

# Lisa 'LaRue' has made two names for herself, both bad

BY DAVID BAINES, VANCOUVER SUN    SEPTEMBER 17, 2011

Buying franchises is a risky business at the best of times. Proper due diligence is required, as evidenced by the rise and fall of the Big City Cupcakes franchise chain.

Big City is run by Lisa LaRue, who until a few months ago, lived in Coquitlam. On the company's website ([www.bigcitycupcakes.com](http://www.bigcitycupcakes.com)), she advertises Big City as "Canada's largest and fastest growing cupcake company."

She is offering franchise opportunities ranging from \$20,000 to \$575,000. "With Big City Cupcakes, you won't be just smelling cupcakes, you will be smelling profits!" she tells prospective investors.

In fact, Big City would be more aptly described as Canada's fastest-shrinking cupcake company, and the odour emanating from the business is not the smell of cupcakes.

LaRue is only 40 years old, but she has already made a name for herself. In fact, she has made two names for herself.

Her original name was Lisa Fulkerson. She first made headlines in November 2000, when she created the "Moon Land Registry" in Chatham, Ont., and began selling land on the moon for \$10 per acre.

It was a roaring success. The National Post, CBC and CTV all reported on the venture. She bragged that she sold \$400,000 worth of lunar landscape. The Chatham and District Chamber of Commerce named her entrepreneur of the year in 2001.

In May 2003, her business career went from whimsical to worrisome. She was charged with defrauding the Bank of Nova Scotia of \$627,000 in a massive cheque-kiting scheme. Rather than attend court, she fled to Florida, then Nevada. A warrant was issued for her arrest.

In January 2004, Fulkerson was spotted by one of her victims in Las Vegas, selling hand lotion at the Aladdin Resort and Casino. She was arrested by FBI agents and taken into custody. Her boss told reporters she would be hard to replace. "The people who come to me that work in these areas are not normally as eloquent and supersalesman as she was," he said.

Fulkerson waived extradition and was returned to Chatham.

In May 2004, she pleaded guilty to seven counts of fraud over \$5,000 and one count of uttering a forged document, and was handed a two-year jail sentence.

At some point, she adopted the name Lisa LaRue and by the fall of 2008, she had moved to Kelowna and was working at the King of Floors.

It was there that she met Debra Kelly and her sister, Beverly Desmarais. She proposed that they set up

a cupcake franchise business. "We thought she was brilliant and she had a great idea," Kelly recalled in an interview Friday.

In October 2008, the two sisters incorporated Big City Cupcakes Inc., set up a store and baking commissary in Kelowna, and began franchising stores in the Lower Mainland and Whistler for \$35,000 to \$45,000 each.

LaRue did not become a director or shareholder of the company. Kelly said that LaRue didn't want her name to be on any documents, because she was hiding from an abusive husband in Ontario. Kelly said they had no reason to disbelieve her.

By January 2010, there were seven Big City Cupcakes outlets and two commissaries in operation. At that point, the sisters sold the assets of the company to LaRue, who moved to Coquitlam and sold more franchises in B.C. and Alberta.

For the most part, the franchises were a bust. Consumer reviews posted on the Internet were poor. The cupcakes were deemed underwhelming and overpriced. One by one, the franchises closed.

Then LaRue ran into legal problems. In November 2010, TD Bank filed a lawsuit in B.C. Supreme Court alleging that she, her daughter Kirsten and several people associated with the Whistler franchise had defrauded the bank of \$467,769 in a massive cheque-kiting scam. For anybody who knew the former Lisa LaRue, the allegations had a familiar ring.

Last week, LaRue signed a consent order agreeing to repay all the money, but whether she pays anything remains to be seen.

In April this year, Lisa Tomanik of West Vancouver and Penny Holoyuk of Calgary filed another lawsuit against LaRue.

They alleged that, in October 2010, they gave her a \$49,840 deposit on a Big City franchise and a \$12,710 deposit on an offer to lease premises in North Vancouver. However, the offer to lease was not accepted, and LaRue failed to refund their money.

Last month, after LaRue failed to appear, the court granted a default judgment in their favour.

In the Lower Mainland, only one store - on Fraser Highway in Surrey - is still operating. Two Edmonton franchises also are operating. I was unable to contact LaRue. Her current whereabouts is not known.

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