

**From:** Rob Madronich [mailto:[madronich@mac.com](mailto:madronich@mac.com)]  
**Sent:** Monday, June 15, 2015 8:43 PM  
**To:** Anne Marie Horne  
**Cc:** Dave & Cindy Bates  
**Subject:** CRA Appeal denied & paid in 2014

CRA.

This is the stuff I have for item 20 showing that I paid off the outstanding \$131,016.63 using the home equity line of credit in payments of \$50,000, \$20,000, \$30,000 & \$31,472.14 over 2 months in October & November 2014.

I think the 2002 letter etc are in a filing cabinet in the basement of the Matrimonial home. I don't want to get them unless I have to.

Rob

Rob Madronich  
[madronich@mac.com](mailto:madronich@mac.com)



Tax Centre  
Mississauga ON L5R 4B4

October 07, 2014

JOHN ROBERT MADRONICH  
UNIT5-2200 RUTHERFORD RD  
CONCORD ON L4K 5V2

Account Number  
XXX XXX 462

Dear Sir:

Subject: Legal warning about your Income tax debt of  
\$131,016.63

According to our records, you still owe \$131,016.63. This amount  
is due immediately.

If you do not pay the full amount or respond to this letter  
within 14 days, we may take legal action without further notice.

If you recently paid your balance, we thank you and ask you  
to disregard this letter. However, if you paid it more than  
15 days ago, please call (905)615-2275.

How to pay:

There are several ways you can pay the amount owing.

1. Use the "My Payment" service by going to  
[www.cra.gc.ca/mypayment](http://www.cra.gc.ca/mypayment).
2. Pay at your financial institution in person or at an  
automated banking machine. You will need a personalized  
remittance voucher. If you do not already have a voucher,  
you can ask for one by calling the income tax and trust  
enquiries for individuals line at 1-800-959-8281.
3. Use your financial institution's telephone or online  
banking services.
4. Mail your cheque or money order to:  
Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1B1

.../2

**Canada**

National ATP Office  
5800 Hurontario Street  
Mississauga ON L5R 4B4

Local : 905-615-2275  
Toll Free : 1-877-268-0125  
Fax : 905-277-6247  
Web site : [www.cra.gc.ca](http://www.cra.gc.ca)

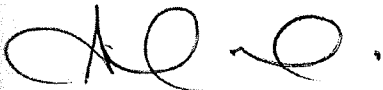
If you mail your payment, write your full social insurance number or business number on the front of your cheque or money order so we can process it correctly.

For more information about our collections policies, see Information Circular IC98-1R4, Tax Collections Policies at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms). Type "IC98-1R4" in the search field.

As an information security measure, we have masked the first six digits of your social insurance number (SIN) on this letter. However, if you are initiating contact with the Canada Revenue Agency, either in writing or by telephone, you are still required to provide your full SIN to ensure correct identification.

If you have any questions or concerns, please contact me directly.

Yours sincerely,



S. Benjamin-Joseph  
Collection Officer

FROM THE DESK OF

**J. ROBERT MADRONICH**

October 17, 2014

S. Benjamin-Joseph  
Canada Revenue Agency  
Tax Centre  
National ATP Office  
5800 Hurontario Street  
Mississauga On L5R 4B4

Dear S. Benjamin-Joseph,

Re: Income tax debt of \$131,016.63 SIN 473 617 462

I have just spoken to my lawyer. I am awaiting her legal written legal advice.

I was surprised that our appeal to the supreme court was denied. It is likely that I will not pursue any further appeals.

Is there any possibility of payment plans or consideration for any interest or penalty relief?

Sincerely yours,

J.Robert Madronich SIN 473 617 462



**Account Details**

November 03, 2014 at 08:52pm Eastern time

Account Type:	Chequing	Interest Rate:	CIBC Prime 1 @ 3.0%
Transit Number:	06962		+ 0.5% = 3.5%
Account Number:	07-99335	Last Payment Date 2:	Oct. 24, 2014
Payment Due Date:	Nov. 03, 2014	Last Payment Amount 2:	\$755.00
Minimum Payment Due:	\$0.00	Activation Date:	July 19, 2012
Balance:	\$-299,315.56		
Available Funds:	\$200,684.44		
Credit Limit:	\$500,000.00		

**Past Transactions - Oct. 06, 2014 to Nov. 08, 2014**

<u>Date</u>	<u>Transactions</u>	<u>Debit</u>	<u>Credit</u>
Oct. 29, 2014	Internet Banking CRA (REVENUE) - PAST TAX 000000403063	\$20,000.00	
Oct. 29, 2014	Internet Banking CRA (REVENUE) - PAST TAX 000000387041	\$50,000.00	
Oct. 24, 2014	Inter-Branch Banking		\$755.00
Oct. 08, 2014	Branch Transaction Interest payment	\$748.83	

1 CIBC Prime is the variable rate of interest per year declared from time to time to be the prime rate for Canadian dollar loans made by CIBC in Canada. The interest rate on your CIBC Personal Line of Credit or CIBC variable-rate loan will change whenever CIBC Prime varies.

2 Recent payment information will not be available until the next business day.

\* Foreign Currency Conversion Fee - If you withdraw foreign currency from a bank machine located outside of Canada, you are charged the same conversion rate CIBC is required to pay, plus an administration fee of 2.5% of the converted amount (this is in addition to any transaction fee applicable to the withdrawal and the network fee).

**Please Note:**

If your bankbook was recently updated or your paper statement was issued, the list of transactions won't include your most recent transactions. These transactions will be displayed the next business day.



# STATEMENT OF ACCOUNT

Keep this part for your records.

01

Mailing date November 10, 2014	Name JOHN ROBERT MADRONICH	Social insurance number 473 617 462
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0002055

Date	Details	Amount
Aug 18, 2014	Amount owing on last statement	\$130,140.21
Oct 29, 2014	Interest charged	1,289.84
Oct 29, 2014	Payment - Thank you	20,000.00 CR
Oct 29, 2014	Payment - Thank you	50,000.00 CR
Nov 3, 2014	Interest charged	42.09
Nov 3, 2014	Amount owing	\$61,472.14

You can avoid additional interest charges if you pay the amount owing by December 1, 2014.

The current rate of arrears interest and instalment interest is 5%. For example, interest on \$500 for 30 days is \$2.06. The current rate of refund interest is 3%. Please see the back of this statement for more details on how we calculate interest.

This statement includes transactions we have processed to your account up to November 3, 2014. If you made a payment recently which does not appear on this statement, we will show it on your next statement.

If you have any questions about the information on this statement, please call your tax centre at the number shown below. For general tax enquiries, please call 1-800-959-8281. You can also view your account balance or request a more detailed statement of account online at [www.cra.gc.ca/myaccount](http://www.cra.gc.ca/myaccount).

<b>Tax Centre</b>	Sudbury Tax Services Office, Sudbury ON P3A 5C1 1-800-253-0357 (toll-free) or 705-670-5350 (local)
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▼ Tear off here and return the lower portion with your payment. ▼



## Remittance Voucher

\* Sudbury ON P3A 5C1

Social insurance number

01 | 473 617 462

Amount owing

\$61,472.14

Do not use this area

\_\_\_\_\_

Amount paid

30K + 31 472.14

JOHN ROBERT MADRONICH  
UNIT5-2200 RUTHERFORD RD  
CONCORD ON L4K 5V2

*Handwritten:* Paid WB  
CBIC LOC  
Nov 28/2014

01220300010000000000004736174620000000000061472140122039

**Pay Bills**

November 28, 2014 at 02:41pm Eastern time

**Step: 3**

Ref. #	Payee	Account	Amount	Payment Date
7243	CRA (REVENUE) - PAST TAX OWED (473617462)	Line of Credit (06962-07-99335) \$-329,314.74	\$30,000.00	Nov. 28, 2014

Time received: November 28, 2014 at 02:41pm Eastern time

If you would like to be notified about the status of your postdated bill payments, sign up for [Postdated Bill Payment Alerts](#).

**Please note:**

- Payments to CIBC credit card accounts cannot be cancelled because they are considered to be account transfers and are processed immediately. They appear in the transaction history of the account from which you have paid and not in your credit card payment history.
- Payments will be processed in the order in which they appear.
- A bill payment can be deleted until 9:30 p.m. eastern time on the day it's scheduled to be made. To delete a bill payment, select "View Upcoming and Past Payments."
- Payments to your CIBC Credit Cards Account(s) cannot be cancelled because they are considered to be account transfers and are processed immediately.
- For postdated and recurring bill payments, funds must be available in your account 1 business day before the scheduled payment date; otherwise, the transaction may be cancelled without notice to you.
- Transactions submitted after 6 p.m. eastern time will be processed in 2 business days.



# IDEAS CANADA FOUNDATION

REGISTERED AS A PUBLIC CHARITABLE FOUNDATION

Registration # 89431 0416 RR0001

Dear Donor:

November 25, 2002

It is the time of year again when Ideas Canada receives most of its donations from donors who participate in the Berkshire Donation Program. The Berkshire Donation Program is a unique program administered exclusively by Berkshire Funding Initiatives Ltd. We greatly appreciate your kind assistance in the past and hope you will continue to support our worthwhile causes.

## IMPORTANT FACTS (YOU SHOULD KNOW):

- Ideas is in its third annual fundraising campaign.
- Ideas has distributed approximately 88% of donations received to registered charities.
- Ideas' distribution ratio of 88% is among the highest in Canada. You, the donor, can take comfort in the fact that such a high percentage of your donation money is actually being used for charitable causes.
- Ideas has supported more than 30 organizations since its inception. The largest recipient of funds to date has been the MacLaren Art Centre. Ideas' support has enabled the MacLaren to move forward with its "Art City" project in Barrie, Ontario. In addition to Ideas' support, this worthy project has also received funding from many different levels of government. We invite you to go and see your charitable dollars at work, at home in Canada.

## HOW CAN YOU HELP?:

- Ideas has received many other worthy requests for assistance from past and future recipients. WE NEED YOUR HELP in order to fund the new projects as well as provide continued support to past recipients.

Please read the attached material from our chief fundraiser and make your donation today. The Trustees of the Foundation thank you for your past generosity and hope that you will continue to "help make a difference".

Yours sincerely,

IDEAS CANADA FOUNDATION

Per:

David Sanderson  
Executive Director

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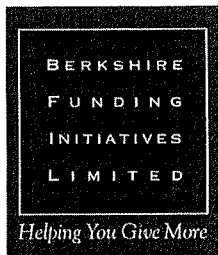
115 Front Street East, Suite 146, Toronto, Ontario, Canada M5A 4S6

Telephone: (416) 957-6360

Facsimile: (416) 957-6360

[www.ideascanada.org](http://www.ideascanada.org)

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Tel: 416.214.6060  
Fax: 416.214.1025

154 University Ave.  
10th Floor  
Toronto, Ontario  
M5H 3Y9  
group@berkfin.com

December 3, 2002

Dear Donor:

Your generous contribution to IDEAS Canada Foundation enabled IDEAS to make a meaningful difference to improving education and culture for Canadians. **The 2002 donation campaign has been an unqualified success to date.** However, there is so much more that needs to be done.

**HERE ARE THE REASONS WHY YOU SHOULD CONTRIBUTE NOW:**

- **IN ITS 3<sup>RD</sup> SUCCESSFUL YEAR** – The Berkshire Donation Program is now in its third tax year of successful operation. **More importantly, CCRA continues to accept all claims for tax credits under the Berkshire Donation Program as filed, including your own claim.**
- **CHANGES IN TAX LAWS** – The government can and does change the tax laws by a press release without advance notice to eliminate previous advantages. **WHY TAKE THE CHANCE OF MISSING OUT ON THIS EXTRAORDINARY OFFER?**

The time to give is now. Please contact any one of us to participate in this opportunity. Our telephone numbers are listed below.

Yours very truly,

**BERKSHIRE FUNDING INITIATIVES LTD.**

Per:

Jim Penturn  
Co- President

Tel: (416) 214-6060 x207

Richard E. Glatt  
Co-President

Tel: (416) 967-3444

Jack Keslassy  
Administrative Director

Tel: (416) 214-6060 x257

JP/REG/cs

## RETAINER AGREEMENT

IN CONSIDERATION for the promise of the law firm Richler and Tari, Tax Lawyers, to represent my interests in disputing the federal tax reassessments by which the Minister of National Revenue (the "Minister") has denied my claim for charitable tax credits in relation to my donations to Ideas Canada in my 2001 taxation year(s) (the "taxation years").

1. I understand that this retainer is contingent upon:
  - i) my having served the Minister with valid notices of objections for these taxation years; and
  - ii) my agreement to be bound by the outcome of the litigation of *Kossow v. H.M.Q.*, TCC File No. 2005-1974F(IT)G, which I understand to be currently under appeal before the Federal Court of Appeal as Appeal No. A-442-12.
2. I further understand that this retainer is restricted in scope, and that the fees paid will be applied to the following procedures, services, and expenses, after which, if necessary, a further retainer will be required:
  - i) whatever procedures you deem appropriate, including a potential motion before the Tax Court of Canada (the "Tax Court") to compel the Minister to halt the issuance of confirmation(s) to my objection(s) in relation to the taxation years;
  - ii) the filing, if necessary, of a notice of appeal in the Tax Court from the Minister's confirmations of the reassessments of the taxation years; and
  - iii) the appeal of *Kossow* in the Federal Court of Appeal.
3. I hereby retain you to draft my appeal to the Tax Court in respect of my taxation years, and hereby authorize you to take such actions and do all things necessary or reasonable, as you may deem advisable to protect or advance my interests, in relation to the services described in paragraph 2.
4. In the course of so acting, you are hereby authorized to retain such counsel or employ such agents or experts as you deem necessary, and I further authorize them to incur such disbursements as you deem necessary.
5. I further agree to deposit with you, into trust, which does not bear interest, an amount of **\$1,651.75** (\$975 fee, plus \$126.75 HST; and \$550 court filing fee). as a retainer:

- i) to meet disbursements which you may, in your discretion, incur from time to time in protecting or advancing my interests in relation to the services described in paragraph 2; and
  - ii) to satisfy in whole or in part accounts for fees and disbursements rendered or incurred in the course of protecting or advancing my interests in relation to the services described in paragraph 2.
6. I hereby give you authority to transfer from the funds that you hold in trust for me to your account any monies necessary to satisfy your interim accounts for fees and/or disbursements accumulated, and it is not necessary for you to advise me that you are making such transfer.
7. It is understood and agreed that no work will be done and no disbursements incurred on my behalf, other than that already done and incurred to date, until the financial retainer is deposited, and this Retainer Agreement is executed.
8. I further agree to pay the applicable tax on all fees and taxable disbursements incurred on my behalf.
9. It is understood and agreed that when the services described in paragraph 2 have been rendered this Retainer Agreement will immediately terminate. It is further understood that A. Christina Tari and all persons retained or employed by you or A.C. Tari Professional Corporation during the course of this retainer are relieved of responsibility for the further protection or advancement of my interests as soon as the services described in paragraph 2 have been rendered. I also acknowledge that A. Christina Tari and/or any counsel associated with the firm of Richler and Tari are not my solicitor(s) of record for the purposes of any trial of my notice of appeal.
10. I hereby authorize you to receive in your trust account on my behalf any monies to which I may become entitled arising out of the above matter, and it is agreed and understood that such monies (if any) may be applied to your legal account of fees and disbursements.
11. It is agreed that in your discretion you may withdraw from acting on my behalf upon your sending me written notice by either email or regular mail sent to the last electronic or municipal address that I have provided with this Retainer Agreement. I understand that I will be asked to execute a consent to this effect if an application to any court for you to be removed as counsel or solicitor of record is required and agree to do so when asked.
12. A. Christina Tari and any member associated with the firm Richler and Tari is relieved of responsibility for the further protection or advancement of my interests as soon as the services described in paragraph 2 have been rendered, and I consent to the removal of A. Christina Tari and any member associated with the firm Richler and Tari as my solicitor(s) of record in any proceeding then pending.
13. I have been advised that the Law Society of Upper Canada has implemented client identification and verification requirements under By-Law 7.1. I have provided the

necessary required information in compliance with the By-Law. As well, if and when my information changes I will provide the necessary updated information to Richler and Tari, Tax Lawyers.

14. By my signature below, I hereby acknowledge receiving a copy of this retainer.

DATED AT April Concord, this 5, day of April, 2013.

PATRICIA Bozzo )  
WITNESS: )  
28 Winston Park Blvd )  
North York, ON )  
M3K 1B9 )  
416 937-8202 )

[Signature]

Please print name, address and telephone number of the witness.



Tax Centre  
Mississauga ON L5R 4B4

October 07, 2014

JOHN ROBERT MADRONICH  
UNIT5-2200 RUTHERFORD RD  
CONCORD ON L4K 5V2

Account Number  
XXX XXX 462

Dear Sir:

Subject: Legal warning about your Income tax debt of  
\$131,016.63

According to our records, you still owe \$131,016.63. This amount  
is due immediately.

If you do not pay the full amount or respond to this letter  
within 14 days, we may take legal action without further notice.

If you recently paid your balance, we thank you and ask you  
to disregard this letter. However, if you paid it more than  
15 days ago, please call (905)615-2275.

How to pay:

There are several ways you can pay the amount owing.

1. Use the "My Payment" service by going to  
[www.cra.gc.ca/mypayment](http://www.cra.gc.ca/mypayment).
2. Pay at your financial institution in person or at an  
automated banking machine. You will need a personalized  
remittance voucher. If you do not already have a voucher,  
you can ask for one by calling the income tax and trust  
enquiries for individuals line at 1-800-959-8281.
3. Use your financial institution's telephone or online  
banking services.
4. Mail your cheque or money order to:  
Canada Revenue Agency  
875 Heron Road  
Ottawa ON K1A 1B1

.../2

**Canada**

National ATP Office  
5800 Hurontario Street  
Mississauga ON L5R 4B4

Local : 905-615-2275  
Toll Free : 1-877-268-0125  
Fax : 905-277-6247  
Web site : [www.cra.gc.ca](http://www.cra.gc.ca)

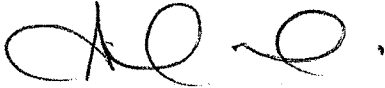
If you mail your payment, write your full social insurance number or business number on the front of your cheque or money order so we can process it correctly.

For more information about our collections policies, see Information Circular IC98-1R4, Tax Collections Policies at [www.cra.gc.ca/forms](http://www.cra.gc.ca/forms). Type "IC98-1R4" in the search field.

As an information security measure, we have masked the first six digits of your social insurance number (SIN) on this letter. However, if you are initiating contact with the Canada Revenue Agency, either in writing or by telephone, you are still required to provide your full SIN to ensure correct identification.

If you have any questions or concerns, please contact me directly.

Yours sincerely,



S. Benjamin-Joseph  
Collection Officer

**J. Robert Madronich MD, FRCS(C)**  
Plastic, Reconstructive and Aesthetic Surgery  
2200 Rutherford Road Unit 5  
Concord, Ontario L4K 5V2 (905) 508-1148 Facsimile 905-303-6832

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FAX

TO: Christina Tani 416-498-5190  
FROM: J. Robert Madronich  
DATE: Oct 14 / 2014  
NUMBER OF PAGES INCLUDING COVER SHEET:

CONFIDENTIALITY CAUTION

This facsimile transmission and the documents attached contain confidential information intended for a specific individual and purpose. If you are not the intended recipient you are hereby notified that any disclosure, copying, distribution or taking of any action in reliance of this information is strictly prohibited. If you have received this communication in error please notify us immediately by telephone.

I have not had a response  
to 2 emails sent to Stephanie Tyte  
Has your office changed or moved  
What should I do about this?

John Robert Madronich SIN 473 617 462  
MADRONICH@mac.com  
cell 416 409 9759



Canada Revenue Agency

Agence du revenu du Canada

# STATEMENT OF ACCOUNT

T7D E (07)

Keep this part for your records.

01

Mailing date August 25, 2014	Name JOHN ROBERT MADRONICH	Social insurance number 473 617 462
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0002199

Date	Details	Amount
May 5, 2014	Amount owing on last statement (not including any disputed amount)	\$0.00
Jun 19, 2014	2013 Assessment	134,399.11
Jun 19, 2014	Instalments applied	166,331.00 CR
Jun 19, 2014	Refund issued	31,931.89
Jun 19, 2014	Disputed amount reinstated	129,075.02
Aug 18, 2014	Interest charged	1,065.19
Aug 18, 2014	Amount owing	\$130,140.21

You can avoid additional interest charges if you pay the amount owing by September 15, 2014.

The current rate of arrears interest and instalment interest is 5%. For example, interest on \$500 for 30 days is \$2.06. The current rate of refund interest is 3%. Please see the back of this statement for more details on how we calculate interest.

This statement includes transactions we have processed to your account up to August 18, 2014. If you made a payment recently which does not appear on this statement, we will show it on your next statement.

If you have any questions about the information on this statement, please call your tax centre at the number shown below. For general tax enquiries, please call 1-800-959-8281. You can also view your account balance or request a more detailed statement of account online at [www.cra.gc.ca/myaccount](http://www.cra.gc.ca/myaccount).

<b>Tax Centre</b>	Sudbury Tax Services Office, Sudbury ON P3A 5C1 1-800-253-0357 (toll-free) or 705-670-5350 (local)
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▼ Tear off here and return the lower portion with your payment. ▼



Canada Revenue Agency

Agence du revenu du Canada

Remittance Voucher

T7D E (07)

\* Sudbury ON P3A 5C1

Social insurance number

01 473 617 462

Amount owing

\$130,140.21

Do not use this area

\_\_\_\_\_

Amount paid

\_\_\_\_\_

JOHN ROBERT MADRONICH  
UNIT5-2200 RUTHERFORD RD  
CONCORD ON L4K 5V2

0122030001000000000000473617462000000000130140210122034

12 2014 117

96



# STATEMENT OF ACCOUNT

Keep this part for your records.

Mailing date May 12, 2014	Name JOHN ROBERT MADRONICH	Social insurance number 473 617 462
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0001263

Date	Details	Amount
Mar 5, 2014	Amount owing on last statement (not including any disputed amount)	\$0.82
Mar 21, 2014	Payment - Thank you	0.82 CR
May 5, 2014	Amount owing (not including disputed amount - see below)	\$0.00

The balance indicated above does not include the unpaid amount of \$128,281.85 for the taxation year or years for which you have filed a "Notice of Objection". We will conduct a review to establish the actual amount that pertains to your objection, and we will advise you of any remaining amount not in dispute. Although you do not have to pay the amount in dispute at this time, please note that interest charges will accumulate at the applicable rate.

If you have any questions about the information on this statement, please call your tax centre at the number shown below. For general tax enquiries, please call 1-800-959-8281. You can also view your account balance or request a more detailed statement of account online at [www.cra.gc.ca/myaccount](http://www.cra.gc.ca/myaccount).

<b>Tax Centre</b>	Sudbury Tax Services Office, Sudbury ON P3A 5C1 1-800-253-0357 (toll-free) or 705-670-5350 (local)
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\* Sudbury ON P3A 5C1

JOHN ROBERT MADRONICH  
 UNIT5-2200 RUTHERFORD RD  
 CONCORD ON L4K 5V2



JOHN ROBERT MADRONICH  
13436 DUFFERIN ST  
KING CITY, ON  
L7B 1K5

April 12, 2013

Dear Sir:

*been going on for 10 years*

**Re: Notice of Objection for the Taxation Year 2001**

We are writing regarding your Notice of Objection, which you filed in respect of the reassessment issued to you as a result of your participation in Ideas Canada Foundation ("Ideas") program.

We have reviewed your objection and having carefully reviewed the circumstances under which you claimed a donation credit for a donation made to ideas for the above year, we conclude that 100% of your donation claimed should be disallowed, on the following basis:

- There was not a valid gift under section 118.1 of the Income Tax Act ("the Act"); or alternatively,
- The General Anti-Avoidance Rule ("GAAR") contained in subsection 245(2) of the Income Tax Act applies since there has been a misuse of section 118.1 of the Act and an abuse of the object and spirit of the Act read as a whole.

You were reassessed to disallow 80% of the Ideas Canada Foundation donation for the year 2001 as follows:

	2001
Total Donation claimed ("Ideas")	\$150,000
Disallowed Donations 80%	\$120,000
Disallowed Donations 100%	-

Facs: (416) 954-5313  
Toronto East Tax Services Office  
200 Town Centre Court Suite 475  
Scarborough, Ontario  
M1P 4Y3

Télécopieur: (416) 954-5313  
Bureau des Services fiscaux - Toronto est  
200 cour Town Centre suite 475  
Scarborough (Ontario)  
M1P 4Y3

The reasons for disallowing 100% of your donation claim are set out below.

Alternatively, 80% of your donation claim should be disallowed for the reasons set out below.

### **Definition of Gift**

The Act does not define the word gift. However, a common law definition of the word gift has developed. For example, it was stated recently in *Webb v. R.* (2004 TCC 619):

*"Much has been written on the subject of charitable donations over the years. The law, however, is in my view quite clear. I am bound by the decision of the Federal Court of Appeal in Friedberg v. R. (92 DTC 6031 (FCA)), among others. These cases make it clear that in order for an amount to be a gift to charity, the amount must be paid without benefit or consideration flowing back to the donor, either directly or indirectly, or anticipation of that. The intent of the donor must, in other words, be entirely donative."*

### **Our position**

On September 14, 2012, the Tax Court of Canada issued a judgment relating to a donation claim of a participant in the Ideas Canada Foundation, Kathryn Kossow. The TCC found that no part of the donation was given as a gift without expectation of a return. The decision can be found on the Tax Court of Canada website at the following link:

<http://decision.tcc-cci.gc.ca/en/2012/2012tcc325/2012tcc325.html>

In rendering her decision, Justice Miller followed the decision of the Federal Court of Appeal (FCA) in the case of F. Max E. Maréchaux. The FCA upheld the TCC decision which ruled there was no gift, not even the cash outlay. Mr. Maréchaux's Application for Leave to Supreme Court of Canada was denied. The Maréchaux case went through all three levels of court and the decisions were favourable to the CRA's position.

The court decisions can be viewed at the following links:

SCC: [http://scc.lexum.org/en/news\\_release/2011/11-06-07.2a/11-06-07.2a.html](http://scc.lexum.org/en/news_release/2011/11-06-07.2a/11-06-07.2a.html)

FCA: <http://decisions.fca-caf.gc.ca/en/2010/2010fca287/2010fca287.html>

TCC: <http://decision.tcc-cci.gc.ca/en/2009/2009tcc587/2009tcc587.html>

In our view, the facts of your case are similar or identical to the facts adduced in Kathryn Kossow. Therefore, our position is that the reassessment should be confirmed.

If you wish to make additional representations on the proposed adjustment, please do so within fifteen (15) days of the date of this letter. If we do not hear from you by this date, we will confirm your objection related to the Ideas program. You will have 90 days from the date of the mailing of the notification of confirmation to file a notice of appeal to the Tax Court of Canada.

If you file an appeal to the Tax Court of Canada, collection action in respect of your account will be deferred until your appeal is resolved by the Tax Court of Canada. However, interest will continue to accrue on any unpaid amount during the appeals process.

If you choose not to file an appeal to the Tax Court of Canada, any outstanding balance related to this issue will become due and payable 90 days after the day the notification of confirmation is mailed.

If you have any questions regarding your Notice of Objection, you may contact the Appeals officer Laila Jiwani at 416-952-8982. If you wish to discuss making a payment on your account, please call 1-877-757-6216.

Yours truly,

A handwritten signature in black ink, appearing to read 'S. P.', followed by a horizontal line extending to the right.

Selva Paramagurunathan  
Team Leader  
Appeals Division



Canada Revenue  
Agency

Agence du revenu  
du Canada

# STATEMENT OF ACCOUNT

T7D E (07)

Keep this part for your records.

01

Mailing date	Name	Social insurance number
December 2, 2011	JOHN ROBERT MADRONICH	473 617 462
		0005247

Date	Details	Amount
Aug 23, 2010	2009 Assessment	\$110,873.36
Aug 23, 2010	Instalments applied	192,000.00 CR
Aug 23, 2010	Payment on filing applied	10,000.00 CR
Aug 23, 2010	Refund issued	91,126.64
Aug 29, 2011	2010 Assessment	139,393.20
Aug 29, 2011	Instalments applied	121,588.00 CR
Aug 29, 2011	Payment on filing applied	35,000.00 CR
Aug 29, 2011	Refund issued	17,194.80
Nov 16, 2011	Transfer from 2011 instalment account, effective 8 Aug 2011	17,805.20 CR
Nov 18, 2011	Refund interest paid to 24 Nov 2011	114.51 CR
Nov 24, 2011	Refund issued	17,919.71
Nov 25, 2011	Amount owing (not including disputed amount - see below)	\$0.00

The Statement of Account is going green. Starting in February 2012, the CRA will be mailing the statement less often to help the environment and reduce your paper burden.

The current rate of arrears interest and instalment interest is 5%. For example, interest on \$500 for 30 days is \$2.06. The current rate of refund interest is 3%. Please see the back of this statement for more details on how we calculate interest.

Any amount that appears above as "refund interest paid" is taxable in the year you receive it, and you should include it on your return for that year. Any amount that appears as "refund interest reversed" is tax-deductible in the year you repay it.

...continued

**Tax Centre** Sudbury Tax Services Office, Sudbury ON P3A 5C1  
1-800-253-0357 (toll-free) or 705-670-5350 (local)



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du Canada

T7D E (07)

\* Sudbury ON P3A 5C1

JOHN ROBERT MADRONICH  
13436 DUFFERIN ST  
KING CITY ON L7B 1K5



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# STATEMENT OF ACCOUNT

T7D E (07)

Keep this part for your records.

02

Mailing date	Name	Social insurance number
December 2, 2011	JOHN ROBERT MADRONICH	473 617 462

0005248

The balance indicated above does not include the unpaid amount of \$113,257.41 for the taxation year or years for which you have filed a "Notice of Objection". We will conduct a review to establish the actual amount that pertains to your objection, and we will advise you of any remaining amount not in dispute. Although you do not have to pay the amount in dispute at this time, please note that interest charges will accumulate at the applicable rate.

If you have any questions about the information on this statement, please call your tax centre at the number shown on page one. For general tax enquiries, please call 1-800-959-8281. You can also view your account balance or request a more detailed statement of account online at [www.cra.gc.ca/myaccount](http://www.cra.gc.ca/myaccount).

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