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1 May 2007

### **Copyright infringement and Breaches of the Fair Trading Act**

Mr Jones and Mr Bedggood,

We are the publishers of *Commercial Real Estate Investor's Guide* by Peter Aranyi, *The Rascal's Guide to Real Estate* by Olly Newland and *Property Tax – A New Zealand Investor's Guide* by Mark Withers, which are copyright works in which we own exclusive publishing rights worldwide. That copyright and those exclusive rights are protected under New Zealand law.

It has been brought to our attention that you have reprinted substantial parts of *Commercial Real Estate Investor's Guide* — including several quoted excerpts from *The Rascal's Guide to Real Estate* and material contributed by Mark Withers on commercial property tax issues — and included them in course materials for seminars run by Richmastery Limited.

We further note that Richmastery has plagiarised an article '10 traps to watch for when buying commercial property' written by Peter Aranyi (copyright retained by him) and published in *KPI Commercial* magazine in July 2005. Substantial material from this article appears in Richmastery course notes, again without permission or acknowledgement and bearing a copyright notice in the name of Richmastery Limited.

Examination of these materials shows significant and substantial copying and in many cases your use of the content from these copyright sources is word-for-word.

John Bedggood admitted this to Peter Aranyi on 19th August 2006 at Richmastery's commercial property one day seminar in Auckland. Mr Bedggood said he felt uncomfortable and embarrassed presenting the course in front of Mr Aranyi because he had "sourced a lot of the course from your excellent book". He said Mr Aranyi would recognise much of the course material because "you wrote it".

As Mr Aranyi pointed out, no acknowledgement of the source of the material appears in your course notes and you have labelled the course book "© 2006 Richmastery Limited. All rights reserved."

Reprinting a copyright work, or copying it in any other way is not permitted under the Copyright Act 1994 without the right-holder's consent. We have received no request from you for permission to make such a reprint, extract or adaptation of these works, and have not granted any such permission.

We note that the August 2006 seminar referred to was videotaped.

We further note that Richmastery promoted and hosted a commercial property seminar by Mr Bedggood in Tauranga 9 December 2006 with the same material and that another similar Auckland seminar (12 May 2007) featuring Mr Bedggood is being promoted currently by Richmastery and its franchisees.

We take this matter very seriously. The material you have reproduced and unethically passed off as your own therefore amounts to illegal copying and your conduct infringes our and our authors' exclusive rights in terms of the Copyright Act 1994. It is also likely to constitute criminal offences in terms of the Copyright Act 1994 and the Fair Trading Act.

Note that the so-called 'author' of the infringing material, John Bedggood, and Richmastery Limited, and its individual franchisees *as distributors* face liability for making and dealing with infringing objects.

We have taken legal advice on this matter from our QC who indicates that your actions have also breached the Fair Trading Act. By using the material as you have, you are in effect passing off our authors' intellectual property, ideas and manner of expressing them, as your own and using this to promote John Bedggood and Richmastery as "experts" in commercial real estate investment. Your actions amount to misleading and deceptive conduct.

Your actions cause financial loss and damage to the real authors of this material (who conduct commercial property training courses in association with Empower Education Ltd as you know) and to ourselves as the legitimate publishers of these books.

If we issue court proceedings against you as the authors and distributors of the infringing material we would be entitled to, among other things, an injunction to stop the infringing conduct plus damages or an account of your profits from the infringing activities plus costs. Your copying has been deliberate and calculated to take advantage of the expertise of the true authors. As a result, we understand we would be entitled to additional damages under the Copyright Act to reflect the flagrancy of your conduct.

By way of example, we **attach** several sections of the Richmastery commercial property seminar course book and pages from our own *Commercial Real Estate Investor's Guide* publication (©2004) with highlighted sections demonstrating the extent of your illegal copying. We can demonstrate 20 pages of the approximately 60 page Richmastery course notes book contain information copied from our publications. The 'Richmastery Commercial Building Assessments Checklist' has been taken completely from *Commercial Real Estate Investor's Guide*.

**We therefore require that you make the following written undertakings by 4.00 pm 7 May 2007.**

- 1) Undertake not to make or distribute any further copies or reprints of the material or material from any other Empower Leaders Publishing title or work by our authors without our prior written consent.
- 2) Deliver to us any remaining stock of your infringing course notes and any other infringing material and certify to us immediately that you have done so.
- 3) Provide to us within 14 days an accounting of how many sets of course notes or other material or publications you have distributed containing material from our publications or from our authors, when, where and to whom.  
This accounting is to include content of the ***Richmastery Property Academy*** which John Bedggood is promoted as 'writing', materials supplied as part of ***Richmastery Property Mentoring Program*** and **any other events held by Richmastery**.  
This accounting is to also include or **books/publications issued by Richmastery** or associated companies and sales or distribution of **any video or audio material** based on the plagiarised material.

**As remedy we require that you:**

- (a) distribute to every person who has received a copy of the infringing course notes, material, video or audio products (including all course participants and Richmastery paid or volunteer 'crew' a genuine copy of *Commercial Real Estate Investor's Guide* accompanied with a notice worded to our satisfaction explaining that you used parts of the book and other copyright material without attribution
- (b) pay an amount of damages to Empower Leaders Publishing Ltd.  
This damages amount reserved until the information referred to in (3) above has been delivered to us or to be determined through discovery following the issuing of proceedings.

We require an immediate acknowledgement of this letter.

If we do not receive the undertakings specified above within the time limit given we will not hesitate to enforce our rights.

Our rights under the Copyright Act 1994 and NZ Law are fully reserved.

for  
**Empower Leaders Publishing Ltd**

<b>Schedule of copied material reproduced in Richmastery seminar course handout</b>			
Richmastery course manual	Taken from	Source or <b>Commercial Real Estate Investor's Guide</b> pages	
24	10 traps when buying	Article by P Aranyi - <b>KPI Commercial</b> July05	
27	Cap rates	19,21	
34,36	GST issues	145-147	Mark Withers tax section
37	Commercial leases	35-36	
40,41,42, 43	Points about leases	38,39,40,42, 44-50	
44	'Breaking' the lease	156-157	Olly Newland section
45,46, 47, 48, 49	What to look for	23-33	
50	What's important in each sector	34	
52	Negotiation	121	
53	Seeing Opportunities	95-99	
53	Buying Well, Formulas to assess	55-58	
59	Reducing risk & increasing profits	163-167	Olly Newland section plus Final words - headings
RM Checklist	What to look for + what's important	23-34	