any back as she sent all to Vancouver to approve. A few approved today after two week wait (despite 3 day policy) but Paul's sent back to be redone because a few petty taxi receipts were unclear in PDF.

I myself am scheduled to travel with Bob Kraft 3 cities starting this weekend but according to the new policy I must stay at another hotel than him because the company will not pay for me to stay at same hotel as RCIFPP as the Managing Director now has 800RMB cap. Moreover, as I must prepay all costs out of my own pocket, I must debate whether or not I can afford to even travel on business with him. This girl has created the atmosphere that maybe things are so bad at RCI that it is a sinking ship. When they see RCI staff growing reluctant to travel to visit them and pinching pennies when we ask them for \$800,000, maybe agents should also wonder if RCI will be around to pay their commissions. In fact just two weeks ago Charles Qi asked why RCI doesn't provide me a company car. All I could do was smile but continued and said it was cheap to lease one at least and he recommended it to show better face to agents. A lot of agents ask where our care is but I say I am thrifty and like to walk or take taxis but it provides very poor image for RCI.

This girl, who reports to no one here due to your instructions, has everyone nervous whether things are maybe so bad that RCI could go out of business soon. Her nasty attitude is entirely unsuitable to working in a company like RCI and she has poisoned the working environment. Two days ago, she even gathered the Chinese staff and declared to them all that "Sean Riley is no longer in control of any monies matters at RCI Beijing. He is also not authorized to make decisions on anyone's salaries, hiring, or terminations." Did I miss that memo where you authorized her to say that?

3] As mentioned in my email to you, my strong recommendation to fire her immediately has nothing to do with her accounting skills. Let's get rid of her and we can find a competent replacement easily. However, if she stays when all who work with her here want her gone, then we have a big problem. As I mentioned to you, Oliver Cabral said to me yesterday, "it was the biggest mistake ever to hire that girl." Matt and Paul call her the "that Bitch." Tracy says she is crazy and Jing says similar, citing her as uncooperative and complaining about her salary. No one trusts her at all. We all say the same but it seems you are not listening.

So are you going to get rid of her or not? Everyone in office knows she has openly declared war on me. She tells everyone that she has the support of both you and Arthur and goes around office like Hitler. No one wants her here and she has very negative effect on everyone.

I am busy enough with this latest big potential crisis that popped out of nowhere today and don't have time to waste with this girl. I made it very clear she needs to be fired. I reported it to you. Whatever you intended to

play out via this girl is clearly not working so I suggest it is time to end it because I assure you it's only going to get much worse and she is in a sensitive position to know all about company via the current audit.

3] Bob Kraft who landed here today. We will proceed as normal with EB-5 business while he is here but I am undecided as yet if I can afford to travel with him if I have to prepay myself and wait two weeks. You should know that the company already owes me a very significant amount in reimbursements and Linda doesn't want me to lend any more money to the company.

I hope to receive some sort of response from you soon.

Seán Riley 瑞利山,

Senior Vice President & Managing Director – RCI China 集团副总裁,中国区总裁

Email: sriley@rcichina.com

Tel:86-10-65056588/99-121; SMS/Mobile:+86.137.1821.4473; SKYPE: srileyis



From: paul li [mailto:paulli@rcichina.com]

Sent: Wednesday, May 18, 2011 7:05 PM

To: sriley@rcichina.com

Subject: FW: Re: CAC client - WANG Li Ming (68-0312) - Financing cash option

hi, Sean

Peter contacted the client already and the client agreed to wire \$1145 to us. but the problem seems not simple as we expected. as we met Peter this afternoon in our boardroom, the guy named HU Huimin (胡会民) jumped out and threatend to take any illegal actions if he can't get compensation from Alex. HU Huimin's (胡会民) cell phone: 189 8440 8777. i told peter give me the guy's email asap, once i got it i will forward to you.

thks!

Paul

----- Original Message -----

From: "John Park" <jpark@rcicapitalgroup.com>

To: "paul li" <paulli@rcichina.com>

Cc: "lko@rcicapitalgroup.com" <lko@rcicapitalgroup.com>, "sriley@rcichina.com" <sriley@rcichina.com>, "may@rcicapitalgroup.com" <may@rcicapitalgroup.com>, "achan@rcicapitalgroup.com" <achan@rcicapitalgroup.com>

achan@rcicapitalgroup.com >

Sent: 2011-05-17 13:07:35 +0800

Subject: Re: CAC client - WANG Li Ming (68-0312) - Financing cash option

We will give you 48 hrs to correct the mistake. Send confirmation that funds have been wired. John

On 2011-05-16, at 9:37 PM, paul li <paulli@rcichina.com> wrote:

hi, John