

Second-hand property advice

Seminars changed after copyright allegations. Rob Stock reports.

Property seminar and sales firm Richmastery has been accused of illegally copying the work of well-known property experts Olly Newland and Mark Withers and passing it off as its own.

Empower Leaders Publishing wrote to Richmastery founder Phil Jones last week accusing the company of using copyright materials of the two authors, and Empower's director Peter Aranyi, in its commercial property seminars.

It demanded Richmastery stop using the seminar materials and present all customers with a genuine copy of the Commercial Real Estate Investor's Guide by Aranyi.

Empower also demanded damages from Richmastery, which sells itself as helping turn ordinary New Zealanders into millionaires.

The claims centre on Richmastery's Introduction to Commercial Property seminars run by presenter John Bedggood.

For example, look at the advice from the 2004 Commercial Real Estate Investor's Guide:

"Strengthening the leases

- longer terms
- personal guarantees (improves security)
- better quality tenants (or perceived quality-remove onerous lease clauses (e.g. CPI cap on rent)
- ensure outgoing are fully covered by tenants
- more frequent rent reviews
- closer to market rentals."

Compare it with this from the 2006 Richmastery course notes:

"Strengthening the leases

- Longer terms
- Personal guarantees (improves security)
- Better quality tenants (or perceived quality)
- Remove onerous lease clauses (e.g. CPI cap on rent)
- Ensure outgoing are fully covered by tenants
- More frequent rent reviews
- Closer to market rentals."

The course notes for the seminar are stamped with Richmastery Ltd's copyright mark.

Jones, who lists "integrity" among the defining values of his firm, would not comment on the accusations, though confirmed receiving the letter.

But in an email to Aranyi, Jones said he had asked Bedggood to "remove any of the content you 'claim' is yours from any future presentations", "re-video tape the next event so our master tapes have none of the information your (sic) 'claim' exclusive rights over" and destroy the existing tapes.

Jones also accused Aranyi of choosing "on an almost annual basis to attack and threaten our business".

Newland, material from whose book *The Rascal's Guide to Real Estate*, Empower alleges, has also been plagiarised by Richmastery, said he felt like he'd been robbed. "I have spent too long building up my knowledge to have someone steal it and pass it off as their own."

Simpson Grierson copyright lawyer Earl Gray, who reviewed the case for Aranyi, said it appeared Richmastery had copied "holus bolus" from Empower's copyright materials, and had a strong case. Gray said breaching copyright was both a civil and criminal matter, but pursuing civil remedies, like damages, was the more common route.

It's not the first time Richmastery has come under scrutiny for its claims. In April 2004, the Advertising Standards Complaints Board ruled on a complaint from a T. Vogel that a seminar entitled Here's How the Rich make Their Money failed to deliver what newspaper advertisements for it claimed.

Instead of teaching the "same powerful money making strategies that have created Phil (Jones) and David's (Hows) success" for the \$49.95 or \$39.95 fee, the complainant said the seminar only gave a basic overview of the strategies, and was effectively a sales pitch for \$6685 of other seminars and software products which would teach those strategies. The board found in favour of the complainant.

In a similar complaint in April 2004, again involving an introductory seminar designed to sell further seminars and software, the board found that Richmastery's adverts "under-represented the consumer's investment both in terms of the fees, time and effort required, and over-stated the benefits in a hyperbolic and exaggerated manner that was totally inappropriate in an advertisement for a financial product and service."

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