

Who can you trust?

Ex-lawyer's gifts left recipients a little confused

By PAUL LEGALL
The Spectator

IF ANYTHING, Albin Rogala's 1988 Christmas offering was more elaborate than in previous years.

Apart from the usual poinsettias, pine boughs and hollies, there was the added touch of a small "choo-choo" train.

Ever since the arrangement arrived on his doorstep, Herman Wagensveld has been scratching his head over the significance of the "choo-choo" train.

But as far as he's concerned, the Yuletide gesture lost its meaning a few days earlier when Rogala's \$42,000 cheque bounced.

The cheque was to have covered the principal and interest on \$40,000 Mr. Wagensveld and his wife Nellie had given Rogala to invest in bridge financing a few months earlier.

The Christmas offering paled even more a few months later when the Ancaster couple learned Rogala still owed \$177 to the Stoney Creek florist who prepared the arrangement.

By that time, the Wagensvelds had learned they were among about two dozen investors who were bilked of more than \$1.7 million in the bridge financing scam.

And it was small consolation to know they were part of an exclusive club, which included former Stoney Creek newspaper publisher Roger Brabant, who lost \$210,000, real estate developer and prospective Tiger-Cat owner Walter Galdenzi, who was out \$140,000, and former Hamilton-Wentworth regional chairman Bill Sears, who lost \$34,000.

The losers also included a chartered accountant, a retired building contractor, a number of small businessmen, a school trustee, a restaurant owner, a realtor and a small number of professional investors.

Like a number of other victims, Mr. Wagensveld, who had known Rogala for about 10 years, assumed he was the only person involved in the bridge financing.

Mr. Wagensveld, 54, said he got involved with the Stoney Creek real estate lawyer about five years ago after he sold his chicken farm in Binbrook.

"He would arrange short-term loans for people who had bought a house and couldn't sell their own. I've invested up to \$65,000 with him and he usually offered 13 to 14 per cent interest with a bonus of 1 to 2 per cent," he explained.

Each transaction was set out in a letter bearing Rogala's office letterhead. Mr. Wagensveld had no contact with and little or no knowledge of the other parties.

Until the last loan, which was arranged in the summer of 1988, there seemed little reason to concern himself about the small details because Rogala had always paid up.

"People tell me we were crazy to trust him, but he was our lawyer and, if you can't trust your lawyer, who can you trust?" he said.

"You trust your doctor when he says you need a heart bypass operation, don't you?" added Mr. Wagensveld, who has undergone two open-heart operations and receives a permanent disability pension.

As a lawyer at least, Rogala had served him well in the past.

When his 19-year-old son Paul died of a heart defect four years ago, Rogala had phoned right away to offer his condolences and help with the funeral arrangements.

When his second son Jeff, now 22, fell off a roof and was left confined to a wheelchair two years ago, the lawyer helped persuade the Workers' Compensation Board to pick up one-third of the purchase price of the Ancaster home.

Rogala argued that the house, which has wheelchair ramps, is an essential part of Jeff's rehabilitation and care.

"That's what makes it twice as hard," said Mr. Wagensveld. "He knew we needed the money and he walked away with it."

In the last while, he has also learned that three people, including a former law partner, had reported Rogala to the Law Society of Upper Canada four years ago.

They complained that Rogala was borrowing money from clients, which is prohibited under the rules of professional conduct for lawyers.

"If I had known there was a complaint, I would have never given him the money," Mr. Wagensveld said.

(The law society said it could not comment because no disciplinary action was taken against Rogala as a result of the complaint.)

Meanwhile, Mr. Brabant, who has the dubious distinction of being the biggest loser, said he harbors no ill feelings towards Rogala.

When he handed the \$210,000 to the lawyer on Dec. 21, 1988, he understood it was to provide a short-term loan for two parties closing a real estate deal.

He later learned, however, the money never reached these parties and barely touched down in the lawyer's trust account before it was used to buy lottery tickets and to pay back loans from George Sinclair Construction and another Stoney Creek developer.

"When I heard about it (on the radio), I felt sick for Albin," Mr. Brabant said. "Here's a brilliant young man who'll end up in jail for three or four years."

"He has a sickness like an alcoholic. He thought he would hit it big and pay everybody off," he added.

Accountant Charles Costanza, who lost \$50,000, said he and his son, who is out \$90,000, decided to invest with Rogala because of his reputation as "an outstanding gentleman."

"Bridge financing is open and above board and done all the time," he said. "It seemed like a good way to make a few bucks. No one was looking to be burned."

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Rogala