

CHAPTER ONE—The Day My Identity Crashed

Psalm 116 describes so well the state of my heart when I heard that our best product might be headed for serious trouble, but it also shows the hope and encouragement that the Word can bring to our souls! Psalm 116:3-6 says, "Death once stared me in the face, and I was close to slipping into its dark shadows. I was terrified and overcome with sorrow. I cried out to the Lord, 'God, come and save me!' He was so kind, so gracious to me. Because of His passion for me, He made everything right, and He restored me. So I've learned from my experience that God protects the vulnerable. For I was broken and brought low, but He answered me and came to my rescue!" (The Passion Translation)

Let me start by telling you something that happened to my dad one day as I remember him telling it to me. He was up high on a ladder, painting the last top piece of a church steeple. Inside his mind, all he could think about was how badly he needed to use the bathroom. He only had a small portion left to paint, so he continued. But as he stretched up to reach the last bit, the ladder fell and my poor dad, who was in his late fifties then, came crashing down to the ground. He ended up with broken ribs, a broken shoulder, and a broken arm. An ambulance was called, and they rushed him to the hospital. He spent the next 8 weeks sleeping in his big chair while his body healed. Oh, and by the way, he didn't go to the bathroom before his fall, so when they put the warm blanket on him at the hospital, well, you can figure out what happened! There is a lesson here, but it's not about making sure you use the bathroom when you need to. The lesson is not about going too high on a ladder. The lesson here is bad things happen to good people.

Now let me get into the details of what happened to me about 10 years ago that threw me into the deepest, darkest, hardest pit I've ever been in. I felt I was at the so-called 'top of the ladder' of my career. I was speaking in many churches and holding many seminars and taking care of around 300 clients and 'living the dream'. But then February 2012 happened. My career crashed before my very eyes. Someone stole seventy million dollars from an investment that most of my clients were in. I truly felt like a semi-truck had run over me, and it was as if I lay on the highway dead. If it wasn't for my faith in God and Him giving me the most amazing and wonderful wife, this story never would have been written.

Most of my clients were Christian people, which made it even harder for me to take. Clients started calling almost every day to see what was going on with their investments. My wife, Bev, and our other assistant handled all the calls over the next couple of years. But great fear and anxiety filled my heart and chased me around every day. I went to see my doctor as I wasn't able to sleep at night anymore. I got introduced to a psychiatrist for the first time in my life, so embarrassment chased me as well.

Now, four months before this, I'd lost my dad, who was my best friend. Two weeks after my dad passed, I lost a dear friend in an accident in Uganda. Then four months later, I'm sitting at my desk thinking of the possibility of my wonderful clients losing their money.

The Financial Planner Who Didn't Kill Himself

By Jack Oosterveld

I sat stunned and in shock, as if not to hear what they just told me. I said, "You haven't missed a monthly deposit to any investor since inception. Six and a half years without a hiccup. This is an insured investment product!"

Fear slid into my office. My dear clients trusted me—the widows, the pastors, all the retirees. All my friends! After thirty years in the financial planning industry, we were now all in for the shock of our lives.

"If this is true," I said to my two managers, filled with fear, "I will take my life!" I didn't think I could ever live through such an ordeal.

Previous to February 2012, there had been instability in the stock markets in 2007 and 2008, and by the first quarter of 2009, my clients were tired of all the market fluctuations and were at the end of their ropes. Clients would come in and shake their heads and ask me what I thought about these market conditions. They saw their holdings dropping further and further. At the end of 2008, I felt the market must be at its lowest point, so I told my clients to hang in there. The market always rebounds. I wasn't too sure as I had never seen such a slide in the markets. The local newspapers were comparing these markets with the 1920s crash. People's confidence was at an all-time low. Most clients hung in there, but most were tired of seeing their holdings disappear.

Then, after the first quarter of 2009, most of my high net worth clients had had enough. The market tanked even further. I was beside myself. The phone wouldn't stop ringing! Clients that had \$1,000,000 in holdings were now down to \$725,000.

The only answer I had for them was, "Hang in there!" It was the old buy-and-hold strategy. I brought in experts from Vancouver to talk to clients and it seemed to help, but a day later, fear would grip them and the phone would ring again. It was around the end of March 2009, when the market was at its lowest.

A very nice widowed lady who had become a client of mine came to me after ten years and showed me that her holdings were almost at the same amount they were when she had first come to me. I couldn't disagree. She was right. The slide of 2008 and 2009 wiped out all her profits. My heart sank. She told me she wanted to move her funds to her son's company, which was offering a 6-7.5 percent interest annually and was an insured investment.

I was instantly skeptical. No way. I've been at this for a long time and no way was there such an investment product out there. I asked her if I could check it out for her. She said yes absolutely, so I called her son, who I've known since he was in grade six with my daughter. We booked a time to see the product, and it was then that they introduced me to this insured financial product that my wonderful client wanted to move her funds into.

This wasn't the first time I'd checked out an investment for a client. Most were best to stay away from. But this one seemed different. I drove to the office where her son worked and entered their boardroom. The manager had me sign a confidentiality agreement before he rolled out the

investment, as it was a private investment for their best clients. Once I signed the agreement, the PowerPoint presentation began, and at first I didn't fully understand what they were offering. After they showed it to me the second time, I finally had a better understanding of how it worked. It was called 'factoring.' It was insuring receivables financing.

Here's a short explanation of how it worked:

Company A does work for Company B. Company B owes Company A receivables that are to be paid in 90-120 days. But Company A can't wait ninety days, so Company C approaches a factoring company and gives 70 percent of the receivables to Company A upfront. Then Company A has to sign over to Company C the money owed to them by Company B. Upon receiving the receivables 90-120 days later, Company C keeps around 3 percent per month and the balance of the receivables goes to Company A. All this gets seamlessly completed and backed by assets and is fully insured. No deal is ever entered into unless it's 100 percent approved by the insurance company.

This process looked iron-clad. It wasn't in the market. It was different and had worked amazingly for all the investors for many years. I asked if I could have a couple of clients review this investment. The managers said, "Of course. No problem".

I looked at my clients who were the most affected by the current market slide. The ones who said, "Isn't there anything else out there?" I introduced to the managers of the investment. My clients, after reading the Offering Memorandum, also saw it as an investment that made sense. My wonderful client moved her account to invest in this product, as did many others, after the managers showed them how it worked.

A few months later, the managers gave me an offer to join their office. I'd known that owner/manager for almost thirty years. We started in the business around the same time. We had great respect for each other. I knew him to be among the elites in the industry and he knew me as a Christian advisor who put on financial seminars at churches. The offer was appealing, especially as the markets were down over 30 percent. Clients were upset with the markets and many were leaving to look for better returns.

Each client that left was like a spear in my heart. Months went by. Bev and I prayed much about leaving the company I was with, which was a national firm that held an excellent reputation. We both felt it was an opportunity that we needed to contemplate, and that we did. Around June 2010, I signed off from one company and joined these two managers. We had a great office and great staff, and the business continued to grow.

Up to February 2012, we were sailing and holding events for clients. We had a good income, great friends, wonderful clients, great seminars. What an amazing time in our life! Retirement was in view, but boy did we work hard. Even though my wife was my assistant, we took separate vehicles to work as we sometimes had different schedules. There were days when we saw six to seven clients a day.

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Some days I would ask Bev quietly, "How are we ever going to slow down?" Hard work—that's what my dad had taught me. I felt he would have been proud of me.

As one client told another client after learning about the investment, the calls came in. I would introduce them to the managers of the investment and they would use a whiteboard to draw out the way they would invest the clients' money. The details would begin a dialogue of questions. The key thing the managers stressed was that the client always needed to understand what they were investing in. They also wanted to make sure the clients were comfortable with this type of investment. The manager called it the sleep test. If it's going to keep them up at night, it wasn't for them.

Clients loved the product because it had a perfect track record. It was an insured product, and both managers were men of integrity. From my point as an advisor, it was that the managers believed and made sure the safety of the clients' holdings was their number one priority. I felt secure in what I saw.

This is the reason February 2012 was so devastating to my clients and me. The investment got side-swiped by a man in Ontario, who took seventy million dollars of the one hundred and twenty million dollars, and he re-positioned it into two companies without permission. Both those companies went bankrupt shortly thereafter. This meant that the monthly deposits for my clients weren't getting paid out next month, or any more months in the future, as I was to learn later.

The clients were panicking! They all wanted to know what was happening to their investments. The phone began to ring and clients began showing up with questions and concerns. I couldn't answer their questions as I didn't know myself what was happening as I was just the advisor. It seemed like a general tension permeated the office. The managers were on a plane to Toronto almost every week trying to resolve the situation, but no resolution came!

I sat back, pushing the suicide fog away, and remembered that all holdings had insurance coverage. As time went on, we confirmed that the insurance would cover the investments unless they discovered someone had handled the funds fraudulently. But someone taking seventy million and depositing it into two companies in the states without permission and against the focus of the investment (receivable financing) appeared to be a fraudulent act. Still, it was an insured product, and the managers were paying a huge premium every month to make sure insurance covered the clients' holdings. It was out of my hands. After the first couple of years the phone would still ring, but most clients had moved on, though deeply saddened and still hoping the insurance would pay out.

As it stands today, seventy-five of my wonderful clients have lost a combined total of approximately twelve million dollars. It's still hard to believe that this insured product hit the ditch. I suffered through a couple of lawsuits, one being a family member, which almost did me in. At that point, I was not doing well at all! I was hanging on by a thread. When the phone would ring in the office, I would leave. I just couldn't take the pressure anymore.

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One morning I went to Starbucks for my regular coffee time and looked through the local paper. That is where I saw my picture, big and bold, with the heading, "Local Financial Planner gets Lifetime Suspension." It was a regulatory body in the investment industry that gave me a lifetime suspension. The picture they used was Bev and me standing in our gazebo in the middle of our backyard. That paper had taken the picture seven years prior when they had come out to our place to feature our beautiful yard. They used that picture with that heading. I did not know about the suspension at this point. I sat at Starbucks that morning holding back my tears as I carefully read the article. All I could say was, "Oh, God! Oh, God! Help me!"

I packed up my stuff and came home. My daughter had already called my wife to let her know what she had also seen in the paper. We wept together with broken hearts. A few days later, a client came in and tore a strip off of me, saying over and over that I was the worst financial planner he'd ever seen. I sank deeper into despair that day. A few months later, I sold what was left of my business and started helping my brother in the concrete business.

My 30-plus-year career came to a halt. My hostility surfaced, and I could see my anger levels under pressure. Depression seeped into my life, and I felt like a shipwreck. My profession was on the rocks, my self-image trashed, and my income almost wiped out, leaving my confidence in the gutter on garbage day. Bitterness and sadness now took residence. I was seeing my doctor weekly at this point. He could see I wasn't coping very well so he suggested I continue seeing the psychiatrist but that I should also start seeing a counselor. There are still times when I am hurt for my clients, my friends, the widows, and my pastor. Sometimes the pain still affects me!

This year I'm ten years past February 2012. My clients have gone on with their lives, and I have as well. But at the core of my story is a Christian man who had his identity in all the wrong places. I felt like Daniel in the lion's den. All Daniel had in that lion's den was God's presence protecting him. This is how I felt: encircled by lions, crying out to God, saying, "Why? Why? Please help me!"

The Lord encouraged my heart when I came across this quote one day, "The Lord gets His best soldiers out of the highlands of affliction." - C.H. Spurgeon.

My Wife's prayer: "Oh dear precious Father, come and comfort my husband with his deeply wounded heart and help him see you by his side. One who will never leave him or forsake him! And please fill our wonderful clients with your peace and remind them you are with them and will keep them."