

S&amp;P/TSX Comp 12626.13 ▲ 16.33 (0.13) S&amp;P/TSXV Comp 962.31 ▼ -6.75 (-0.70) DJIA 15254.03 ▲ 138.46 (0.92)

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## Lawsuit Charges Fraud and Conspiracy By Canadian Developers Threatens Future of Children's Wish-Granting Charity

Defendants Theresa Keeping and Dale Merkel Accused on Five Counts Including Conspiracy, Negligence, and Fraud

LOS ANGELES, June 4, 2013 /CNW/ - Plaintiff Chuck Foster filed a civil lawsuit with the Superior Court of California, County of Orange, on May 24, 2013. Named defendants are Canadian developers, Theresa Keeping, Dale Merkel, and "Does" 1 to 25. Charges are associated with "Keeping's investment in WishCruise Pirate Adventures, Ltd. (WCPA), the United States management company" meant to oversee the construction and use of a 75 foot 'pirate theme' boat for children suffering with a life-threatening illness. The plaintiff seeks judgment on 5 counts: Fraud, Negligence, Breach of Contract, Conspiracy, and Breach of Implied Covenant of Good Faith and Fair Dealing.

According to court documents, defendant Keeping opened an account, "1727482 Alberta Ltd.," with the Royal Bank of Canada (RBC) on January 31, 2013. This was represented by defendants as a "holding company" to "timely distribute the \$1,467,169 WCPA capitalization funds needed to pay for the \$1.3MM construction cost of the non-profit's [boat]." Upon funding confirmation, the boat's construction details, cost payments, and November 3, 2013 delivery date were all agreed upon.

"On or about March 21, 2013, details of written agreement proposed by [Gambol Industries, Inc.] were discussed by plaintiff and defendants, including the need for said construction agreement to be signed, a revised payment schedule, and the initial payment needing to be made on March 25, 2013."

"Plaintiff told defendants Keeping and Merkel by phone, and in writing, that the minimum amount required was \$50,000, and the boat's Nov. 3, 2013 construction completion deadline was predicated upon the initial payment being made by March 25, 2013; Gambol also required Email acknowledgement by April 3rd from RBC confirming that \$1.3MM was available for the boat's construction." "The Nov 3<sup>rd</sup> completion date was necessary for thank you celebration plans honoring America's active duty, reserve, retired, veteran, wounded and fallen soldiers over Veteran's Day Weekend."

The court document explains Foster was proposed an offer by Keeping, whereby reimbursement of fronted funds by Foster would "be included in the next wire transfer of funds to WCPA from the RBC account on April 3, 2013." "Based upon defendant Keeping's personal reimbursement guarantee, coupled with plaintiff's prior knowledge of the WCPA trust fund balance on deposit with RBC, plaintiff accepted defendant Keeping's offer and, on defendant Keeping's behalf, made the \$50,000 boat-building installment payment to Gambol on March 28, 2013." The agreed upon reimbursement was never received, however, "nor was the requested email confirmation from the (RBC) bank confirming \$1.3MM was available for the boat's construction cost."

On February 13, 2013, when plaintiff initially spoke with RBC staff about the initial \$53,482 wire transfer from RBC to WCPA, he was told the RBC account from which the wire transfer was coming "contained \$1,467,169." The defendants would claim "Easter Holiday schedules and Keeping's hospitalization prevented the next scheduled wire transfer..." but on April 4, 2013, RBC staff told plaintiff that, "Our records indicate all but the current balance of \$11,507 in this account was withdrawn on February 25, 2013."

The funds taken from the RBC account were purportedly used to "make other business investments, purchases and/or improvements to properties in which defendants had an ownership interest." These properties were said to include "VinKing Marine Enterprises, Inc. (Port Harmon Authority, Port of Belledune and Charlo Airport); Ocean View Estates; T.S. Sign and/or Keeping's rental properties in Fort McMurray, Alberta." The missing funds also left the children's wish charity responsible, and without the means to pay for the boat's \$1.3MM construction cost, and may cause the loss of the organization's 20-year dock permit.

When confronted with evidence of wrongdoing, defendants "stopped answering or returning any of plaintiff's phone calls, voice or email messages."

Plaintiff's lawsuit seeks \$50,000 restitution payment, reimbursed legal costs, as well as "punitive damages appropriate to punish defendants and deter others from engaging in similar conduct." In support of claimed damages, the lawsuit includes document exhibits and identifies a key plaintiff witness as defendant's former security advisor, Global Risk of Canada president, Dan Howard.

For more details and contact info, please visit [www.theresakeepinglawsuit.homestead.com](http://www.theresakeepinglawsuit.homestead.com).

SOURCE: Chuck Foster

For further information:

Chuck Foster, 702-449-8712, [chuckfoster@aol.com](mailto:chuckfoster@aol.com)

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Chuck Foster

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