

## Vivian Krause, M.Sc.

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November 4, 2022

To: Ms. Rosemary Hagiwara, Chief Election Officer, City of Vancouver

**RE: Mr. Christopher Richardson, Trustee-Elect, Vancouver School Board 39**

Yesterday, I sent a letter regarding the track record of Trustee-Elect, Mr. Christopher Richardson as a director of registered charities. I provided evidence that he is deemed an "ineligible individual," by CRA and is prohibited from serving as a director/trustee of a registered charity. Given that VSB39 is a registered charity, it follows that Mr. Richardson is not eligible to serve as a director/trustee.

### **Federal Court of Appeal Decision, Fortius Foundation, October 19, 2022**

After I sent yesterday's letter, I became aware of a recent Federal Court of Appeal decision, attached, that is relevant to Mr. Richardson. As you'll see, the Federal Court of Appeal was asked to place an Injunction against the Canada Revenue Agency ("**CRA**") to stop CRA from publishing its decision to revoke the charitable status of Fortius Foundation, a registered charity.

Fortius Foundation, as I explained in yesterday's letter, is the recipient of a gift of \$74.7 million (2018) from CHIMP, the charity at which Mr. Richardson is currently employed as V.P, Finance & Admin.

In the Disclosure included with yesterday's letter, I explained that I am the target of legal action brought by an individual who claims that he is the benefactor of Fortius Foundation. His alleged "gift" towards Fortius Sports & Health Centre for a total of \$17,885,500 was tax-receipted by New Dimensions Foundation in 2008 & 2009 while Mr. Richardson was a director/trustee of New Dimensions. This means that CRA's revocation of Fortius Foundation reflects on three charities with which Mr. Richardson was involved over a span of 14 years, from 2008 to the present.

The dates mentioned in the Federal Court of Appeal decision are relevant:

- o July 21, 2022 - CRA sent Fortius Foundation a Notice of Intention to revoke as of August 20, 2022.
- o August 18, 2022 - Fortius filed an application for an injunction and a motion for interim relief.
- o August 19, 2022 - The Minister of National Revenue agreed not to publish the revocation notice in the *Canada Gazette* (read: keep confidential) until 30 days after the Appeal Court decision.

On August 22, 2022, only two days after CRA agreed to keep confidential its decision to revoke Fortius Foundation, Mr. Richardson swore his declaration to run for public office.

An important point to note is that if the court's decision hadn't been delivered on October 19, 2022, the public would not yet know about the CRA's decision to revoke Fortius Foundation.

## **Three More Charities Revoked by CRA: Timothy, Oak Tree & Redekop Foundation**

In addition to Fortius Foundation, CRA recently revoked the charitable status of three more charities, as of October 22, 2022. Mr. Richardson was not a director of these charities, however, he was a director of Theanon Foundation for 11 years when Theanon, made large gifts to all three charities that recently lost their charitable status, as follows:

- \$18,200,000 gifted to Timothy Foundation (2012)
- \$ 7,332,076 gifted to Oak Tree Foundation (2010)
- \$ 5,309,473 gifted to John & Lorena Redekop Foundation (2009 & 2010)

In addition, Mr. Richardson was also a director of Stewards Charitable Foundation when it “gifted” \$2,794,120 to Oak Tree Foundation. In fact, Mr. Richardson certified (signed) the tax return that year. See the 2013 tax return, attached.

The fact that Mr. Richardson was a director of the charities that made these large gifts is relevant because these gifts are at the heart of the reasons cited by CRA for its revocation of these charities.

To illustrate the complex transactions that these charities were involved in while Mr. Richardson was a director, attached is Appendix 1, Share Transactions, contained in CRA's audit report on John & Lorena Redekop Foundation. These pages include a diagram and a list of 19 transactions. CRA found that this series of 19 transactions enabled John Redekop to get back his donations for a total of approximately \$32 million via two charities of which Mr. Richardson was a director.

In the words of CRA:<sup>1,2</sup>

*“By cycling the shares through registered charities, John Redekop Holdings Ltd. avoided the taxable capital gain that would have been associated with the disposition of shares to an individual.”*

*“It is our view that the primary motivation of the donors was not to enrich the Foundation but rather to facilitate the movement of the shares from John Redekop and John Redekop Holdings Ltd., through the charities, back to the personal ownership of John Redekop.”*

*“Based on the timing of the transactions, the parties involved, and the lack of documentation to support these decisions, we have concluded that John Redekop and his company made donations of shares to the Foundation fully expecting that the shares would be transferred to Oak Tree for eventual transfer back to himself.”*

*“Based on the Foundation’s limited activities outside of the private tax planning arrangement, a reasonable person could conclude that the acquisition of the shares and the gifting of the shares to a charity in which Mr. Redekop was a director, was entirely orchestrated for the purpose of earning tax credits and assisting Mr. Redekop in moving shares from his corporation back to himself. In our view, the Foundation has not operated as a registered charity, but as a facilitator of a private tax planning arrangement. Furthermore, the directors of the Foundation were complicit in the private tax planning arrangement, whereby these directors have operated/managed the Foundation in a manner that is contrary to the purposes for which it was constituted.”*

## **Timothy Foundation**

For 11 years, from 2008 until CRA revoked its charitable status in 2018, Mr. Richardson was a director of Theanon Foundation ("**Theanon**"). As part of the "winding down" of Theanon after it lost charitable status, Theanon "gifted" land, valued at \$18.2 million, to Timothy Foundation. Attached, is the 2012 tax return for Theanon showing that Mr. Richardson was a director at that time.

During its audit of Timothy Foundation, CRA found that fully 90 percent of the financial resources were devoted to "real estate management activity." CRA's audit report states, "more than 90% of the expenditures of the Organization (Timothy Foundation), were for property taxes, as well as legal, consulting and travel fees."<sup>3</sup>

An important point to note is that the land transferred to Timothy Foundation consisted of residential lots that were part of the land purchased for the start-up of Quest University which was forced into foreclosure by the group of charities which with Mr. Richardson is deeply involved.<sup>4</sup>

In summary, the same "real estate management activity" in which Mr. Richardson was involved as a director, was transferred from Theanon Foundation to Timothy Foundation. Both charities lost their charitable status as a consequence of this activity. Regrettably, nearly 11 years passed between the transfer of land from Theanon Foundation to Timothy Foundation, on Nov. 3, 2011, and the revocation of Timothy Foundation as of October 22, 2022.

In conclusion, I trust that this additional information helps to put into context the timing of Mr. Richardson's candidate declaration that he swore on August 22, 2022. I trust that this information also provides a window into transactions in which Mr. Richardson has been involved.

Thank you for taking time to consider this matter. I am available to provide additional information.

Sincerely,  
Vivian

**c.c. By e-mail:**

Mr. Christopher Richardson, Trustee-Elect  
Ms. Sharmila Khare, Director General, Charities Directorate, CRA  
Mr. Anton Boegman, Chief Electoral Officer, Elections BC  
Ms. Helen McGregor, Superintendent of Schools, VSB39  
Mr. David Green, Secretary & Treasurer, VSB39  
Honourable Jennifer Whiteside, Minister of Education and Child Care, BC  
Ms. Carolyn Broady, President, BC School Trustees Association  
Mr. Clint Johnston, President, BCTF  
Mr. Ken Sim, Mayor Elect, City of Vancouver  
Mr. John Bromley, President & CEO, CHIMP  
Mr. Blake Bromley  
Ms. Yue Liu, Associate DLA Piper LLP (Commissioner for Taking Affidavits)  
Mr. Josh Vander Vies, In-House Legal Counsel, CHIMP and Nominator.

## DISCLOSURE

For four years, Christopher Richardson was a director of New Dimensions Foundation. This included 2008 and 2009 when New Dimensions issued tax receipts for \$17.8 million towards Fortius Sport & Health Centre in Burnaby, B.C.<sup>a</sup> In 2020, the sports centre was sold to the City of Burnaby for \$26.6 million and is now the Christine Sinclair Community Centre.<sup>b</sup>

Scott Cousens, a local business person, claims that he made the donations to New Dimensions Foundation as part of a \$23 million donation to fund the Fortius sport centre. Cousens claims that he “spent his sons' inheritance” and “most of his personal fortune,” to make the “largest philanthropic gift in Canadian sports history.”<sup>c</sup>

As I have explained in a voluminous affidavit that I filed on May 25, 2022, I believe that Mr. Cousens claim that he made a donation of \$23 million is untrue. The main reason I believe that Mr. Cousens claim is untrue is that financial statements for Fortius Foundation show that Mr. Cousens' initial donation was used to make a loan, not a gift. Mr. Cousens' private foundation charged interest on that loan, initially at 20 percent.<sup>d,e</sup> Furthermore, financial statements for Fortius Foundation report a note payable for precisely \$23,000,000 and Mr. Cousens' private foundation reported a note receivable (an “I.O.U.”), also for \$23,000,000.<sup>f</sup> In my opinion there would be no reason for these notes if Mr. Cousens had made a true donation of \$23 million. Likewise, no need for the \$74.7 million “gift” that CHIMP made to Fortius Foundation in 2018.

In a series of letters to the Mayor and Council of the City of Burnaby, I expressed concerns about the purchase of the sports centre and urged the City to further its due diligence.<sup>g</sup>

September 1, 2021, Mr. Cousens filed a defamation claim against me, the writer of this letter. May 25, 2022, Dan Burnett, Q.C., my legal counsel, filed for dismissal of Mr. Cousens claim.

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<sup>a</sup> Tax return for New Dimensions Foundation for 2009:

<https://fairquestions.typepad.com/files/new-dimensions-foundation-3.pdf>

<sup>b</sup> City of Burnaby press release, December 15, 2020. <https://fairquestions.typepad.com/files/exhibit-f-city-of-burnaby-announcement-15dec2020.pdf>

<sup>c</sup> Matt Sekeres. One-stop shop for athletes back on track. The Globe & Mail. October 2, 2010:

<https://www.theglobeandmail.com/sports/more-sports/one-stop-shop-for-athletes-back-on-track/article1214284/>

Glen Korstrom. \$61 million sports centre gets construction go-ahead. Business in Vancouver. September 12, 2012.

<https://biv.com/article/2012/09/61-million-sports-centre-gets-construction-go-ahead>

David Ebner. Fortius Raptors training camp puts spotlight on Vancouver facility. The Globe & Mail. October 1, 2014.

<https://www.theglobeandmail.com/news/national/fortius-raptors-training-camp-puts-spotlight-on-vancouver-facility/article20886436/>

<sup>d</sup> Financial statements for Fortius Foundation for Fortius Foundation (formerly Multisport Centre for Excellence)

for 2008: <https://fairquestions.typepad.com/files/exhibit-p-fortius-fs-2008.pdf>

<sup>e</sup> Tax return for Imladris Foundation for 2010:

<https://fairquestions.typepad.com/files/exhibit-u-impladris-fs-tax-return-2010.pdf>

<sup>f</sup> Pages of the financial statements showing a note receivable and a note payable for \$23,000,000:

<https://fairquestions.typepad.com/files/exhibit-uu-notes-for-23-000-000.pdf>

<sup>g</sup> Open Letter to Mayor Hurley & the Council of the City of Burnaby.

[https://fairquestions.typepad.com/rethink\\_campaigns/2021/01/open-letter-to-burnaby-mayor-council.html](https://fairquestions.typepad.com/rethink_campaigns/2021/01/open-letter-to-burnaby-mayor-council.html)

## **Attachments**

1. CRA Audit Report, John & Lorena Redekop Foundation, Share Transactions.
2. Federal Court of Appeal Decision, October 19, 2022.
3. Tax return for Stewards Charitable Foundation, 2013, key pages.
4. Tax return for Theanon Foundation, 2012, key pages.
5. Financial Information: Timothy Foundation, Theanon Foundation & Fortius Foundation.

## **Sources**

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<sup>1</sup> CRA Notice of Intention to Revoke John & Lorena Redekop Foundation. September 8, 2022.  
<https://fairquestions.typepad.com/files/2-john-lorena-redekop-notice-of-intention-to-revoke.pdf>

<sup>2</sup> CRA Audit of John & Lorena Redekop Foundation. November 1, 2019.  
<https://fairquestions.typepad.com/files/1-john-lorena-redekop-cra-audit.pdf>

<sup>3</sup> CRA Notice of Intention to Revoke Timothy Foundation. September 8, 2022.  
<https://fairquestions.typepad.com/files/2-timothy-cra-notice-of-intention-to-revoke-8sept2022-h.pdf>

<sup>4</sup> Vivian Krause. Quest University Canada: Deprived of its Birthright. November 6, 2020.  
[https://fairquestions.typepad.com/rethink\\_campaigns/quest-deprived-of-its-birthright.html](https://fairquestions.typepad.com/rethink_campaigns/quest-deprived-of-its-birthright.html)