

1. **Sometimes when things roll downhill it only gets crazier**
2. **Taking a potential group of consumers out of the market**
3. **While the government wants their money April 30 we are not free until later**

1. **The crazy case of the Earl Jones Ponzi scheme**

I'm sure you've heard of Earle Jones and his \$50 million Ponzi scheme. Well, as it turns out, his investors paid taxes on the fictitious interest income & capital gains and are now going after CRA to get their money back. To compound the issue, many of the elderly have not been able to get benefits because of the income declared. So, not only did they not receive the 12% promised by Mr. Jones, they also lost their investment and were denied the Old Age Supplement and the Guaranteed Income Supplement. A single bad decision usually gains momentum as it races to consume you.

2. **Student debt loads increasing, Statscan study finds**

When I worked at the Bank I was amazed by the amount of student loans graduating students owed. That was 10 years ago and it has only worsened since then. Average student debt has increased to \$18,000 and the number of students with over \$25,000 in debt has increased to 1 in 4. The implications of this are far reaching as we basically put a group of potential consumers on the sidelines as they attempt to retire the debt. When I first started with the Bank we never really paid any attention to student debt, but now it is an integral part of debt servicing ratios etc. Our economic system is heavily based on consumer spending so this is not a good sign!

3. **Tax payments due April 30, 2010 but we are not free for 6 weeks**

Tax Freedom Day is projected to shift at least 3 days later this year to June 12, 2010. This date, projected by the Frasier Institute, is supposed to be the day you start working for yourself and not for the government. So while you may have to pay April 30 they are not done with you yet!

Cheers,

Earle

PS If you get more email than you can ever read & I'm adding to the glut, drop me a note and I'll remove you from my mailing list.

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