

How to fight the banks: lawyer gives real lessons

Aug. 22-84 MN

Scrapbook

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By CAMERON RENTON

When the Pallett family of Mississauga turned to lawyer John Gorman as a last resort to save their farm, Gorman heard a story he's been hearing for the past three years — "the bank is stealing my land."

And the 39-year-old Newmarket man was instrumental in persuading the Toronto Dominion (TD) Bank to negotiate with the Palletts, who were about to lose the 40-acres of land they had owned since 1859.

The bank agreed to negotiate after being threatened with a demonstration against TD for having sold the land to pay off a Pallett debt of \$1.9 million.

It's not the first time he's made the banks take notice of him. For the past three years,

he's been battling the banks for the "little guys" — farmers, small businesses, struggling homeowners, the homeless and every other Canadian who feels "trapped and tricked by their bankers."

EMBARRASSMENT

He feels bankers control the legal system, so he fights them on the streets. It's his aim to embarrass banks with bad publicity and to this end Gorman stages camp-outs, press conferences, demonstrations, plays loud music and erects incriminating signs. He says, "and the only way to nail them is with bad press."

Alarmed by increased bankruptcy of Ontario farms, in December 1981, Gorman helped

organize the Canadian Farmers' Survival Association, which rescued farmers threatened with foreclosure. He also founded Canadians Associated for a Sensible Economy (CASE), which planned dramatic protests against the system.

At one point, Gorman's attack plan called for 100,000 Canadians to hold back \$1,000 each (in mortgage payments) for 30 days to cause banks' head office computers to seize up.

LOST HOME

And when 51-year-old Jean Metcalfe, a Smiths Falls woman who suffered from Total Allergy Syndrome, lost her home because she couldn't afford to meet mortgage payments to the TD Bank, Gorman took action again.

To give the bank bad publicity, he had Metcalfe sleep in the lobby of the bank's Toronto office for a week. The bank returned her home a week later.

Back in October 1981, Gorman convinced the Bank of Commerce to accept \$50,000 for a

loan of \$180,000. The bank agreed to write off the remaining \$130,000.

Gorman also refused to pay about \$7,000 worth of interest on his home after the TD Bank in December 1981 bumped his interest rates from 11½ per cent to 19½ per cent. After he threatened to take the matter to the streets, the bank cancelled the debt.

HARD SUCCESS

None of his success has come easy. Back in 1981, Gorman walked away from a \$180,000-a-year job as a lawyer, and has since been forced to sell his house, car, boat, and island in his battle against the banks.

His friends told his wife to leave him, his father hasn't spoken to him for the past year because he "doesn't understand what I'm doing."

But, the war has just begun, Gorman says.

"I'm in the trenches today so my kids won't have to be in them tomorrow," he says.

Pallett farm, TD Bank standoff continues

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NOT FOR CIRCULATION

By CAMERON RENTON

A massive public protest has been postponed for another week as negotiations between one of Mississauga's pioneer families and the Toronto Dominion Bank continue.

As of Tuesday, no agreement had been reached between the bank and the Pallett family concerning the Palletts' farmland, which they homesteaded five generations ago.

The bank sold the 40-acre property, located at Dundas St., east of Dixie Rd., to Babel Investments

Ltd. for \$2.3 million. The Palletts, who feel the land is worth \$5 million, had planned a demonstration march against the bank last week.

At the last minute the bank agreed to negotiate with the Palletts, on the condition the demonstration was called off for a week. The Palletts complied but stressed that "if nothing is accomplished in one week, the demonstration is on again."

But, after two meetings with the bank and Babel, the Palletts say

they will wait one more week to see if they can salvage a piece of the land.

"The three parties met on Friday and agreed to sleep on it," said Sue DeStein, bank spokesperson.

While no meetings have been scheduled thus far, DeStein says the Palletts will be contacted later in the week for further meetings.

The Palletts owe the TD Bank \$1.8 million — as a result of accumulating interest on the land since Robert Pallett bought the property in 1859.

The bank lost patience when the Palletts failed to make any payments on the principal or interest owing on the property for more than five years, and sold the property in August 1982 to Babel.

But the Palletts have not moved from the property since that sale. And if an agreement is not reached during negotiations this week, a sheriff will evict the Palletts from the land during the upcoming Labor Day weekend.

To find out how an expert fights the banks, see page 3