



CANADA REVENUE
AGENCY

AGENCE DU REVENU
DU CANADA

REGISTERED MAIL

Pinnacle Foundation
26 Avonherst Street
Winnipeg, MB R3M 2V1

BN: 86917 9912 RR0001
File #: 3019689

Attention: Mr. Richard Whidden, Director

**Subject: Notice of Intention to Revoke
Pinnacle Foundation**

Dear Mr. Whidden:

I am writing further to our letter dated July 23, 2008 (copy enclosed), in which you were invited to submit representations as to why the Minister of National Revenue (the "Minister") should not revoke the registration of Pinnacle Foundation (the "Charity") in accordance with subsection 168(1) of the *Income Tax Act* (the "ITA").

As of this date, we still have not received any response to our letter.

Consequently, for each of the reasons mentioned in our letter dated July 23, 2008, I wish to advise you that, pursuant to the authority granted to the Minister in subsections 149.1(3) and 168(1) of the ITA, which has been delegated to me, I propose to revoke the registration of the Charity. By virtue of subsection 168(2) of the ITA, revocation will be effective on the date of publication of the following notice in the *Canada Gazette*:

Notice is hereby given, pursuant to paragraphs 168(1)(b), and 168(1)(d) of the Income Tax Act, that I propose to revoke the registration of the organization listed below under subsection 149.1(3), and paragraph 149.1(3)(b), of the Income Tax Act and that the revocation of registration is effective on the date of publication of this notice.

Place de Ville, Tower A
320 Queen Street, 13th Floor
Ottawa, Ontario K1A 0L5

Business Number	Name
86817 9912 RR0001	Pinnacle Foundation Vancouver, B.C.

Please note that, notwithstanding the fact that the Charity may have filed a Notice of Objection, a copy of the revocation notice, described above, will be published in the *Canada Gazette* after the expiration of **30 days** from the day this letter was mailed. The Charity's registration will be revoked on the date of publication.

Consequences of Revocation:

As of the effective date of revocation:

- a) the Charity will no longer be exempt from Part I Tax as a registered charity and **will no longer be permitted to issue official donation receipts**. This means that gifts made to the Charity would not be allowable as tax credits to individual donors or as allowable deductions to corporate donors under subsection 118.1(3), or paragraph 110.1(1)(a), of the ITA, respectively;
- b) by virtue of section 188 of the ITA, the Charity will be required to pay a tax within one year from the date of the Notice of Intention to Revoke. This revocation tax is calculated on prescribed form T-2046 "*Tax Return Where Registration of a Charity is Revoked*" (the "Return"). The Return must be filed, and the tax paid, on or before the day that is one year from the date of the Notice of Intention to Revoke. A copy of the relevant provisions of the ITA concerning revocation of registration, the tax applicable to revoked charities, and appeals against revocation, can be found in Appendix "A", attached. Form T-2046, and the related Guide RC-4424, "*Completing the Tax Return Where Registration of a Charity is Revoked*", are available on our website at www.cra-arc.gc.ca/charities;
- c) the Charity will no longer qualify as a charity for purposes of subsection 123(1) of the *Excise Tax Act* (the "ETA"). As a result, the Charity may be subject to obligations and entitlements under the ETA that apply to organizations other than charities. If you have any questions about your GST/HST obligations and entitlements, please call GST/HST Rulings at 1-888-830-7747 (Quebec) or 1-800-959-8287 (rest of Canada).

Finally, I wish to advise that subsection 150(1) of the ITA requires that every corporation (other than a corporation that was a registered charity throughout the year) file a *Return of Income* with the Minister in prescribed form, containing prescribed information, for each taxation year. The *Return of Income* must be filed without notice or demand thereof.

Yours sincerely,

Terry de March
Director General
Charities Directorate

Attachments:

- CRA letter dated July 23, 2008; and
- Appendix "A", Relevant provisions of the ITA

Cc: Mr. James Vancoughnett
108-663 Beach Road, Qualicum Beach B.C., V9K 2H7



REGISTERED MAIL

July 23, 2008

Pinnacle Foundation
Suite 1555, 1500 West Georgia Street
Vancouver, B.C.
V6G 2Z6

Attention: W. Richard Whidden

BN: 86817 9912RR0001
File: 3019689

Dear Mr. Whidden:

RE: Audit of Pinnacle Foundation

This letter is further to the audit of the books and records of the Pinnacle Foundation (the "Charity") conducted by the Canada Revenue Agency (the "CRA"). The audit related to the operations of the Charity for the period from January 3, 2002 to August 31, 2007.

During our meeting of March 18, 2008, the directors were advised that the CRA has identified specific areas of non-compliance with the provisions of the *Income Tax Act* (the "ITA") and/or its *Regulations* in the following areas:

AREAS OF NON-COMPLIANCE:		
	Issue	Reference
1.	Non-Charitable Purpose and Activities	149.1(1), 168(1)(b)
2.	Failure to Accept Valid Gifts in Accordance with the ITA	118.1
3.	Issuing Receipts Not in Accordance with the ITA	Regulation 3501, 168(1)(d)
4.	Failure to Meet its Disbursement Quota	149.1(3)(b), 168(1)(b)

Vancouver Island Tax Services
1415 Vancouver Street
Victoria BC
(250) 363-0276

Services fiscaux de l'Île de Vancouver
1415, rue Vancouver
Victoria, C-B

Mailing Address:
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c/o 9755 King George Hwy.
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Services fiscaux de l'Île de Vancouver,
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Canada

The purpose of this letter is to describe the areas of non-compliance identified by the CRA during the course of the audit as they relate to the legislative and common law requirements applicable to registered charities, and to provide the Charity with the opportunity to address our concerns. In order for a registered charity to retain its registration, legislative and common law compliance is mandatory, absent which the Minister of National Revenue (the "Minister") may revoke the Charity's registration in the manner described in section 168 of the ITA.

The balance of this letter describes the identified areas of non-compliance in further detail.

Identified Areas of Non-Compliance:

1. Non-Charitable Purpose and Activities

In order for an organization to be recognized as a charitable foundation, it must be constituted and operated exclusively for charitable purposes.

The term "charitable" is not defined in the ITA and it is therefore necessary to rely on the jurisprudence in the *Common Law*. The Courts have recognized four general categories of charitable purposes: (1) the relief of poverty; (2) the advancement of religion; (3) the advancement of education; and (4) other purposes beneficial to the community as a whole (or a sufficient section thereof) in a way that the law regards as charitable. This last category merely identifies an additional group of purposes that have been held charitable at law rather than qualifying any and all purposes that provide a public benefit as charitable. The term "charitable purposes" includes the disbursement of funds to qualified donees.

In the Supreme Court decision of *Vancouver Society of Immigrant and Visible Minority Women v. M.N.R.* [1999] 1 S.C.R. 10, Iacobucci J. speaking for the majority, summarized the requirements for charitable registration at paragraph 159, as follows:

"In conclusion, on the basis of the Canadian jurisprudence, the requirements for registration under s. 248(1) come down to two:

(1) the purposes of the organization must be charitable, and must define the scope of the activities engaged in by the organization; and

(2) all of the organization's resources must be devoted to these activities."

It is our view, based on our review, that the Charity does not operate for wholly charitable purposes and the activities it undertakes on a day-to-day basis do not support its charitable purposes in a manner consistent with charitable law. In fact, the evidence on the file, as outlined below, demonstrates a preponderance of effort and resources devoted to non-charitable activities. The Charity has devoted a substantial portion of its efforts and resources to participating in a donation arrangement. The Charity has confirmed it is no longer engaged in any charitable activities and its charitable activities during the audit period were limited to its participation in the donation arrangement.

Failure to pursue its charitable mandate

As above, registered charities are required to pursue activities in furtherance of the purposes for which they are established. There is concern the Charity is operating outside of its corporate mandate.

The Charity was registered “to receive gifts, bequests, trusts, funds and property and beneficially, or as a trustee or agent, to hold, invest, develop, manage, accumulate and administer funds and property for the purpose of disbursing funds and property exclusively to registered charities and qualified donees; and to conduct any and all activities and exercise any and all such powers as are necessary for the achievement and furtherance of the objects of the Corporation.”

We would note that the Charity, while issuing receipts for monetary and property “donations”, it has subsequently utilized these funds and property in a way likely to be detrimental to the sustainability of its assets. As a part of the donation arrangement in which the Charity has participated and discussed in detail below, it is obligatory the funds received be directed to an offshore corporation purportedly for the retirement of mortgages attached to timeshare units received. CRA audits have revealed the Charity did not have access to the monetary “donations” and may not in fact have title to the timeshare units it allegedly received.

It is the CRA’s view, based on the above, review of records made available and discussions with the Charity’s directors, that the Charity is neither pursuing the objectives for which it was registered nor is it utilizing its assets in a prudent manner for future activity. In fact, the primary activity of the Charity to date appears to have been issuing tax receipts in support of the donation arrangement and in amounts supplied by the donation arrangement promoters. The Charity’s sole activity during the audit period was its participation in the donation arrangement; no charitable activities have been conducted by the Charity prior to or after its participation aside from the gifting of approximately \$18,000 to qualified donees. The Charity’s directors have advised CRA that no further activities are planned for the Charity.

For this reason alone it remains our view that Pinnacle Foundation has failed to pursue its charitable mandate in accordance with the ITA and there are grounds for revocation of its registered status under paragraph 168(1)(b).

Non-Charitable Purpose

Based on our audit we have found little evidence the Charity has undertaken activities in support of its charitable mandate since the date of registration. In fact, the evidence on the file, as outlined below, demonstrates a preponderance of the effort and resources of the Charity devoted to participating in tax planning donation arrangement while, as above, an incidental and comparatively insignificant amount of effort and resources were devoted to charitable programming. Therefore, as explained below, it is our opinion the Charity is not operating in pursuit of its charitable purposes.

During our initial interview, the directors advised the Charity was registered to transact a “structured donation program”. The program was driven by the Home Owners Association at Regattos of Abaco, a timeshare resort in Abaco, Bahamas. It is our understanding that many of the timeshare units were damaged by hurricanes and, as a result, the original owners were no

longer interested in maintaining their ownership and were delinquent in paying the yearly maintenance fees.

It is also our understanding that the developer of the resort contacted an acquaintance of his, Mr. James Vancoughnett, to discuss a tax shelter scheme involving the re-sale of some of these timeshare units. The resort was interested in recovering some of the maintenance fees so repairs could be made to the units. The timeshare units would be purchased, settled into a trust by Bahamian corporation, Venik Holdings Ltd. (the "Settlor"), and then distributed to the qualified donors by The Regattas Trust (the "Trust") located in the Bahamas. The timeshare units would be donated by the donors to a newly registered Canadian charity who would issue donation receipts for the property received. The plan was implemented as follows:

- A Canadian charity was registered so that donation receipts could be issued for cash and timeshare units donated to it. Mr. Fred Schneider, one of the original directors, suggested asking Mr. Blake Bromley of QDDQ Services Inc., Vancouver, to submit an application for registration of the charity because of his expertise in this sector. The application for registration was submitted on February 11, 2002 and was registered as a public foundation effective January 3, 2002.
- In a letter dated October 18, 2002 addressed to the Trustee, Apex Financial Corporation, the Charity expressed a willingness to accept donations of timeshare units provided the donation was accompanied by a cash donation sufficient to retire the mortgage attached to each timeshare unit. The Charity also entered into an agreement with Can-American Exchange Limited on October 20, 2002 whereby Can-American Exchange Limited would provide rental marketing agency services to the Charity for a fee of 40% of the gross rent or sale proceeds received. The Charity would distribute the net revenue income, if any, to registered Canadian charities.
- The Settlor purportedly settled 591 timeshare units with an attached mortgage into the Trust on October 20, 2002. The number of units settled into the Trust was structured to ensure the outstanding debt on the timeshare units would be paid off.
- The Trust allowed qualified Canadian individuals to apply to become beneficiaries and to receive a distribution of one or more timeshare units. The qualified beneficiaries were then encouraged to donate the timeshare units to the Charity.
- The timeshare units were allegedly worth \$19,000 USD for a 970 sq. ft. two bedroom unit and \$20,600 USD for a 1,200 sq. ft. two bedroom unit. A mortgage of \$10,080 CDN (2002) and \$8,250 CDN (2003) was attached to the timeshares units. The Trust distributed 29 and 221 timeshare units in the calendar year ending 2002 and 2003 respectfully.
- Upon receipt of the cash and timeshare units, the Charity issued two donation receipts – one receipt for the cash contributed by the donor equivalent to the mortgage attached to each timeshare unit and another receipt for the purported fair market value ("FMV") of the timeshare units net of the mortgage attached.
- As a result of proposed changes to the ITA announced by the Minister of Finance on December 5, 2003, the Trust discontinued distributing timeshare units to qualified beneficiaries and the Charity closed down the structured donation program. Due to the Charity's closure of the structured donation program before all 591 units were distributed, the Homeowner's Association at the Regattos of Abaco Resort commenced legal

proceedings against the Charity and, according to the directors of the Charity, no further rental income was received. The litigation continues to this day.

As a result of the Charity's participation in the donation arrangement, the Charity has received minimal rental income from the timeshare units. The Charity received \$20,253 in rental income in 2004 and gifted approximately \$18,000 to qualified donees in 2005 despite issuing official donation receipts for cash and property in excess of \$6.7 million. Of the \$2.1 million received in cash donations, purportedly to retire the mortgages attached to the timeshare units, the funds were in fact paid by the donors directly to "Holmes Greenslade, In Trust". The funds were then forwarded by Holmes Greenslade into a trust account for Beaune Investments Limited ("Beaune"), issuers of mortgages. CRA's audit of the donation arrangement has discovered the funds forwarded to Beaune were actually used to pay the various management, fundraising and maintenance fees incurred to promote the donation arrangement. As such, it is our position the Charity did not have unfettered use over the funds donated to it and the funds were used for non-charitable purposes.

Based on this, it appears a preponderance of the Charity's funds are directed primarily to the benefit of the donation arrangement promoters and to the promotion of the donation arrangement while a scant percentage reverted back to the Charity in the form of rental income. In our view, the arrangement described above, particularly the insignificant rental income received by the Charity and its lack of control over its own "timeshare units", demonstrates a willingness of the Charity to lend its receipting privileges for the inappropriate private benefit of the tax planning donation arrangement and its promoters, which is not charitable at law.

The Charity, in our view, has failed to demonstrate any due diligence undertaken to verify the authenticity of the donation program, how participation in the program furthers the objects of the organization, the property involved or the value of the property involved. The Charity relied entirely upon the opinions and valuations provided by the donation arrangement's promoters without undertaken, or demonstrating it took, any reasonable efforts to corroborate or contradict the opinions provided by persons directly associated with the donation arrangement.

Given the manner in which the Charity structures and conducts its activities to accommodate these tax shelters, and the proportional levels of involvement in these arrangements, it is our position that the primary purpose of the Charity is to support and promote the donation arrangement. In this regard, it appears that the Charity enthusiastically lent its physical, financial and human resources (not to mention tax receipting privileges) to support this donation arrangement, with little regard for the mandate and best interests of the Charity itself. Operating for the purpose of promoting a donation arrangement is not a charitable purpose at law. It is further our position, therefore, that by pursuing this non-charitable purpose, Pinnacle Foundation has failed to demonstrate that it meets the test for continued registration under 149.1(1) as a charitable foundation.

2. Failure to Accept Valid Gifts in Accordance with the ITA

It is our position that the Charity has contravened the *Income Tax Act* by issuing receipts for transactions that do not qualify as gifts. We offer the following explanations to support our position.

No Animus Donandi

In order to qualify as a charitable donation, there must be a true gift at common law. A true gift is a voluntary transfer of real or personal property from a donor, who must freely dispose of the property, to a donee, who receives the property given. The transaction may not result directly or indirectly in a right, privilege, benefit or advantage to the donor or to the person designated by the donor. Any legal obligation on the payor would cause the transfer to lose its status as a gift.

As essential element of a gift is *animus donandi* - that the donor must be motivated by an intention to give. It must be clear that the donor intends to enrich the donee, by giving away property, and to generally grow poorer as a result of making the gift.

It is our view the transactions involving the Charity fail to meet this latter element. The common theme, found throughout these donation arrangement transactions, is that through a series of transactions and a minimal monetary investment, “donors” profit through the tax credits so obtained. It is clear that the primary motivation of the donors is intent to profit, and, as such, these transactions fail to qualify as gifts at law.

In support of this position, we note that:

- The information posted on the Charity’s website focuses on the estimated income tax savings and a return on investment as a result of donor participation of approximately 55%.
- Transactions are pre-arranged and handled entirely by promoters or other third parties. Participants in these arrangements are simply expected to put forward a minimal investment to receive generous tax receipts in return.
- Donors receive property, i.e. timeshare units, valued in excess of their minimal cash investment from a trust and transfer ownership of the property almost immediately to the Charity. As above, the value of the timeshare units is approximately twice that of the donor’s cash “donation”. Often the “donation” of the timeshare units occurs without the donor seeing or using the property given that the property is located in the Bahamas and the donors are located in Canada.
- Minimal information is provided to the prospective donors as to how the donations will benefit the charity, or benefit the activities of the charity they are supporting.

These points, in our opinion, evidence that these transactions are primarily motivated by the donor’s intent to enrich him/herself rather than an intent to make a gift to charity. As such, it is our position that there is no intention to make a “gift” within the meaning assigned at 118.1 of the ITA.

No Unfettered Discretion

According to Income Tax Ruling 2001-0065935(E), “In order for an expenditure to be considered a gift, it must be without conditions, from detached and disinterested generosity, out of affection, respect or charity or like impulses, and not from the constraining forces of any moral or legal duty. The donee must have an unfettered right to use a donation as they wish.”

As per above, cash “donations” made to the Charity were actually not received by the Charity as the donor’s cheques were issued in the name of “Holmes Greenslade, In Trust” and were directly forwarded by Holmes Greenslade to Beaune. According to the information available to CRA, a donor would not be accepted as a qualified beneficiary of the Trust unless a cheque equal to the amount of the mortgage attached to the timeshare unit(s) accompanied the donor’s application. This is evidenced in the following:

- The “Document Completion Guide” given to potential donors advised them to attach a cheque payable to Homes Greenslade, Barristers and Solicitors, in trust to their application.
- The application form also advised donors to attach a cheque payable to Holmes Greenslade.
- Cheryl Hordal, one of two shareholders of the Trustee, reviewed the applications for approval. In an interview on January 5, 2005, she was asked whether they [the Trustee] rejected any applications. She responded, “They did not reject any applicants during the screening as far as she can tell. If someone were rejected because of a bounced cheque it would have been after her involvement.”

As indicated above, the cash “donations” received by the Charity were not used as intended, for retirement of the timeshare unit mortgages, but were used to pay various management, maintenance and fundraising fees incurred to promote the donation arrangement. Of the cash “donations” received, all except \$3,500 remained undistributed in the Beaune trust account at the end of October 2006. As such, it is our position the “donations” received by the Charity were directed towards non-charitable purposes and therefore fail to qualify as gifts under section 118.1 of the ITA. .

Fair Market Value

Under the ITA, a registered charity may issue a receipt for a donation of property other than cash, but it must ensure an accurate FMV is determined and recorded on the receipt. It is our position the Charity has contravened this requirement by not properly determining the FMV of the timeshare units and that it has issued receipts other than for the actual value of the property gifted.

It is our opinion, the FMV of the timeshare units received exceed the factual FMV of the timeshare units. In our view, the FMV does not exceed the mortgage values of the timeshare units at the time of donation. The timeshare units were sold to the Settlor of the Trust in October 2002 for \$10,080 per timeshare unit. An additional factor to be taken into consideration is that the timeshare units are currently being offered for sale on the internet for as low as \$1,500 USD.

Further evidence the FMV of the units may be overstated is the fact the long-term investments reported on the T3010A, Registered Charity Information Return has been consistently written down each year. In fact, it appears the Charity may have little to no opportunity to recover its investment as they are being written down by approximately 10% per year and because of the current legal dispute with the Home Owner’s Association at Regattos of Abaco.

Under paragraphs 168(1)(d), the Minister may, by registered mail, give notice to the registered charity that the Minister proposes to revoke its registration if it issues a receipt otherwise than in accordance with the ITA and its Regulations. It is our position that the Charity has issued receipts otherwise than in accordance with the ITA and the Regulations. For each reason identified above, there are grounds for revocation of Pinnacle Foundation's charitable status.

3. Issuing Receipts Not in Accordance with the ITA:

The law provides various requirements with respect to the issuing of official donation receipts by registered charities. These requirements are contained in Regulations 3500 and 3501 of the ITA and are described in some detail in Interpretation Bulletin IT-110R3 *Gifts and Official Donation Receipts*.

The audit reveals that the donation receipts issued by the Charity do not comply with the requirements of Regulation 3501 of the ITA and IT-110R3 as follows:

- Receipts issued to acknowledge the timeshare units and cash received as a result of the Charity's participation in the donation arrangement were not valid gifts under section 118.1 of the ITA. Under the *Income Tax Act*, a registered charity can issue official donation receipts for income tax purposes for donations that legally qualify as gifts.
- Receipts issued to acknowledge the timeshare units received as a result of the Charity's participation in the donation arrangement were not independently appraised by the Charity. Official donation receipts were issued based on the figures provided by the appraisers hired by the promoters of the tax shelters thereby nullifying the fact that appraiser was independent and qualified to evaluate the particular property; and

Under paragraphs 168(1)(d) of the ITA, the Minister may, by registered mail, give notice to the registered charity that the Minister proposes to revoke its registration if it issues a receipt otherwise than in accordance with the ITA and its Regulations. It is our position the Charity issued receipts for transactions that do not qualify as gifts at law. For this reason alone, there are grounds for revocation of the charitable status of Pinnacle Foundation under paragraph 168(1)(d) of the ITA.

3. Failure to Meet its Disbursement Quota

In order to maintain its status as a public foundation within the meaning of paragraph 149.1(3)(b) of the ITA, a registered charity must, in any taxation year, expend amounts on charitable activities and/or gifts to qualified donees, that are equal to at least 80% of the aggregate amounts for which it issued donation receipts in its immediately preceding taxation year or 3.5% (4.5% in 2003) of the Charity's average value of assets owned over the previous 24 months not used directly in charitable activities or administration. A charity is allowed by virtue of 149.1(20) of the ITA to offset any shortfalls in its disbursement quota calculation by applying any excesses from its immediately preceding taxation year and five or less of its immediately subsequent taxation years.

In considering the application of expenditures used to meet the disbursement quota, a charity must ensure that it is expensed directly on charitable activities and/or programs. This would include such payments as salaries to persons performing duties directly related to charitable

programs, but would not include amounts paid for purely administrative expenses such as fund-raising costs, legal or accounting fees and the like.

Based on our calculations, the Charity has not satisfied its disbursement quota for the period January 3, 2002 – August 31, 2007 because it failed to expend 3.5% (4.5% in 2003) of its average long-term investments, i.e. the timeshare units. We have calculated the Charity's cumulative disbursement quota shortfall, based on the T3010 information filed and amounts provided by your accountant:

Fiscal Period	DQ Excess	DQ Shortfall	Cumulative DQ Excess (Shortfall)
2002	0	0	0
2003	0	\$ (18,015)	\$ (18,015)
2004	0	\$ (165,589)	\$ (183,604)
2005	0	\$ (200,403)*	\$ (384,007)
2006	0	\$ (201,123)	\$ (585,130)
2007	0	\$ (189,730)	<u>\$ (774,860)</u>

* $\$6,240,510 \times 3.5\% = \$218,418 - \$18,015$ (gifts to qualified donees)

It is our understanding the original intent of the Charity was to earn sufficient rental income to meet its annual disbursement quota. However, the Charity has not received rental income since 2004. For accounting purposes, the expected rental income has been recorded as rental income and as an accounts receivable. In 2007, the Charity's accountant wrote off the rental income receivable as a bad debt expense suggesting there is little or no chance of collection. In our meeting of March 18, 2008, the Charity's directors reiterated the Charity was unable to pay the disbursement quota shortfall.

As per paragraph 168(1)(b) of the ITA, the Minister may, by registered mail, give notice to the charity that the Minister proposes to revoke its registration because it ceases to comply with the requirements of the ITA related to its registration as such. For this reason, it appears to us that there are grounds for revocation of the charitable status of Pinnacle Foundation.

The Charity's Options:

a) No Representations

If you choose not to provide representations, please advise us in writing of your intent. The Director General of the Charities Directorate may give notice of its intention to revoke the registration of the Charity by issuing a Notice of Intention in the manner described in subsection 168(1) of the ITA.

b) Representations

Should you choose to respond, please provide your written representations and any additional information regarding the findings outlined above **within 30 days** from the date of this letter. After considering the representations submitted by the Charity, the Director General of the Charities Directorate will decide on the appropriate course of action, which may include the issuance of a Notice of Intention to Revoke the registration of the Charity in the manner described in subsection 168(1) of the ITA.

If you appoint a third party to represent you in this matter, please send us a written authorization naming the individual and explicitly authorizing that individual to discuss your file with us.

If you have any questions or require further information or clarification, please do not hesitate to contact the undersigned at the number indicated above.

Sincerely,

Jeanne Effler, CGA
Audit Division

c.c: W. Vancoughnett
108 – 663 Beach Road, Qualicum Beach, B.C. V9K 2H7