

Federal Court



Cour fédérale

Date: 20190708

**Dockets: T-1147-16
T-1148-16**

Citation: 2019 FC 900

Toronto, Ontario, July8, 2019

PRESENT: Mr. Justice Diner

Docket: T-1147-16

BETWEEN:

MINISTER OF NATIONAL REVENUE

Applicant

and

**LUCA M. CICIARELLI
A.K.A. LUCA CICARELLI
1585677 ONTARIO LTD**

Respondents

Docket: T-1148-16

AND BETWEEN:

MINISTER OF NATIONAL REVENUE

Applicant

and

**GIUSEPPE MONTANA
A.K.A. GIUSEPPI MONTANA AND
JOE MONTANA
15856777 ONTARIO LTD
PRIVATE DISPOSAL SYSTEMS LTD**

Respondents

ORDER AND REASONS

I. Introduction

[1] The Applicant brings this motion to vary this Court’s prior compliance order, by seeking to add as a condition that the requirement “to provide” documents for audit must include the requirement that they be “delivered” to the Applicant’s premises. However, the Respondents ask the Court to dismiss the Applicant’s motion to vary the compliance order because they are already in compliance with it, and have made the documents available for review and inspection at their accountants’ premises. As a result, the parties are at an impasse.

[2] For the reasons below, the Applicant’s motion will be granted, such that the compliance order will be varied to add as a condition that the documents will be provided by delivering them to the Applicant at her place of business.

[3] Two substantially similar motions have been brought. This Order and these Reasons deal with both motions. Accordingly, a copy of this Order and Reasons shall be placed in each motion file.

II. Background

[4] This case has a lengthy litigation history that spans a number of years and includes numerous hearings. I will provide a summary of only those matters that directly impact the issues arising in today's motion, rather than a complete history of the various challenges brought by the Respondents, including to the Supreme Court.

A. *The Compliance Order*

[5] On August 9, 2016, Justice Brown issued an order requiring the Respondents to provide authorized officers of the Canada Revenue Agency [CRA] with certain documents within the 30 days that followed [Compliance Order]. The Compliance Order was made in contemplation of a pending audit by the CRA, pursuant to sections 231.7 of the *Income Tax Act* [ITA] and 289.1 of the *Excise Tax Act* [ETA]. The books, records, documents and information [Material] to be provided were set out in appendices to the Compliance Order. A listing of the Material has once again been reproduced as Schedules 1 and 2 to this Order.

[6] Before rendering the Compliance Order, the Court denied the Respondents' request for an adjournment of the application hearing. After its issuance, the Respondents appealed the order denying the adjournment request, but not the Compliance Order, on the basis that the Court had denied the Respondents, among other things, procedural fairness and the right to a fair hearing. The Federal Court of Appeal [FCA] dismissed the Respondents' appeal in September 2017.

[7] The Respondents then sought leave to appeal the FCA's order to the Supreme Court of Canada. The Supreme Court of Canada denied leave.

B. *The Contempt Order*

[8] On April 19, 2018, Justice Phelan considered a motion for contempt of the Compliance Order. He held that all three requirements of the contempt test were satisfied, namely that (i) the Compliance Order was clear and unequivocal in stating what should be done, (ii) the Respondents were all aware of the Compliance Order, and (iii) they had intentionally breached it. Justice Phelan thus issued a Contempt Order, which included a requirement that the Respondents produce the Material within 10 days. Justice Phelan countenanced Justice's Brown's observation that the Respondents' questions were a delay tactic, and created confusion where none existed.

C. *The Sentencing Order*

[9] On June 21, 2018, Justice Phelan issued a Sentencing Order (followed by an Amended Sentencing Order two weeks later), rebuking the Respondents for failing to produce the Material to the CRA as required first by the Compliance Order and subsequently, the Contempt Order [collectively, the Orders].

[10] The terms of the Sentencing Order included that if the Respondents did not provide the Material within 30 days, the Applicant could apply to the Federal Court to request that a warrant be issued for their arrest.

D. *Respondents' Motions to stay past Orders*

[11] On July 9, 2018, the Respondents filed motions with this Court to stay the Compliance Order, the Contempt Order and the Sentencing Order. On August 13, 2018, this Court denied all of the Respondents' motions to stay these three Orders.

E. *Matter arising subsequent to the issuance of Orders*

[12] Subsequent to the issuance of the three Orders, a dispute arose between the parties regarding how the expression "to provide" was to be understood and applied in the context of the proceedings. This dispute regarding the location for the production of the Material now forms the basis for this motion to vary the original Compliance Order, in which the Minister seeks to specify delivery to the CRA offices.

F. *Correspondence between the parties*

[13] Between July 26, 2018 and January 9, 2019, the parties exchanged correspondence as to how the Material, located at the Respondents' accountant's office in Burlington, Ontario [Burlington address], was to be provided to the CRA. The Applicant took the position that given the circumstances and history of these proceedings – and most importantly pursuant to the Compliance Order – the Respondents were to provide and deliver the Material to the CRA offices.

[14] The Respondents disagreed, taking the position that they were simply to provide access to the Material, making it available for review by the CRA officers at the Burlington address, and that there was no obligation to transport, courier or otherwise deliver the Material to the CRA offices.

[15] By letter dated December 12, 2018, counsel for the Applicant wrote and advised of her understanding that Mr. Montana, one of the Respondents, had recently passed away. Counsel for the Respondents confirmed this fact. In the same letter, the Applicant proposed a compromise to the delivery impasse, offering to use the services of a courier to pick up the 30 boxes of Material from the Burlington address, and deliver them to the CRA's offices. This was subject to the Applicant's requirement that the Respondents ensure organization of the Material by numbering the boxes, and providing an itemized inventory corresponding to the document listing in the Compliance Order appendices. The Respondents refused to accept the CRA's proposal for courier pick-up of the Material.

G. *Special Sitting of the Federal Court*

[16] This motion arises out of the impasse. Originally filed in writing pursuant to Rule 369 of the Rules, given the long file history and the rarely-litigated issue regarding the meaning of "to provide", the matter was converted into an oral hearing that took place at a Special Sitting of the Federal Court on May 15, 2019.

[17] Following this Special Sitting, I directed the parties to provide post-hearing submissions regarding any relevant law or policy relating to the central issue raised regarding the

interpretation of “to provide” as it pertains to the Material requested for a CRA audit. These post-hearing submissions have been considered in these Reasons.

III. Issue

[18] The question to be answered appears to be simple at first glance: when ordered “to provide” documents to the CRA, must they simply be made available by the taxpayer, or must the taxpayer physically deliver them to the auditors?

IV. Positions of the Parties

[19] The Applicant maintains that she does not know exactly what is in the boxes and whether the Material is organized as requested in the various Orders issued by this Court to date. Given the file history, the Minister submits that she cannot, with any confidence, assume that the Respondents will cooperate with CRA auditors if they attend at the Burlington address. The Applicant contends that she is being conciliatory in bringing this motion to vary the Compliance Order to specify delivery of the Material to the CRA offices, asserting that the alternative would be to seek further and harsher enforcement pursuant to the Contempt and Sentencing Orders.

[20] With respect to the state of the records, the Applicant submits that nothing is known other than the fact that there are 30 boxes located at the Burlington address. The Applicant posits that the Respondents have been uncooperative since May 2014 when the Applicant first requested the Material, ultimately resulting in not only the need for the Compliance Order, but also the Contempt and Sentencing Orders issued, and now this latest Motion.

[21] The Applicant cited examples of other instances where this Court has ordered a taxpayer to deliver the taxpayer's documents to the CRA. In *Minister of National Revenue v Keytech Water Management Ltd et al*, Court File T-213-12, Order and Reasons dated March 22, 2012 (Tab 10C of the Applicant's Motion Record) [*Keytech*], as well as *Minister of National Revenue v Beima*, Court File T-2047-15, Order dated August 12, 2015 at paras 19–25 (Tab 10B of the Applicant's Motion Record) [*Beima*], the Applicant contends that frustration was the basis on which this Court ordered physical delivery of the documents. She contends that the same result should apply to this case, given the similarities of the current impasse.

[22] In its post-hearing submissions, the Applicant relies on the recent decision in *Canada (National Revenue) v Cameco Corporation*, 2019 FCA 67 [*Cameco*], which offers guidance on the scope and conduct of an audit, even though its facts differ significantly. Nonetheless, the Applicant urges the Court to consider two key factors mentioned in *Cameco* which she argues are applicable in this motion: (i) the state of the records and (ii) the tax history of the taxpayers.

[23] The Respondents oppose any interpretation of the Compliance Order which requires delivery of the Material. They submit that the vast majority of all audits are conducted at taxpayer business premises or those of their representatives. They maintain that they have provided the Material as ordered, and that any fault lies with the CRA auditors who refuse to attend the Burlington address where the Material has been made readily available. They submit that there are no circumstances in this matter which would cause the CRA's attendance at the Burlington address to be improper, or other than in the ordinary course: once the CRA officers attend at the Burlington address, they will be able to inspect and review the state of all records.

[24] As for the jurisprudence raised by the Applicant, the Respondents distinguish those cases. Unlike the Court's decision in *Beima*, the Respondents argue that they have not – and will not – frustrate the CRA's ability to carry out its statutory audit duty. The Respondents further assert that *Keytech* is distinguishable given that delivery of documents to CRA offices was only ordered after the *Keytech* respondents refused to make the documents available to the applicant for inspection at a suitable location. That, the Respondents say, is simply not the case in these circumstances.

[25] In their post-hearing response, the Respondents disagree that *Cameco* is applicable, and instead rely on the CRA policy guidance as set out in Communiqué AD-19-02: *Obtaining Information for Audit Purposes* [Communiqué], dated March 21, 2019. This Communiqué, which has since been revised, reiterated that the CRA is permitted to visit the taxpayer's place of business to conduct its examination. Therefore, the Respondents contend that there is no reason why CRA officers cannot attend at the Burlington address, where they will be free to examine, inspect and review all the Material. Further, the Respondents argue that the Applicant has failed to adhere to the CRA guidance as set out in the Communiqué, requiring it to taking reasonable steps to limit the compliance burden on the taxpayer.

V. Analysis

[26] Subsection 231.7(1) of the ITA reads as follows:

231.7 (1) On summary application by the Minister, a judge may, notwithstanding subsection 238(2), order a person to provide any access,

231.7 (1) Sur demande sommaire du ministre, un juge peut, malgré le paragraphe 238(2), ordonner à une personne de fournir l'accès,

<p>assistance, information or document sought by the Minister under section 231.1 or 231.2 if the judge is satisfied that</p> <p>(a) the person was required under section 231.1 or 231.2 to <u>provide</u> the access, assistance, information or document and did not do so; and</p> <p>(b) in the case of information or a document, the information or document is not protected from disclosure by solicitor-client privilege (within the meaning of subsection 232(1)).</p> <p>[Emphasis added]</p>	<p>l'aide, les renseignements ou les documents que le ministre cherche à obtenir en vertu des articles 231.1 ou 231.2 s'il est convaincu de ce qui suit :</p> <p>a) la personne n'a pas <u>fourni</u> l'accès, l'aide, les renseignements ou les documents bien qu'elle en soit tenue par les articles 231.1 ou 231.2;</p> <p>b) s'agissant de renseignements ou de documents, le privilège des communications entre client et avocat, au sens du paragraphe 232(1), ne peut être invoqué à leur égard.</p> <p>[Je souligne]</p>
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[27] As the statute reads, and given that “provide” is not defined in the ITA, the word “provide” could include various appropriate methods of “providing” information and documents to the CRA, depending on the circumstances.

[28] Furthermore, audits come in different forms. They range from less intrusive processes, or what are commonly referred to as “desk audits”, typically of an individual, where the CRA requests that specific documents be sent either electronically or by mail for verification. At the other end, there are “field audits” which, in the case of a business audit, could involve an auditor or auditors visiting the office of the taxpayer to examine books and records, documents, and information relating to a particular set of taxation years (on-site audit), or an audit that takes place at a CRA office where the auditor or auditors will request that the taxpayer bring or send

any supporting documents required to centralize the management of some audit files (office audit).

[29] The revised CRA Communiqué replacing that cited above, was very recently released as Communiqué AD-19-02R: *Obtaining Information for Audit Purposes*, dated June 3, 2019. Both Communiqués read, at the relevant part:

The scope of an audit or review influences the type and volume of records required and may expand or contract depending on what facts are determined and what information is provided during the process. More specifically, during an audit, the CRA officials may begin by carrying out a restricted or limited scope audit but may in the course of that audit determine that it is to be expanded to include additional issues or that a full compliance audit is necessary. A limited scope audit will entail less extensive review of documentation than a full scope audit. When compliance activities are modified or expanded from the original scope, officials must clearly communicate the modified or expanded audit focus to the taxpayer.

[30] In each of the audits, whether restricted or full scope, the taxpayer “provides” the CRA with relevant information.

[31] While there is a lack of case law interpreting the meaning of “provide” pursuant to section 231.7 of the ITA (and section 289.1 of the ETA), the wording of subsection 231.7(1) of the ITA speaks of a judge being able to order a person to “provide any access, assistance, information or document sought by the Minister” in exercising her audit powers under sections 231.1 or 231.2.

[32] If it were only “access” that must be provided, as the Respondent argues, Parliament would not have added “assistance, information or document”. Parliament clearly intended that the word “provide” have a flexible meaning. In terms of the law on these points, there has been nothing directly on point. Both parties raise valid arguments and accurately cite existing law and policy.

[33] On the one hand, the CRA holds broad audit powers under the ITA, as recognized by the leading jurisprudence (see, for example, *R v McKinlay Transport Ltd*, [1990] 1 SCR 627 at p 648, *R v Jarvis*, 2002 SCC 73 at para 53, and *Redeemer Foundation v Canada (National Revenue)*, 2008 SCC 46 at paras 12, 25). On the other hand, recent case law has placed restrictions on audit positions advanced by the CRA, including *BP Canada Energy Company v Canada (National Revenue)*, 2017 FCA 61 at para 80, *Canada (National Revenue) v Lin*, 2019 FC 646 at paras 31–32, and recently in *Cameco* regarding the power to compel oral interviews during the course of an audit, as well as the related Tax Court of Canada decision regarding other issues, relating to transfer pricing rules, in *Cameco Corporation v The Queen*, 2018 TCC 195.

[34] As a general rule, the Applicant correctly points out that audits ordinarily take place at the premises of the taxpayer. However, as the history of this matter demonstrates, this cannot be described as an ordinary matter. Now at the five-year mark since the CRA first attempted to commence the audits, the taxpayers have been found not to be in compliance with the ITA, resulting in Justice Brown’s Compliance Order, and then in continued non-compliance with that Order through Justice Phelan’s subsequent Contempt and Sentencing Orders.

[35] Despite the outcome of *Cameco* in favour of the taxpayer, I nonetheless agree with the Applicant that certain factors raised in that decision relating to the “scope and manner” of an audit are applicable to the case at bar. Rennie J.A., speaking for the majority, states at paragraph 43:

The Minister is entitled to determine the scope and manner of an audit, its course and direction; as noted in *BP Canada* at paragraph 82, “auditors must engage in extensive poke-and-check exercises, and are essentially left to their own initiative in verifying the amounts responded by the taxpayer.” Auditors are not bounded by strictures of pleadings or relevance. The course of an audit is directed by a multitude of factors, including the auditors’ experience, training, the state of the records, the tax history of the taxpayer as well as considerations external to the particular taxpayer.

[Emphasis added]

[36] I do not agree with the Respondents’ counter argument that the delivery of the Material to CRA offices does not fall within the “scope and manner” of an audit, but rather that the “scope and manner” deals with when an audit has begun. Rather, when *Cameco* clearly states that the Minister is entitled to determine the “scope and manner” of an audit, preparing and planning how an audit will be conducted falls squarely within this arena.

[37] Here, history plays against the Respondents, given the lengthy background of these matters, including the procedural disputes that have arisen at every step along the way, resulting in a particularly acrimonious history in attempting to conduct this audit which is still pending before the CRA due to the Respondents’ procedural obstacles. Thus, even if I were to agree with the Respondents’ arguments regarding recently having made, and continuing to make, the Material available, *Cameco*’s “tax history” factor weighs heavily in favour of the CRA in this

matter. Indeed, the Minister has been requesting the Material since May 2014, and has been unsuccessful in all attempts to even commence the audits of the Respondents. She has thus had no choice but to seek, and obtain the three Orders against the Respondents. Through the course of the proceedings which resulted in the issuance of the Orders, this Court has criticized – in harsh terms – the Respondents’ failure to cooperate with the CRA, and their ongoing arguments in defence of their lack of cooperation.

[38] For example, Justice Brown notes in his Compliance Order that the Respondents’ correspondence to the CRA had been “non-responsive” and “calculated to delay” the Minister’s requests. And, Justice Phelan finds in his Contempt Order that the Respondents’ defence that the Compliance Order “was not clear” was “nonsense”, and affirmed Justice Brown’s conclusion that the Respondents used “delay tactics”.

[39] Finally, Justice Phelan’s Sentencing Order found the Respondents’ contempt to be continuing, having “barefacedly defied” the Compliance Order and the FCA confirmation of the Compliance and Contempt Orders. He added that the Respondents “have a history of non-compliance, having not filed income tax returns since 1998”, did not present any mitigating factors regarding their non-compliance with court orders, and neither provided any “evidence of good faith, or inadvertence”, or “apology or purging of the contempt”.

[40] Clearly, to say that there has been a history of non-cooperation is an understatement. The Applicant has now been trying to audit the Respondents for over five years, but the Respondents have resisted at every turn. For instance, and most recently, the Respondents rejected the

Applicant's seemingly simple solution to send a courier to the Burlington address to pick up the boxes. Once again, the Applicant's good faith attempts to undertake its audit have been stymied. Again, the Respondents' conduct is just the latest in a long history of non-cooperation in preventing the Applicant from properly carrying out its statutory duties mandated by its legislation, which has precipitated this latest motion before the Court.

[41] Finally, I agree with the Respondents that the underlying facts differ in *Beima* and *Keytech*. However, the scenarios also share similarities in that in each, the taxpayer failed to comply with a compliance order that the Minister was compelled to seek for audit purposes, and ultimately received in both cases. While the taxpayers' factual matrices differed – as they almost always do – the underlying element of taxpayer frustration of the audit process courses through each of these situations. As the FCA stated in the appeal of *Beima v Canada (National Revenue)*, 2017 FCA 85 at paragraph 8:

[...] The Judge also found that the appellant, as a taxpayer, could not dictate how CRA conducts an audit or frustrate the respondent's ability to carry out its statutory duties by refusing entry to a second auditor or insisting on videotaping an audit process: reasons at paragraphs 21, 23. We are unable to identify any reviewable error in the Judge's findings.

[42] In closing, the words of the FCA in *Tower v Minister of National Revenue*, 2003 FCA 307 at paragraph 20 are apt:

Paragraph 231.2(1)(a), when properly interpreted, empowers the Minister to compel a taxpayer to provide "information", meaning knowledge or facts. In order to exercise this power, the Minister must be able to ask questions to elicit the knowledge, facts or figures. The words "return of income or supplementary return" in paragraph (a) does not detract from this interpretation as the preceding word "including" means that the phrase is not exhaustive of the meaning of "information." These words enable the Minister

not only to get the information regarding a taxpayer's income, but also to specify the form in which this information must be provided, i.e. a tax return containing prescribed information rather than in a letter. In my view, the Minister is therefore able to compel production of documents and records under paragraph 231.2(1)(b) and ask questions to elicit knowledge or facts under paragraph 231.2(1)(a).

[43] Respondents' counsel alleges the Applicant has engaged in a "bullying tactic and sharp practice", and has asserted that he will be filing a complaint against Applicant's counsel with the Law Society of Ontario. No evidence of any such complaint has been provided to this Court.

VI. Conclusion

[44] Given (i) the *Cameco* factors of the unknown state of the records and taxpayers' lengthy tax history, as well as the Minister's entitlement to determine the scope, manner, course and direction of an audit, and (ii) past orders of this Court specifying that "to provide" may mean the delivery of taxpayer documents to the CRA in *Keytech* and *Beima*, the Applicant's motion to vary the Compliance Order is accordingly granted. While *Cameco* admittedly differs from this fact situation, including in its outcome, it reviews the relevant legislative provisions in subsection 231.1(1) of the ITA regarding the powers of the Minister to conduct an audit. The Court notes that CRA auditors can be expected to attend at business premises. Indeed, if this were in the ordinary course of an audit, the auditors would be expected to attend at the Burlington address to inspect and review the state of the 30 boxes of Material. But this case lies in the realm of the extraordinary, at the very opposite end of the ordinary.

[45] Given the circumstances that have transpired in this matter, as well as the Applicant's prior offer to arrange for courier pick-up of the Material, the Material will be provided by delivery via courier pick-up at the Applicant's expense, as is set out in the Order below.

ORDER in T-1147-16 and T-1148-16

THIS COURT ORDERS that:

1. The Compliance Order dated August 9, 2016, is varied to add as a condition to that Order pursuant to subsection 231.7(3) of the *Income Tax Act* and subsection 289.1(3) of the *Excise Tax Act*, that the Material be provided by delivering it to the CRA officers at the CRA offices in the manner set out as follows:
 - a) Pursuant to the application made by the Minister under section 231.7 of the *Income Tax Act* and section 289.1 of the *Excise Tax Act* that:
 - (i) An Order under subsections 231.7(1) and 231.7(3) of the *Income Tax Act* and subsections 289.1(1) and 289.1(3) of the *Excise Tax Act* that the Respondents within 30 days from the date of this Order, provide by delivering, through courier pick-up at the Applicant's expense, to an authorized officer, Victor Tobar, of the Canada Revenue Agency, Toronto Centre Tax Services Offices having carriage of the respective audits or collection actions, at the Toronto Centre Tax Services Offices (1 Front Street West, Toronto, ON, M5J 2X6), the access, assistance, information and documents sought from them as set out in Schedule 1 (Appendices "A", "B", "C", and "D") to these Reasons, which contains the charts attached to the affidavit of Kumar Coomarasamy as Exhibit "E", to the affidavit of Ajay Kumar as Exhibit "C", and the affidavit of Victor Tobar as Exhibits "C", and "F", in the Montana File, and Schedule 2 (Appendices "A", "B", "C", "D" and "E") to these Reasons, which contains the charts attached to the affidavit of Kumar Coomarasamy as Exhibit "B", to the affidavit of Ajay Kumar as Exhibit "B", and the affidavit of Victor Tobar as Exhibits "C", "E" and "G", in the Ciciarelli file;

- (ii) An Order that the Minister is authorized to effect service of this Order on the Respondents pursuant to Rule 139 of the *Federal Courts Rules*;
 - (iii) The costs of this application;
- 2. The terms of the Sentencing Order dated July 3, 2018, sentencing the Respondents for their contempt of the Compliance Order, be otherwise maintained.
- 3. Costs of this motion to the Applicant.

"Alan S. Diner"

Judge

SCHEDULE 1**Montana Documents**

APPENDIX A
Montana Audits
Outstanding books, records or documents (September 8, 2014 Request Letter)
<p>a. List of all major personal assets (e.g. real estate, vehicles, equipment, recreation, etc.) along with the approximate costs/proceeds of disposition and year of acquisition/disposal, with supporting documentation</p> <p>b. As the shareholder of the corporation, please provide your personal bank statements/passbooks, transaction records, cancelled cheques, and bank account reconciliations</p> <p>c. All personal investment statements (e.g. RRSP, mutual funds, term deposits, etc.)</p> <p>d. All personal credit card statements, line of credit statements and loans/mortgage documents, including the repayment schedule and the purposes of the loans</p> <p>e. All insurance policies</p> <p>f. Any non-taxable sources of funds that would impact your financial situation during the audit period, please provide details, and</p> <p>g. A personal expense sheet has been included: please complete for the taxation years 2009, 2010, 2011 and 2012</p> <p>h. A complete listing of the books and records cannot be anticipated at this time and further information may requested throughout the audit process</p>

Outstanding books, records or documents (January 26, 2015 Request Letter)

- a. List of all major personal assets (e.g. real estate, vehicles, equipment, recreation, etc.) along with the approximate costs/proceeds of disposition and year of acquisition/disposal, with supporting documentation
- b. As the shareholder of the corporation, please provide your personal bank statements/passbooks, transaction records, cancelled cheques, and bank account reconciliations
- c. All personal investment statements (e.g. RRSP, mutual funds, term deposits, etc.)
- d. All personal credit card statements, line of credit statements and loans/mortgage documents, including the repayment schedule and the purposes of the loans
- e. All insurance policies
- f. Any non-taxable sources of funds that would impact your financial situation during the audit period, please provide details, and
- g. A personal expense sheet has been included: please complete for the taxation years 2010, 2011, 2012 and 2013
- h. A complete listing of the books and records cannot be anticipated at this time and further information may requested throughout the audit process

1585 Income Tax Audit**Outstanding books, records and documents**

- a. T2 corporate tax return (including attachments and financial statements). A hardcopy of the T2 income tax returns with all accompanying schedules is required for our audit
- b. Corporate minute book, updated and articles of incorporation
- c. General ledger and any subsidiary ledgers (accounts receivable, accounts payable)
- d. General journal and all other journals (e.g. purchases, sales, receipts, disbursements and payroll journals) that were used in the preparation of your income tax returns
- e. Year-end working papers
- f. Adjusting journal entries, grouping of accounts, and trial balance
- g. Supporting documentation to vouch the cash balance, and the source of these funds
- h. Supporting documentation for all expenses (e.g. purchase invoices, receipts, proof of payments) including T4/T4A/T5018 slips and summaries
- i. All inventory records for the fiscal periods under review
- j. Supporting documentation for the royalty expenses claimed as well as the franchise agreement for the Wine Kitz business
- k. Supporting documentation for all revenue (e.g. sales invoices, contracts, sales agreements, Z tapes, daily reconciliation statements, receipts and any other documentation)
- l. All business bank account statements, cancelled cheques, cheque books and deposit books
- m. Details of bank line of credits and bank loans throughout the audit period and the accompanying agreements (if applicable)
- n. Business credit card statements and all supporting documents
- o. Invoices and/or purchase agreements for all capital assets acquired during the

years under review, including motor vehicles

- p. Sales agreements for all capital assets disposed of during the year under review
- q. CCA schedules for all three years under audit as well as the Dec 31, 2009 schedule
- r. Licence agreement, loan agreements, lease agreements, insurance agreement/policies, and any amendments and any files related to insurance policies, legal and accounting expenses, and federal and Ontario taxes paid copies
- s. Details of due to shareholder account held throughout the audit period, and any applicable agreements
- t. HST reconciliations/remittances and supporting working papers for computing HST collectible and input tax credits (ITCs)
- u. Any other source documents, books and records that may be required to complete the audit
- v. The list is not exhaustive and additional information and documents may be requested throughout the review period
- w. The books and records are to be sorted, summarized and matched with the amounts reported in the returns. If totaled receipts do not agree with the amounts reported, to provide a reconciliation or explanation of the difference
- x. Acceptable receipts must provide a full description of the goods and/or service, the date of the transaction and the name and address of the payment. Photocopies or illegible receipts are not acceptable

PDS Income Tax Audit

Outstanding books, records and documents

- a) T2 corporate tax return (including attachments and financial statements). A hardcopy of the T2 income tax returns with all accompanying schedules is required for our audit
- b) Corporate minute book, updated and articles of incorporation
- c) General ledger and any subsidiary ledgers (accounts receivable, accounts payable)
- d) General journal and all other journals (e.g. purchases, sales, receipts, disbursements and payroll journals) that were used in the preparation of your income tax returns
- e) Year-end working papers
- f) Adjusting journal entries, grouping of accounts, and trial balance
- g) Supporting documentation to vouch the cash balance, and the source of these funds
- h) Supporting documentation for all expenses (e.g. purchase invoices, receipts, proof of payments) including T4/T4A/T5018 slips and summaries
- i) Supporting documentation for all revenue (e.g. sales invoices, contracts, sales agreements, Z tapes, daily reconciliation statements, receipts and any other documentation)
- j) All business bank account statements, cancelled cheques, cheque books and deposit books
- k) Details of bank line of credits and bank loans throughout the audit period and the accompanying agreements (if applicable)
- l) Business credit card statements and all supporting documents
- m) Invoices and/or purchase agreements for all capital assets acquired during the years under review, including motor vehicles
- n) Sales agreements for all capital assets disposed of during the year under review
- o) CCA schedules for all three years under audit as well as the Dec 31, 2010 schedule
- p) Licence agreement, loan agreements, lease agreements, insurance

agreement/policies, and any amendments and any files related to insurance policies, legal and accounting expenses, and federal and Ontario taxes paid copies

- q) Details of due to shareholder account held throughout the audit period, and any applicable agreements
- r) HST reconciliations/remittances and supporting working papers for computing HST collectible and input tax credits (ITCs)
- s) Any other source documents, books and records that may be required to complete the audit
- t) The list is not exhaustive and additional information and documents may be requested throughout the review period
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- v) Acceptable receipts must provide a full description of the goods and/or service, the date of the transaction and the name and address of the payment. Photocopies or illegible receipts are not acceptable

APPENDIX B

PDS – Outstanding Books, Records and Documents

1. Copies of GST/HST returns together with supporting documents for
 - a. ITCs claimed
 - b. GST/HST collected/collectible
2. Banking documents including statements, deposit slips, cancelled cheques, deposit and credit memorandum, all credit card statements, lines of credit statements, etc.
3. A complete set of financial statements including
 - a. Trial balance and adjusting entries
 - b. Chart of accounts with the account groupings that link back to the trial balance to the financial statements
 - c. Copies of accountant's working papers
 - d. Notes
4. Description of the revenues and expenditures (including capital assets)
 - a. Tax accounting and any other GST/HST related systems
 - b. A summary of the flow of information and procedures used for recording transactions and capturing this information on the GST/HST return (i.e. a walk-through of all systems from source documents through to the tax account for the GST/HST reported and input tax credits (ITC) claimed. Explain how the GST/HST and ITC amounts are captured on the returns)
 - c. A listing of the revenue accounts in the general ledger those are taxable at 5%, 12%, 13% and 14%, taxable at 0% and exempt
5. Description of the internal controls in place that measure the integrity of your accounting system, including but not limited to:
 - a. What controls are in place to ensure that the total GST/HST charged/collected (for both invoiced and non-invoiced items) and GST/HST paid/payable amounts are booked correctly to your general ledger, and then to your GST/HST return

- b. Itemize key controls which prevent or detect the misclassification of taxable supplies as zero rated or exempt
 - c. Itemized controls that prevent or detect ITC from being claimed without adequate supporting documents
 - d. Indicate the controls which prevent or detect duplication of expenditures eligible for ITC
6. Copy of organization chart, minute book and other corporate records
7. List of all GST/HST elections if applicable
8. List of the acquisition and disposition of capital assets
- a. Fixed asset reconciliations, including list of additions and disposals
 - b. Purchasing capital assets invoices
 - c. Capital assets sale invoices
 - d. Corporate income tax return schedule 8
9. All sub-contractor contracts including GST/HST registration numbers with Private Disposal Systems Ltd
- a. Sub-contractor contracts or agreements
 - b. T5018 summary of contract payments
 - c. T5018 statement of contract payments

1585 Outstanding Books, Records and Documents

1. Copies of GST/HST returns together with supporting documents for
 - a. ITCs claimed
 - b. GST/HST collected/collectible
2. Banking documents including statements, deposit slips, cancelled cheques, deposit and credit memorandum, all credit card statements, lines of credit statements, etc.
3. A complete set of financial statements including
 - a. Trial balance and adjusting entries
 - b. Chart of accounts with the account groupings that link back to the trial balance to the financial statements
 - c. Copies of accountant's working papers
 - d. Notes
4. Description of the revenues and expenditures (including capital assets)
 - a. Tax accounting and any other GST/HST related systems
 - b. A summary of the flow of information and procedures used for recording transactions and capturing this information on the GST/HST return (i.e. a walkthrough of all systems from source documents through to the tax account for the GST/HST reported and input tax credits (ITC) claimed. Explain how the GST/HST and ITC amounts are captured on the returns)
 - c. A listing of the revenue accounts in the general ledger those are taxable at 5%, 12%, 13% and 14%, taxable at 0% and exempt
5. Description of the internal controls in place that measure the integrity of your accounting system, including but not limited to:
 - a. What controls are in place to ensure that the total GST/HST charged/collected (for both invoiced and non-invoiced items) and GST/HST paid/payable amounts are booked correctly to your general ledger, and then to your GST/HST return
 - b. Itemize key controls which prevent or detect the misclassification of taxable supplies as zero rated or exempt

- c. Itemized controls that prevent or detect ITC from being claimed without adequate supporting documents
 - d. Indicate the controls which prevent or detect duplication of expenditures eligible for ITC
- 6. Copy of organization chart, minute book and other corporate records
- 7. List of all GST/HST elections if applicable
- 8. List of the acquisition and disposition of capital assets
 - a. Fixed asset reconciliations, including list of additions and disposals
 - b. Purchasing capital assets invoices
 - c. Capital assets sale invoices
 - d. Corporate income tax return schedule 8
- 9. All sub-contractor contracts including GST/HST registration numbers with Private Disposal Systems Ltd
 - a. Sub-contractor contracts or agreements
 - b. T5018 summary of contract payments
 - c. T5018 statement of contract payments

APPENDIX C
Outstanding information and documents – Montana Requirement
<ol style="list-style-type: none"> 1. A list of all major personal assets owned by you, solely or jointly owned with any other person or entity, including but not limited to real estate, vehicles and patents 2. A list of all assets in which you have beneficial ownership 3. A list of all assets and investments in which you are named as a beneficiary 4. A statement setting the cost, proceed of sale, and the date of each acquisition and disposition of each asset, 5. Statements of account for all of your personal investments, including but not limited to RRSPs, term deposits, stocks and bonds 6. Copies of all personal bank accounts statements from all of personal and business financial institutions whether solely in your name or jointly with any other party or entity 7. Copies of all cheques issued, corresponding to the above noted bank account statements 8. Copies of all your personal credit card statements, line of credit statements, along with repayment schedules and terms 9. Copies of all loan agreements, general security agreements (GSA), along with repayment terms and conditions and a list of all assets pledged as security for each loan 10. Copies of all your insurance policies 11. Copies of invoices that you issued in your name for the same period noted above [July 1, 2014 to June 30, 2015] 12. A list of all your accounts receivables 13. A list of your current clients, including names and addresses 14. The source, whether a financial institution or any other person or entity, through which payments are made for: <ol style="list-style-type: none"> a. All cell phone service providers for telephone numbers assigned to you

- b. Your television service provider
- c. All vehicles leased by you
- d. All heat, hydro and water bills in your name
- e. All insurance premiums for all insurance contracts (including but not limited to life, auto, home and tenant insurance) that are in your name solely or jointly with any other person or entity

15. Complete all details of the attached financial information statement

Outstanding information and documents – 1585 Requirement

1. Organization chart for 1585677 Ontario Ltd (sometimes carrying on business as Wine Kitz)
2. A description of business activities and its internal controls
3. General ledgers and general journals
4. Salary/wages journal (manual or computerized)
5. GST/HST election documents or transactions filed with your company by your employees or contractors
6. A statement setting out all current work in progress (WIP), including pending contracts and copies of all invoices
7. A statement setting out the current list of job sites where Giuseppe Montana (sometimes known as Joe Montana) is involved any capacity, along with a description of that capacity
8. The ledgers and journals of accounts receivable and accounts payable
9. Summary of contract payments
10. Bank deposit book
11. Bank statements
12. Copies of cancelled cheques corresponding to the bank statements
13. Cheque register
14. Cash disbursement journal

15. Cash receipt journal
16. Statement of petty cash account transactions
17. Current financial statements, including balance sheet and income statement
18. Minute book and / or share register
19. A statement setting out a summary of remuneration earned by or paid to all employees, contractors, or any other party
20. A statement setting out a summary of pension, retirement annuity, and other income earned by or paid to all employees, contractors, or any other party
21. All TD1 forms – personal tax credit returns – submitted by your employees
22. All TDX1 forms – statement of commission income and expenses for payroll tax deductions – submitted by your employees
23. All payments made to, for, or on behalf of Giuseppe Montana (sometimes known as Joe Montana)
24. Copies of all correspondence, whether on paper or electronic, including a statement in writing of all instructions given by you with respect to the disposition, action and / or response to the Requirement to Pay naming Giuseppe Montana that was sent to 1585677 Ontario Ltd on or about December 5, 2014

APPENDIX D
Ciciarelli Collection Actions
Requirement to 1585677 Ontario Ltd and Mr. Montana re: Mr. Ciciarelli, dated July 22, 2015
<ol style="list-style-type: none"> 1. Organization chart for 1585677 Ontario Ltd (sometimes carrying on business as Wine Kitz 2. A description of business activities and its internal controls 3. General ledgers and general journals 4. Salary/wages journal (manual or computerized) 5. GST/HST election documents or transactions from your employees or contractors filed with your company 6. Current work in progress (WIP), including pending contracts and copies of all invoices 7. A statement setting out the current list of job sites where Luca Ciciarelli (sometimes known as Luca Cicarelli) is involved any capacity, along with a description of that capacity 8. The ledgers and journals of accounts receivable and accounts payable 9. Summary of contract payments 10. Bank deposit book 11. Bank statements 12. Copies of cancelled cheques corresponding to the bank statements 13. Cheque register 14. Cash disbursement journal 15. Cash receipts journal 16. Statement of petty cash account transactions 17. Current financial statements, including balance sheet and income statement as

at December 31, 2014

18. Minute book and / or share register
19. A statement setting out a summary of remuneration earned by or paid to all employees, contractors, or any other party including those paid to Luca Ciciarelli (sometimes known as Luca Cicarelli)
20. A statement setting out a summary of pension, retirement annuity, and other income earned by or paid to all employees, contractors, or any other party including those paid to Luca Ciciarelli (sometimes known as Luca Cicarelli)
21. All TD1 forms – personal tax credit returns – submitted by your employees
22. All TDX1 forms – statement of commission income and expenses for payroll tax deductions – submitted by your employees
23. All payments made to, for, or on behalf of Luca Ciciarelli (sometimes known as Luca Cicarelli)
24. Copies of all correspondence, whether on paper or electronic, including a statement in writing of all instructions given by you with respect to the disposition, action and / or response to the Requirement to Pay naming LUCA M CICIARELLI that was sent to 1585677 Ontario Ltd on or about July 24, 2014

Requirement to 1585677 Ontario Ltd and Mr. Montana re: Ms. Ciciarelli, dated July 22, 2015

1. Organization chart for 1585677 Ontario Ltd (sometimes carrying on business as Wine Kitz)
2. A description of business activities and its internal controls
3. General ledgers and general journals
4. Salary/wages journal (manual or computerized)
5. GST/HST election documents or transactions filed with your company by your employees or contractors
6. A statement setting out all current work in progress (WIP), including pending contracts and copies of all invoices
7. A statement setting out the current list of job sites where Mary Montana (sometimes known as Mary Cicarelli) is involved any capacity, along with a

description of that capacity

8. Ledgers and journals of accounts receivable and accounts payable
9. Summary of contract payments
10. Bank deposit book
11. Bank statements
12. Copies of cancelled cheques corresponding to the bank statements
13. Cheque register
14. Cash disbursement journal
15. Cash receipts journal
16. Statement of petty cash account transactions
17. Current financial statements, including balance sheet and income statement as at December 31, 2014
18. Minute book and / or share register
19. A statement setting out a summary of remuneration earned by or paid to all employees, contractors, or any other party
20. A statement setting out a summary of pension, retirement annuity, and other income earned by or paid to all employees, contractors, or any other party
21. All TD1 forms – personal tax credit returns – submitted by your employees
22. All TDX1 forms – statement of commission income and expenses for payroll tax deductions – submitted by your employees
23. All payments made to, for, or on behalf of Mary Montana (sometimes known as Mary Cicarelli)
24. Copies of all correspondence, whether on paper or electronic, including a statement in writing of all instructions given by you with respect to the disposition, action and / or response to the Requirement to Pay naming MARY MONTANA that was sent to 1585677 Ontario Ltd on or about December 5, 2014

Schedule 2**Ciciarelli Documents**

APPENDIX A
Ciciarelli Income Tax Audit
Ciciarelli Request Letter dated May 20, 2014
<p>a. List of all major personal assets (e.g. real estate, vehicles, equipment, recreation, etc.) along with the approximate costs/proceeds of disposition and year of acquisition/disposal, with supporting documentation</p> <p>b. As the shareholder of the corporation, please provide your personal bank statements/passbooks, transaction records, cancelled cheques, and bank account reconciliations</p> <p>c. All personal investment statements (e.g. RRSP, mutual funds, term deposits, etc.)</p> <p>d. All personal credit card statements, line of credit statements and loans/mortgage documents, including the repayment schedule and the purposes of the loans</p> <p>e. All insurance policies</p> <p>f. Any non-taxable sources of funds that would impact your financial situation during the audit period, please provide details, and</p> <p>g. A personal expense sheet has been included: please complete for the taxation years 2009, 2010, 2011 and 2012</p> <p>h. A complete listing of the books and records cannot be anticipated at this time and further information may requested throughout the audit process</p>

1585 Income Tax Audit**1585 Request Letter dated May 20, 2014**

- a. T2 corporate tax return (including attachments and financial statements). A hardcopy of the T2 income tax returns with all accompanying schedules is required for our audit
- b. Corporate minute book, updated and articles of incorporation
- c. General ledger and any subsidiary ledgers (accounts receivable, accounts payable)
- d. General journal and all other journals (e.g. purchases, sales, receipts, disbursements and payroll journals) that were used in the preparation of your income tax returns
- e. Year-end working papers
- f. Adjusting journal entries, grouping of accounts, and trial balance
- g. Supporting documentation to vouch the cash balance, and the source of these funds
- h. Supporting documentation for all expenses (e.g. purchase invoices, receipts, proof of payments) including T4/T4A/T5018 slips and summaries
- i. All inventory records for the fiscal periods under review
- j. Supporting documentation for the royalty expenses claimed as well as the franchise agreement for the Wine Kitz business
- k. Supporting documentation for all revenue (e.g. sales invoices, contracts, sales agreements, Z tapes, daily reconciliation statements, receipts and any other documentation)
- l. All business bank account statements, cancelled cheques, cheque books and deposit books
- m. Details of bank line of credits and bank loans throughout the audit period and the accompanying agreements (if applicable)
- n. Business credit card statements and all supporting documents
- o. Invoices and/or purchase agreements for all capital assets acquired during the

IT Audits

years under review, including motor vehicles

- p. Sales agreements for all capital assets disposed of during the year under review
- q. CCA schedules for all three years under audit as well as the Dec 31, 2009 schedule
- r. Licence agreement, loan agreements, lease agreements, insurance agreement/policies, and any amendments and any files related to insurance policies, legal and accounting expenses, and federal and Ontario taxes paid copies
- s. Details of due to shareholder account held throughout the audit period, and any applicable agreements
- t. HST reconciliations/remittances and supporting working papers for computing HST collectible and input tax credits (ITCs)
- u. Any other source documents, books and records that may be required to complete the audit
- v. The books and records are to be sorted, summarized and matched with the amounts reported in the returns. If totaled receipts do not agree with the amounts reported, to provide a reconciliation or explanation of the difference
- w. Acceptable receipts must provide a full description of the goods and/or service, the date of the transaction and the name and address of the payment. Photocopies or illegible receipts are not acceptable
- x. The list is not exhaustive and additional information and documents may be requested throughout the review period

APPENDIX B
1585 GST/HST Audit
1585 Request Letter, dated May 29, 2015
<ol style="list-style-type: none"> 1. Copies of GST/HST returns together with supporting documents for <ol style="list-style-type: none"> a. ITCs claimed b. GST/HST collected/collectible 2. Banking documents including statements, deposit slips, cancelled cheques, deposit and credit memorandum, all credit card statements, lines of credit statements, etc. 3. A complete set of financial statements including <ol style="list-style-type: none"> a. Trial balance and adjusting entries b. Chart of accounts with the account groupings that link back to the trial balance to the financial statements c. Copies of accountant's working papers d. Notes 4. Description of the revenues and expenditures (including capital assets) <ol style="list-style-type: none"> a. Tax accounting and any other GST/HST related systems b. A summary of the flow of information and procedures used for recording transactions and capturing this information on the GST/HST return (i.e. a walkthrough of all systems from source documents through to the tax account for the GST/HST reported and input tax credits (ITC) claimed. Explain how the GST/HST and ITC amounts are captured on the returns) c. A listing of the revenue accounts in the general ledger those are taxable at 5%, 12%, 13% and 14%, taxable at 0% and exempt 5. Description of the internal controls in place that measure the integrity of your accounting system, including but not limited to: <ol style="list-style-type: none"> a. What controls are in place to ensure that the total GST/HST charged/collected (for both invoiced and non-invoiced items) and GST/HST paid/payable amounts are booked correctly to your general

ledger, and then to your GST/HST return

- b. Itemize key controls which prevent or detect the misclassification of taxable supplies as zero rated or exempt
 - c. Itemized controls that prevent or detect ITC from being claimed without adequate supporting documents
 - d. Indicate the controls which prevent or detect duplication of expenditures eligible for ITC
6. Copy of organization chart, minute book and other corporate records
7. List of all GST/HST elections if applicable
8. List of the acquisition and disposition of capital assets
- a. Fixed asset reconciliations, including list of additions and disposals
 - b. Purchasing capital assets invoices
 - c. Capital assets sale invoices
 - d. Corporate income tax return schedule 8
9. All sub-contractor contracts including GST/HST registration numbers with Private Disposal Systems Ltd
- a. Sub-contractor contracts or agreements
 - b. T5018 summary of contract payments
 - c. T5018 statement of contract payments

APPENDIX C**L. Ciciarelli Collection Action****Requirement to Mr. Ciciarelli, dated July 22, 2015**

1. A list of all major personal assets owned by you, solely or jointly owned with any other person or entity, including but not limited to real estate, vehicles and patents
2. A list of all assets in which you have beneficial ownership
3. A list of all assets and investments in which you are named as a beneficiary
4. A statement setting the cost, proceed of sale, and the date of each acquisition and disposition of each asset,
5. Statements of account for all of your personal investments, including but not limited to RRSPs, term deposits, stocks and bonds
6. Copies of all personal bank accounts statements from all of personal and business financial institutions whether solely in your name or jointly with any other party or entity
7. Copies of all cheques issued, corresponding to the above noted bank account statements
8. Copies of all your personal credit card statements, line of credit statements, along with repayment schedules and terms
9. Copies of all loan agreements, general security agreements (GSA), along with repayment terms and conditions and a list of all assets pledged as security for each loan
10. Copies of all your insurance policies
11. Copies of invoices that you issued in your name for the same period noted above [July 1, 2014 to June 30, 2015]
12. A list of all your accounts receivables
13. A list of your current clients, including names and addresses
14. The source, whether a financial institution or any other person or entity, through

which payments are made for:

- a. All cell phone service providers for telephone numbers assigned to you
- b. Your television service provider
- c. All vehicles leased by you
- d. All heat, hydro and water bills in your name
- e. All insurance premiums for all insurance contracts (including but not limited to life, auto, home and tenant insurance) that are in your name solely or jointly with any other person or entity

15. Complete all details of the attached financial information statement

Requirement to 1585677 Ontario Ltd and Mr. Ciciarelli, July 22, 2015

- 1. Organization chart for 1585677 Ontario Ltd (sometimes carrying on business as Wine Kitz
- 2. A description of business activities and its internal controls
- 3. General ledgers and general journals
- 4. Salary/wages journal (manual or computerized)
- 5. GST/HST election documents or transactions filed with your company by your employees or contractors
- 6. A statement setting out all current work in progress (WIP), including pending contracts and copies of all invoices
- 7. A statement setting out the current list of job sites where Luca Ciciarelli (sometimes known as Luca Cicarelli) is involved any capacity, along with a description of that capacity
- 8. The ledgers and journals of accounts receivable and accounts payable
- 9. Summary of contract payments
- 10. Bank deposit book

11. Bank statements
12. Copies of cancelled cheques corresponding to the bank statements
13. Cheque register
14. Cash disbursement journal
15. Cash receipt journal
16. Statement of petty cash account transactions
17. Current financial statements, including balance sheet and income statement
18. Minute book and / or share register
19. A statement setting out a summary of remuneration earned by or paid to all employees, contractors, or any other party
20. A statement setting out a summary of pension, retirement annuity, and other income earned by or paid to all employees, contractors, or any other party
21. All TD1 forms – personal tax credit returns – submitted by your employees
22. All TDX1 forms – statement of commission income and expenses for payroll tax deductions – submitted by your employees
23. All payments made to, for, or on behalf of Luca Ciciarelli (sometimes known as Luca Cicarelli)
24. Copies of all correspondence, whether on paper or electronic, including a statement in writing of all instructions given by you with respect to the disposition, action and / or response to the Requirement to Pay naming Luca M Ciciarelli that was sent to 1585677 Ontario Ltd on or about July 24, 2014

APPENDIX D
M. Ciciarelli Collection Action
Requirement to 1585677 Ontario Ltd, care of Mr. Ciciarelli re: Ms. Ciciarelli, dated July 22, 2015
<ol style="list-style-type: none"> 1. Organization chart for 1585677 Ontario Ltd (sometimes carrying on business as Wine Kitz) 2. A description of business activities and its internal controls 3. General ledgers and general journals 4. Salary/wages journal (manual or computerized) 5. GST/HST election documents or transactions from your employees or contractors filed with your company 6. A statement setting out all current work in progress (WIP), including pending contracts and copies of all invoices 7. A statement setting out the current list of job sites where Mary Montana (sometimes known as Mary Cicarelli) is involved any capacity, along with a description of that capacity 8. The ledgers and journals of accounts receivable and accounts payable 9. Summary of contract payments 10. Bank deposit book 11. Bank statements 12. Copies of cancelled cheques corresponding to the bank statements 13. Cheque register 14. Cash disbursement journal 15. Cash receipts journal 16. Statement of petty cash account transactions 17. Current financial statements, including balance sheet and income statement as

at December 31, 2014

18. Minute book and / or share register
19. A statement setting out a summary of remuneration earned by or paid to all employees, contractors, or any other party
20. A statement setting out a summary of pension, retirement annuity, and other income earned by or paid to all employees, contractors, or any other party
21. All TD1 forms – personal tax credit returns – submitted by your employees
22. All TDX1 forms – statement of commission income and expenses for payroll tax deductions – submitted by your employees
23. All payments made to, for, or on behalf of Mary Montana (sometimes known as Mary Cicarelli)
24. Copies of all correspondence, whether on paper or electronic, including a statement in writing of all instructions given by you with respect to the disposition, action and / or response to the Requirement to Pay naming MARY MONTANA that was sent to 1585677 Ontario Ltd on or about December 5, 2014

APPENDIX E**Montana Collection Action****Requirement to 1585677 Ontario Ltd, care of Mr. Ciciarelli re: Mr. Montana, dated July 22, 2015**

1. Organization chart for 1585677 Ontario Ltd (sometimes carrying on business as Wine Kitz
2. A description of business activities and its internal controls
3. General ledgers and general journals
4. Salary/wages journal (manual or computerized)
5. GST/HST election documents or transactions from your employees or contractors filed with your company
6. A statement setting out all current work in progress (WIP), including pending contracts and copies of all invoices
7. A statement setting out the current list of job sites where Giuseppe Montana (sometimes known as Joe Montana) is involved any capacity, along with a description of that capacity
8. The ledgers and journals of accounts receivable and accounts payable
9. Summary of contract payments
10. Bank deposit book
11. Bank statements
12. Copies of cancelled cheques corresponding to the bank statements
13. Cheque register
14. Cash disbursement journal
15. Cash receipts journal
16. Statement of petty cash account transactions
17. Current financial statements, including balance sheet and income statement as

at December 31, 2014

18. Minute book and / or share register
19. A statement setting out a summary of remuneration earned by or paid to all employees, contractors, or any other party
20. A statement setting out a summary of pension, retirement annuity, and other income earned by or paid to all employees, contractors, or any other party
21. All TD1 forms – personal tax credit returns – submitted by your employees
22. All TDX1 forms – statement of commission income and expenses for payroll tax deductions – submitted by your employees
23. All payments made to, for, or on behalf of Giuseppe Montana (sometimes known as Joe Montana)
24. Copies of all correspondence, whether on paper or electronic, including a statement in writing of all instructions given by you with respect to the disposition, action and / or response to the Requirement to Pay naming GIUSEPPE MONTANA that was sent to 1585677 Ontario Ltd on or about December 5, 2014

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-1147-16

STYLE OF CAUSE: MINISTER OF NATIONAL REVENUE v LUCA M. CICIARELLI, A.K.A. LUCA CICARELLI, 1585677 ONTARIO LTD

AND DOCKET: T-1148-16

STYLE OF CAUSE: MINISTER OF NATIONAL REVENUE v GIUSEPPE MONTANA, A.K.A. GIUSEPPI MONTANA AND JOE MONTANA, 15856777 ONTARIO LTD, PRIVATE DISPOSAL SYSTEMS LTD

MOTION HELD BY TELECONFERENCE ON MAY 15, 2019 FROM OTTAWA, CANADA AND TORONTO, ONTARIO

ORDER AND REASONS: DINER J.

DATED: JULY 8, 2019

APPEARANCES:

Alisa Apostle
Brendan Tait

FOR THE APPLICANT

Tony De Bartolo

FOR THE RESPONDENTS

SOLICITORS OF RECORD:

Attorney General of Canada
Toronto, Ontario

FOR THE APPLICANT

The Law Office of Antonio
De Bartolo
Barrister and Solicitor
Mississauga, Ontario

FOR THE RESPONDENTS