

September 16, 2013

*This letter is being sent to all Donors who participated in the Christian Economic Assistance Foundation (“CEAF”) Student Support Program. Nothing in this letter is legal advice for you to rely on.*

Dear CEAF Donor:

**Re: CEAF Student Support Program**  
**Retaining Morris Kepes Winters LLP to act as your lawyers on the Tax Appeal to CRA**

I am a partner with Morris Kepes Winters LLP. We are a law firm of tax lawyers based in Toronto.

The Ontario Alliance of Christian Schools (“OACS”) has contacted us about the recent decision by the Canada Revenue Agency (“CRA”) to reassess charitable donations made to the CEAF Student Support Program (“the Program”).

The OACS tells us the CRA has reassessed or will reassess some or all donors to the Program. The CRA is denying these donors’ tax credit. This means the donors will not get a tax credit for donations they make, or have made, to the Program.

We understand that some donors may not have hired a lawyer to appeal the CRA’s reassessment. Our law firm, Morris Kepes Winters LLP, has extensive experience representing large groups of taxpayers in such tax appeals. We are offering to act as the lawyers for each of the donors the CRA reassesses. Some reassessed donors have already retained our services.

Hiring one law firm to represent a group keeps costs down. Legal fees are shared among a large number of people. The group of donors do not have to shoulder all of the fees themselves.

We understand you participated in the Program. Our firm is offering to act as your lawyers on the tax appeal if you are or have been reassessed.

If you agree to retain us, we will act as lawyers only for you and for any other reassessed donors who choose to hire us. We do not act for the OACS. We are independent from the OACS. The OACS has chosen to recommend our firm. It has kindly forwarded this letter to you, to start the process.

Two important points:

1. If you expect to be reassessed, or have been reassessed and would like to hire our firm, you must carefully read the Retainer Agreement accompanying this letter. This includes the document *Some Questions You May Have and Some Answers*, included below. Make sure you understand everything. Follow the instructions to complete the Retainer Agreement. Once you fill it out, and return it to us, signed and initialled, and with a retainer cheque and the information we ask for, we will be your lawyers. ***Until you complete every step and meet every requirement, we are not your lawyers, and you have not retained us to act for you in this matter.***
2. ***Time is of the essence.*** There is a ***deadline*** for you to file a Notice of Objection to the CRA reassessment. Morris Kepes Winters will need time from the day you retain us and give us all your information, to get your Notice of Objection filed. If you wish to retain us, we must have your completed Retainer Agreement and retainer cheque no later than ***30 days from the date of your reassessment by the CRA.***

If you do not send a completed Retainer Agreement and retainer cheque to us by 30 days from the date of your reassessment by the CRA, that will mean you have chosen not to retain us. We will not be your lawyers. You will not be entitled to the benefit of our services.

If you do choose not retain us, you ought to consider retaining your own lawyer to represent you in the dispute with the CRA.

Yours very truly,

**MORRIS KEPES WINTERS LLP**



Robert Kepes  
RGK:

Enclosure

## **RETAINER AGREEMENT**

**IF YOU WISH TO RETAIN MORRIS KEPES WINTERS LLP TO ACT AS YOUR LAWYER ON THE CEAF TAX APPEAL, PLEASE READ THIS RETAINER AGREEMENT CAREFULLY, AND SIGN IT *ONLY* IF YOU UNDERSTAND EVERYTHING IN IT, AND AGREE TO IT.**

This Retainer Agreement sets out the terms and conditions under which you agree to retain Morris Kepes Winters LLP to be your lawyer in the tax appeal to Canada Revenue Agency (“CRA”) about charitable donations to the Christian Economic Assistance Foundation (“CEAF”) Student Support Program (“the Program”).

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### **SCHEDULE ‘A’ - THE TAX APPEAL PROCESS**

### **SOME QUESTIONS YOU MAY HAVE AND SOME ANSWERS**

### **CHECKLIST OF WHAT YOU NEED TO RETURN TO MORRIS KEPES WINTERS LLP FOR THIS RETAINER**

### **ACKNOWLEDGEMENT AND AGREEMENT**

## 1. Retaining Us to Act for You

- We must be retained by each donor directly and individually, because the CRA has issued reassessments only to donors.
- We propose to act for the entire group of donors who retain us individually.
- We will only act for donors to the Program who send to us (using the stamped self-addressed envelope we are enclosing):
  - this Retainer Agreement, completed and signed;
  - a copy of the Notice of Assessment from the CRA;
  - CRA form T1013 (enclosed), signed and dated, authorizing us to act on the donor's behalf in all dealings with CRA relating to the Program;
  - a photocopy of the donor's government issued photo ID, such as a Passport or Driver's License, for reasons we explain below;
  - a cheque for **\$491.55** (\$435.00 plus \$56.55 H.S.T.) per person, for our retainer money, which we explain below.
- Until we receive all these items, we are not your lawyers. **We must receive everything within 30 days of your reassessment.**
- When we do receive all these items, we will be your lawyers, representing the group of donors under a joint retainer, which we explain below. We will provide you the services described in the next section (2. *The Scope of Our Services to You*). You and Morris Kepes Winters LLP will be bound by this Retainer Agreement.
- This is not a class action.

## 2. The Scope of Our Services to You

### *Purpose and Goal*

- The purpose of retaining us is to appeal the CRA reassessment of contributions to the Program.
- The goal of retaining us is to persuade the CRA to reverse or modify its reassessment, so that donors do not have to pay all or some of the taxes and penalties the reassessment has triggered.

### ***What We Will Do***

- If you retain us to act for you, we will carry out the four stages of the tax appeal process for you. The four stages are:
  - a. the notice of objection stage
  - b. the Tax Court of Canada appeal stage
  - c. the Tax Court trial stage
  - d. the appeal to the Federal Court of Appeal stage

They are explained in Schedule 'A', *The Tax Appeal Process*, below.

- We will review the details of the Program.
- We will review the documents and correspondence relevant to the Program.
- We will draft and file the Notice of Objection with the CRA. Unfortunately, time constraints do not allow us to send you a copy for your pre-approval. A copy for your review will be available online at our website.
- We will follow through on all the formal and informal proceedings with the CRA.
- We will communicate with you to let you know the progress of the appeal. (As we discuss below, all communications will be by email, or via the website <http://www.mkwtaxlaw.com/ceaf>.)
- We will maintain a website, <http://www.mkwtaxlaw.com/ceaf>, for clients with information and updates about the appeal.
- Legal proceedings are dynamic. The issues may change. What we need to do may change. Our retainer with you may expand. We may need to carry out more services than this Retainer Agreement sets out. You may need to ask us for additional services. For example, the CRA may want to negotiate, and hold meetings and discussions regarding your specific case.
- If the scope of our retainer does change, we will notify you.
- We will act promptly for you. We will act diligently for you. But be aware that, after Notices of Objections are filed, we expect 9 to 12 months will pass before the CRA acts on them. We cannot promise instant results.

### ***What We Will Not Do***

- We will not calculate the tax implications for you of a settlement with the CRA. This is a job for an accountant, or for whoever prepared your income tax return.
- We will not apply to the CRA on behalf of individual donors for interest relief. This can only be done individually because any entitlement to interest relief depends on your

individual circumstances. If you would like us to apply for interest relief on your behalf by making a submission to the CRA, you may consider retaining us outside the joint retainer. Our normal hourly rates will apply.

- We cannot give individual recommendations to each donor to accept or reject a settlement offer from the CRA. Each decision is based on your specific circumstances. We can only give information to the group of donors as a whole.
- We will not give you individual tax advice. If you need individual tax advice, you may consider retaining us outside the joint retainer. Our normal hourly rates will apply.
- We will not report to you individually. If at any time you need individualized reporting, wish us to report to, or otherwise provide advice to, you may consider retaining us outside the joint retainer. Our normal hourly rates will apply.
- We will not give you advice on any civil lawsuit related to the Program that donors may bring or consider bringing.

### **3. This Is A Joint Retainer**

- Donors will retain us individually, but we will act for the donors as a group. In other words, our engagement with the group of donors is a joint retainer.

#### ***What is a joint retainer?***

- According to the governing body of Ontario lawyers, the Law Society of Upper Canada, a joint retainer is one in which a lawyer accepts employment from more than one client in a matter or transaction.
- The Law Society of Upper Canada's joint retainer rules apply every time a lawyer is asked to act for more than one client in a matter or transaction.
- The rules impose certain obligations on lawyers.

#### ***What are a lawyer's obligations with a joint retainer?***

- By acting for you and all the donors as a group under a joint retainer, the Law Society of Upper Canada obliges us to tell you that:
  - a. We have been asked to act for all of the donors who have retained us.
  - b. We will have undivided loyalty to each client. We will work to achieve the best possible result for each and every client. We cannot favour one's client's interests over another.

- c. We are not permitted to treat information received in connection with this matter from one client as confidential from the others. This means that any information you give us about the Program can be shared with the other donor clients. (We will not, and cannot, share your *personal* information with anyone other than the CRA).
- d. If a conflict develops that cannot be resolved, we cannot continue to act for all of the donors, and we may have to withdraw completely.

#### **4. The Pooled Funds**

- We will ask every donor client under the joint retainer to send us money to cover the fees, disbursements, administrative costs and HST relating to each stage of the appeal.
- We will deposit all of this money in trust. How and when we will draw on the pooled funds is described below under the heading *Rates, Billing and Payment*.
- The pooled funds must be sufficient to pay for the work we do and expenses we incur.
- If the total pool is insufficient, then all donors will be asked to make contributions.
- If we do not get the further contribution, we reserve the right to suspend or terminate our services.
- Here is how the pool will work:
  - We will keep track of our time incurred for the advice given to, and work done for the group as a whole;
  - we will charge for this work and advice proportionately among all the donor clients in the pool;
  - for example, if there are 1,000 Donors, and if the pool is \$435,000.00, and say our fees are \$100,000.00, then we will bill \$100.00 to each participating donor client;
  - at the end of our engagement, if there is money left over in the pool, we will return to each donor client a proportional part of their contributions.
- If a donor client chooses to withdraw from the appeal before our engagement is at an end, provided there are sufficient funds in the pool, we will return to them a proportional portion of unused trust funds, net of their share of our fees, costs and disbursements to that date.

- If a donor client contributes to the pooled funds after it is established, then they will be charged their proportional share of our fees and disbursements to that date.

## **5. Rates, Billing and Payment**

- While we are acting as your lawyers, we will bill you for your proportional share of the services we have completed, HST, and any expenses (which we call “disbursements”).
- Our rates are based on the individual lawyers’ years of experience, specialization, and training.
- The rate for lawyers who may work on this case ranges from \$300.00 to \$625.00 per hour.
- These rates are subject to change, without notice to you.
- You authorize us to incur any expenses or disbursements on your behalf, as we deem necessary to fulfill our retainer, or to provide the services for which you have engaged us. These can include searches, faxes, postage, deliveries, travel expenses, photocopying, government filing charges, the fees for outside services (*see below*), and all other reasonable expenses we incur on your behalf.
- When we bill you, we will send you an invoice that sets out the details of our work and disbursements.
- We consider many factors when we bill clients. We review all invoices before they are issued, to ensure the fee is appropriate.
- Our accounts are due upon receipt. We will draw the fees from the pooled funds which we hold in trust.
- If there are any outstanding accounts, interest must be paid on them, under the *Solicitor’s Act of Ontario*.
- We reserve the right to suspend or terminate our services for non-payment of accounts.

## **6. Retainer Cheque**

- Before we start work on your behalf, you must pay us a deposit of \$491.55 (\$435.00 plus \$56.55 HST), called a *retainer*.
- Please send us your retainer cheque for \$491.55 payable to ***Morris Kepes Winters LLP, in trust.***

- Cheque is the only payment option. We do not accept credit card, cash, wire or other payment method.
- The \$491.55 retainer is *per person*. For example, a husband and wife would send us \$983.10 (2 x \$491.55), if they are both appealing the CRA reassessment, and if they both want us to act for them.
- We will keep your retainer in our general trust account (where we keep clients' money) as part of the pooled funds, and draw on it for our fees and expenses, as described above under the headings *The Pooled Funds* and *Rates, Billing and Payment*.

## **7. Law Society Regulations on Client Identification**

- To combat fraud, the Law Society of Upper Canada requires the identification and verification of every client who retains us. Similar regulations are now also in place in most other Canadian jurisdictions.
- To comply with Law Society's identification requirements, we need the following information from you:
  - Your exact full name.
  - Your full home address, including postal code.
  - Your telephone number(s) - home, office, cell.
  - Your occupation.
  - A photocopy of your government issued photo ID, such as a Passport or Driver's License.

## **8. Using Outside People and Services**

- In order to save expenses, and ensure the best service, we will sometimes use clerks, paralegals, and outside lawyers, specialists and services.
- You authorize us to employ the outside services and people we may decide are necessary. This includes storing electronic data inside or outside of Canada.
- You authorize these services and people to incur the disbursements they may decide are necessary.
- You authorize us to share your confidential and privileged information with these services and people, but only to the extent we need to do so for them to help your case. In

turn, we will require them to be bound by a duty of confidentiality towards you and your information.

## **9. Paying the Assessed Amount**

- The CRA charges interest on unpaid balances. Currently, CRA is charging 5%. If this tax appeal is unsuccessful, you may have to pay a lot of interest. Especially if the appeal takes a long time. CRA also has the right to set off a tax refund against taxes owed. If you have a refund coming, the CRA can take the money it is claiming right out of your refund, even if you filed an objection.
- We recommend you consider paying the amount CRA is demanding. This will limit your potential loss. If you pay the amount in dispute, you will stop the interest running. If the tax appeal is successful, the money you pay will be refunded, with some interest.
- This is a business decision, not a legal decision. Paying the amount is not an admission that you agree with CRA's position. It does not affect the appeal. It's just a way to limit the interest charges.

## **10. Communication with You**

- Given the nature of this tax appeal, and the tight deadlines to which we are working, we will be communicating with you and all the reassessed donors in only one of two ways: email, and through our website <http://www.mkwtaxlaw.com/ceaf>.
- We will rely on you to check our website <http://www.mkwtaxlaw.com/ceaf> regularly, to make sure you have not missed any information we may have sent to you.
- We may occasionally follow up with letters sent by ordinary mail. But this will only be a secondary mode of communication.
- Whenever you send an email, please include “**CEAF Program**” in the subject box.
- You may have an email filter to block spam. Sometimes our legitimate emails get caught in it. If this happens, please authorize our emails to go through your spam filter.
- If you do not have an email address, please obtain one.
- If it is impossible for you to communicate by email, you may give us a fax number.
- All our communications with you will be in English. If you need help with English, you will be responsible to find it.

### **11. No Guarantee of Success**

- We will try our best in acting for you. We will give you the best legal advice we can offer. After we have fully researched the matter, we may conclude that you should only claim a portion of the donation amount.
- However, the issues here involve risks and uncertainties in the law, the facts, and the evidence.
- You understand that we cannot guarantee the successful outcome of this tax appeal.

### **12. Terminating or Revising This Retainer**

- At any time, you may terminate our retainer on written notice to us.
- We may do the same, on written notice to you.
- Our retainer arrangement cannot be modified or revised unless all the donor clients and Morris Kepes Winters LLP agree, in writing.

### **13. Trust Funds**

- You authorize us to apply any trust money in our accounts towards fees, costs and disbursements that are due.

### **14. Only Advice for You**

- Any advice is intended to be given to, and relied upon solely by, you in connection with the Program. It may not be relied upon by anyone other than you. Our advice may not be copied, distributed or disclosed to anyone else or used for any other purpose without our prior written consent, which may be arbitrarily withheld.

### **15. CRA Authorization Form**

- The CRA will not speak to us about your tax affairs without a signed authorization form from you.
- We have enclosed the T1013 form along with this Retainer Agreement. Please sign and date the form, and send it back to us with this Retainer Agreement.

## **16. Deductibility of Fees**

- Legal fees or expenses incurred in preparing, instituting or prosecuting an objection to, or an appeal in relation to, tax assessments are deductible for Canadian tax purposes.
- The deductibility of fees for your tax appeal is not an issue on which we will advise you. You should review it with an accountant, or with whoever prepared your income tax return.

## **17. Signing this Retainer Agreement**

- We invite you to ask another lawyer to review this Retainer Agreement, if you wish, to make sure it is fair and reasonable.
- This Retainer Agreement is the whole agreement between us about our relationship with each other, and our legal fees and expenses. There are no other agreements between us. There are no other documents. There are no representations you are relying on.
- This Retainer Agreement is a contract. It will legally bind you, our firm, and anyone (such as heirs or legal representatives), who replaces either you or us. But it does not legally bind other lawyers who might later act for you if you decide to terminate our retainer.

**PLEASE SIGN THE ACKNOWLEDGEMENT AND AGREEMENT BELOW, FOLLOWING SCHEDULE 'A'. FINALLY, PLEASE FILL IN ALL OF THE REQUESTED INFORMATION FOLLOWING YOUR SIGNATURE.**

**PLEASE NOTE THE DEADLINE TO RETURN THESE DOCUMENTS TO US IS 30 DAYS FROM THE DATE OF YOUR REASSESSMENT BY THE CRA.**

## SCHEDULE 'A'

### *THE TAX APPEAL PROCESS*

This schedule describes in general terms the legal services Morris Kepes Winters LLP will likely provide in respect of the dispute with the CRA.

The potential services can be broken down into stages:

1. the notice of objection stage
2. the Tax Court of Canada appeal stage
3. the Tax court trial stage, and
4. the appeal to the Federal Court of Appeal stage.

Note that the pooled funds must be sufficient to cover the fees, disbursements and HST relating to each stage. If there are insufficient funds then we will require a further contribution of funds from the reassessed donors (see above, under the headings *The Pooled Funds* and *Rates, Billing and Payment*).

#### **1. Notice of Objection Stage**

In this stage, we will prepare the Notice of Objection that will be filed by the reassessed donors.

We will represent each of the reassessed donors in their appeal to the Appeals Division of the CRA. Submissions to the Appeals Division of the CRA will be made on behalf of all the reassessed donors collectively. If a particular parent donor has other tax issues before the Appeals Division not relating to the donation to the Program, those issues will have to be addressed separately and at that parent donor's own cost.

It is possible that the matter will be resolved at this first stage. If we are unable to reach an acceptable conclusion to this matter with the Appeals Division, we will attempt to negotiate (usually with the cooperation of the Designated Appeals Division of the CRA) to hold in abeyance all but a few (or one) of the reassessments issued to the reassessed donors. Those whose reassessments are not held in abeyance will proceed to the Tax Court of Canada as test cases (the "Test Cases"). The objective will be for each of the reassessed donors and the CRA to agree that the result of the Test Cases will bind all of the reassessed donors. The strategy of employing Test Cases is efficient and cost effective.

The selection of the Test Cases is an important strategic decision based on a number of factors including:

- the individual's knowledge of the Program,
- the credibility of the individual,
- the ability of the individual to present himself or herself well in a stressful situation, and
- the absence of other complicating factors in the individual's circumstances.

While the Appeals Division likely will agree to such an arrangement and hold the objections of the non-Test Case reassessed donors in abeyance, there can be no guarantee this will occur. If no agreement is reached, we will have to proceed to the next stage.

## **2. Tax Court of Canada appeals stage**

To begin this stage, we will draft and file the Notice of Appeal to the Tax Court of Canada for the Test Cases. Once the Notices of Appeal have been filed, we will gather all of the relevant documents and provide a list of relevant documents to the Crown as provided under the Tax Court Rules.

The next step is examination for discovery. In this step, we will examine an official of the CRA under oath. Similarly, the Department of Justice (representing the CRA) will discover the reassessed donors who are the Test Cases. Usually, discovery on each side is limited to one individual per case, although many other individuals may be called as witnesses at the trial.

Once the discoveries are completed (perhaps before), the Department of Justice and the CRA may be open to settlement. We will try to settle the matter at this stage, to the extent a settlement is in the best interests of the reassessed donors.

## **3. Tax Court Trial stage**

This stage involves the preparation for and the conduct of the trial(s) at the Tax Court of Canada. It includes interviewing and preparing the witnesses, preparing and presenting the arguments and conducting the trial itself.

#### **4. Appeal to the Federal Court of Appeal stage**

If the reassessed donors are not successful at the Tax Court, they may decide to appeal to the Federal Court of Appeal. Before this decision is made, we would provide you with our opinion as to the likelihood of success on appeal to the Federal Court of Appeal.

Conversely, if the CRA is not successful at the Tax Court, it may choose to appeal to the Federal Court of Appeal. To successfully appeal, a party must show the Tax Court committed an error of law or a serious error of fact. At this stage, our services will include preparation for and conduct of the appeal.

***WE MUST HAVE THE FOLLOWING INFORMATION SO THAT WE MAY REPRESENT YOU:***

|   |
|---|
| <i>Your Name:</i>   |
| <i>Your Address:</i>  |
| <i>City:</i>  |
| <i>Postal Code:</i>   |
| <i>Telephone (home):</i>  |
| <i>Telephone (office):</i>  |
| <i>Telephone (cell):</i>  |
| <i>Fax:</i>   |
| <i>Email:</i>   |
| <i>Social Insurance Number:</i>   |
| <i>Occupation:</i>  |
| <i>Business contact information (if any):</i>   |
| <i>Calendar years you participated in the program (check the box for each year you participated):</i><br><br><input type="checkbox"/> 2009<br><br><input type="checkbox"/> 2010<br><br><input type="checkbox"/> 2011<br><br><input type="checkbox"/> 2012 |

*Name of student(s):*

*Your relationship to student(s):*

*Parent*

*Grandparent*

*Other relative*

*Unrelated*

*Have you received a Notice of Assessment from the CRA?*

*Yes*

*No*

*If yes, for what year or years?*

*If yes, what is the date of the Notice of Assessment?*

*(located in a box on the assessment that sometimes is marked "Date of Mailing")*

*Have you already filed a Notice of Objection with the CRA?*

*Yes*

*No*

*If yes when did you file the Notice of Objection?*

*(Please provide a copy of it to us.)*

## SOME QUESTIONS YOU MAY HAVE AND SOME ANSWERS

- *Am I free to go to another lawyer as an individual?*
  - Yes. In our view, however, you would lose the cost savings we can offer by representing the group of reassessed donors. If you do choose another firm, we recommend you ensure they have expertise in tax matters.
  
- *What is the deadline for signing up?*
  - There is a deadline for you to file a Notice of Objection to the CRA reassessment. It is 90 days from the date of the reassessment. Morris Kepes Winters will need time from the day you retain us and give us all your information, to get your Notice of Objection filed. **If you wish to retain us, we must have your completed Retainer Agreement, the completed Questionnaire, the completed T1013 form, and retainer cheque no later than 30 days from the date of your reassessment. We are not retained (i.e. we are not your lawyers) until you provide us with complete information and a retainer cheque.**
  
- *I missed the deadline now what?*
  - We will have to file a request for an extension on your behalf. Before you can join the group, we will need to get this done for you. We have agreed to seek extensions for a flat fee of \$250.00.
  
- *What is a retainer?*
  - When you hire a lawyer, we generally ask for money “up front” before we begin working for you. We are not allowed to “pocket” this money. We have to deposit the money into a trust account, where we hold the money for you. It remains your money, until our firm bills you for work done. We pay the bill from your trust account. This reduces your retainer. If the retainer gets all used

up, you have to replenish it. If not, at the end of the case, we will write you a cheque for the remainder.

- *Why is the retainer so large? Why is the retainer so small?*
  - \$491.55 (including HST) represents less than one hour of a senior tax lawyer's time. Because this case involves many people with the same problem, the many hours we will have to spend on it can be spread across everyone in the group. Still, we expect we will have to spend hundreds of hours on this case, to ensure we give you the best possible representation.
- *I'm paying the firm \$491.55 (including HST) as a retainer; will I be expected to pay more than this \$491.55 (including HST)?*
  - Maybe. We have set the retainer at \$491.55 (including HST) because we believe this amount from all the reassessed donors who choose to retain us will cover the cost of taking the matter through to Tax Court. We hope not to have to ask you for more retainer money. But, if we encounter more work than expected, we may have to do so.
- *What if I do not pay the \$491.55 (including HST) to the firm right now, can I still participate in the group?*
  - Unfortunately, no. We have to receive your retainer money before we can act for you.
- *My spouse and I both claimed a portion of the tax deduction; can we be considered a single client and pay only one \$491.55 (including HST) retainer?*
  - No. Each individual taxpayer is a separate client, and requires the same amount of work from us. Each of you retains us separately, with two payments of \$491.55 (including HST) .
- *Will I get any of this \$491.55 back?*
  - Maybe. It comes down to math. If the fees and expenses in dealing with this case are, say, \$400,000.00, and 1,000.00

reassessed donors paid in \$491.55 (including HST), then each person will get \$35.00 (plus HST) back at the end of the case. If the fees and expenses in dealing with this case are \$435,000.00 or more, you will not get any of the \$491.55 back.

- *If I pay the \$491.55 (including HST) retainer and Morris Kepes Winters LLP becomes my lawyers in this matter, will that mean I won't have to pay any money that CRA is demanding from me?*
  - No. Our work will be to try to reduce the CRA's demand, and increase your donation credit to the maximum allowable by law. After we have fully researched the matter, we will prepare and file a Notice of Objection on your behalf. We may conclude that you should only claim a portion of the donation amount. We are hopeful, but cannot guarantee, the CRA will budge.
  
- *What happens after I retain Morris Kepes Winters LLP? Do I have to write the CRA a cheque immediately for the money it is demanding?*
  - No. You do not need to pay the CRA until this matter is resolved or the donors lose their appeals in Tax Court. However, we recommend that some or all of the Assessment be paid in order to stop the CRA from charging interest (currently 5% on unpaid amounts).
  
- *Why do I need to send you a copy of my passport or driver's license?*
  - To combat fraud, the Law Society of Upper Canada, which governs lawyers in Ontario, requires the identification and verification of every client who retains us. Similar regulations are now also in place in most other Canadian jurisdictions.
  
- *I have been reassessed by the CRA on some other matters. Will Morris Kepes Winters LLP handle these issues as part of the tuition issue?*
  - No. We aren't saying we can't help. We can. But within the scope of this engagement, we can only deal with the CEA Student Support Program issue. If you need further help, you may consider retaining us outside the joint retainer. Our normal hourly rates will apply.

- *Am I going to find out about the confidential personal details of other people in this matter, will they find out mine?*
  - No. We are not allowed to share, and will not share, your confidential personal information. However, we are not permitted to treat information received in connection with this matter from one client as confidential from the others. So, the other reassessed donors will have access to the information that you are a part of the group, to any documents we file with the CRA on your behalf, and to the advice we give you on this case. You will have access to the same information about them.
  
- *My child has their own source of income, and files their own tax return. They paid the tuition from their own money, and are being assessed themselves. Do I engage the firm for them?*
  - It depends how old your child is now. If they are under 18, you act as their legal guardian and can take action for them. If over 18, they need to engage us themselves.
  
- *What if I want to talk to a lawyer?*
  - We are treating the group as a set of individuals with the same problem. This way, we can keep the costs to a minimum. We are not offering individual advice. If you want or need individual advice, you may consider hiring us outside the joint retainer. Our normal hourly rates will apply.
  
- *Where can I get an update about what's happening in the case?*
  - We will email you and post updates when they happen to our website **<http://www.mkwtaxlaw.com/ceaf>**. We are relying on you to check the website regularly. You can also call our special line at 416-800-1958.
  
- *How long will the case take?*
  - Cases like this take time. Once the Notice of Objection gets filed on time, the CRA will respond in its own time. It might be 6 months or a year, before the CRA starts engaging with us. And that does not include the other steps in the appeal. The case

may take a while. It may not. It is not possible to predict at this stage just how long it will take.

- *Are the costs of fighting the CRA, your firm's fees and disbursements tax deductible?*
  - Possibly. You should review the question with an accountant, or with whoever prepared your income tax return.
  
- *I have one child in the program now. He's the one the CRA reassessment pertains to. But 10 years ago I put my older child through the same school. Will I be reassessed for that child's tuition as well?*
  - No, CRA has agreed to only go back 3 years in its reassessments. You are off the hook for any tuition paid before 2009.
  
- *I understand some parents are contemplating bringing a class action against the OACS and others, to recover the money the CRA is demanding. If I retain Morris Kepes Winters LLP to act for me to try to reduce my reassessment, how does that affect my participation in the class action?*
  - We are offering no advice about a class action. We can only point out that, under Canadian law, a party claiming damages has a duty to try to minimize their damages. This is called "mitigation". Filing a Notice of Objection and attempting to reduce the amount the CRA is demanding from you may be reasonable mitigation. This will be a matter for the class action lawyers to advise on.
  
- *I haven't received my Notice of Assessment from the CRA yet, but I know I'm going to get one. What should I do?*
  - Fill out all the forms we have included in this package to the best of your ability. Then wait. When the Notice of Assessment does come, make a copy of it, and send the copy and the completed package along to us.

- *I'll sign everything, send in my forms and my retainer cheque. How will I know you have received my materials, and that they were OK?*
  - Within a week or so after we get them, we will send you an email telling you we have received your materials, that they are complete and, with our thanks, acknowledge that you have retained us to act for you in this matter. We will also send you a receipt for the amount of retainer, and an initial invoice for time spent and expenses incurred on this matter to date.
  
- *If I disagree with the fees Morris Kepes Winters LLP charges for the work on this case, what can I do about it?*
  - Talk to us first. We are always open to our clients' questions and concerns. In addition, you may call the Law Society of Upper Canada. They can give you guidance and information.

**CHECKLIST OF WHAT YOU NEED TO RETURN TO  
MORRIS KEPES WINTERS LLP FOR THIS RETAINER**

*Please check mark each bullet point as you complete it*

- This Retainer Agreement, completed and signed.
- A copy of the Notice of Assessment from the CRA, if you have received one.
- CRA form T1013:

**PLEASE TAKE CARE TO FILL OUT THESE  
PARTS OF FORM T1013:**

- a. Part 1: your **name, phone, and SIN number**
- b. Part 6: **date and your signature**

**WE HAVE FILLED OUT PART 3 ON YOUR BEHALF. YOU DON'T  
NEED TO FILL OUT ANYTHING ELSE.**

- A photocopy of your government issued photo ID, such as a Passport or Driver's License.
- If you have filed one with the CRA, a copy of your Notice of Objection.
- A retainer cheque for **\$491.55** (\$435.00 plus \$56.55 H.S.T.) per person, payable to *Morris Kepes Winters LLP, in trust.*

## ACKNOWLEDGEMENT AND AGREEMENT

I have read this entire Retainer Agreement. I understand it. I accept the terms and conditions in it. I agree with it.

DATE: \_\_\_\_\_, 2013 (*please insert the date you are signing*)

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
Print your name here

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, Province

\_\_\_\_\_  
Postal Code



# Authorizing or Cancelling a Representative

Complete this form to give the Canada Revenue Agency (CRA) your consent to deal with another person (such as your spouse or common-law partner, other family member, friend, or accountant) who would act as your representative for income tax matters or to cancel any existing representatives on your file. For **individual** accounts, complete this form only if you have a valid social insurance number (SIN), temporary tax number (TTN) or individual tax number (ITN). Only forms received with a valid SIN, TTN or ITN will be processed. Send your completed form to your CRA tax centre. You can find the address of your tax centre on the attached information sheet. You can also give or cancel a consent by providing the requested information online through "Authorize my representative" on our Web site at [www.cra.gc.ca/myaccount](http://www.cra.gc.ca/myaccount). To **immediately cancel** a consent, call us at **1-800-959-8281**.

**Note**

We will accept a change of address only from **you** or **your legal representative**. If you have registered with the **My Account** online service, you can change your address by going to [www.cra.gc.ca/myaccount](http://www.cra.gc.ca/myaccount). If you have recently moved, call us at **1-800-959-8281** before submitting this form to ensure we have your current mailing address.

To **authorize** a representative, complete Part 1, Part 2 **or** Part 3, Part 4, and Part 6.

To **cancel** a representative, complete Part 1, Part 5, and Part 6.

## Part 1 – Taxpayer information

Complete this part to identify yourself and to give your account number. You must complete a **separate Form T1013** for each representative.

|                   |           |                       |                                |
|-------------------|-----------|-----------------------|--------------------------------|
| First Name        | Last Name | Work telephone number | Home telephone number          |
| <b>Individual</b> |           | <b>Trust</b>          | <b>T5</b>                      |
| SIN, TTN or ITN   |           | Trust account number  | T5 filer identification number |
| T                 |           | H                     | A                              |

**Complete the one that applies:**

## Part 2 – Giving consent for a representative (including online access)

You must complete a **separate Form T1013** for each representative. Online access is not available for **trust** accounts. Refer to Part 3.

To grant online access to your representative, enter his or her identification number.

For an individual

**ReplD**

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

**or**

For a group

**GroupID**

|   |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|
| G |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|

**or**

For a business

**Business number (BN)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

Your representative must have registered the BN with the CRA "Represent a client" service.

Enter the full name of the individual, group or business.

**Name of individual associated to the ReplD**

|             |  |            |  |
|-------------|--|------------|--|
| First name: |  | Last name: |  |
|-------------|--|------------|--|

**Name of the group associated to the GroupID**

|  |
|--|
|  |
|--|

**Name of the business associated to the BN**

|  |
|--|
|  |
|--|

Enter the **level of authorization** (level 1 or 2):

If you **do not specify a level** of authorization, we will **assign a level 1**.

Our online services do not have a year-specific option. Therefore, your representative will have access to **all tax years**.

## Part 3 – Giving consent for a representative (other than online access, including trust accounts)

You must complete a **separate Form T1013** for each representative.

- If you are giving consent to an **individual**, enter the individual's full name in the appropriate box below.
- If you are giving consent to a **business**, enter the name of the business in the appropriate box below.

|                           |  |                                 |                     |      |                          |
|---------------------------|--|---------------------------------|---------------------|------|--------------------------|
| <b>Name of individual</b> |  | <b>Name of business</b>         |                     |      |                          |
| First name:               |  | <b>MORRIS KEPES WINTERS LLP</b> |                     |      |                          |
| Last name:                |  | Telephone:                      | <b>416-366-7876</b> | Ext: | Fax: <b>416-601-2514</b> |

Part 3 continued on the next page ➔

**Part 3 (Continued)**

Tick either:

- **Box A** below to give consent for **all** tax years **and** specify the level of authorization; **or**
- **Box B** below to give consent for a **specific** tax year or years **and** specify the level of authorization for **each** tax year.

If you **do not specify a level** of authorization, we will **assign a level 1**.

- A.** All (past, present, and future) tax years **Level of authorization** (level 1 or 2):
- B.** Enter the applicable tax year or years (past and/or present), and specify the level of authorization (level 1 or 2) for **each** tax year.

| Tax year(s)            |  |  |  |  |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|--|--|--|--|
| Level of authorization |  |  |  |  |  |  |  |  |  |  |

Month Day

If this consent is for a **trust account** and the year-end is not December 31, enter the month and day of the year-end.

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|--|--|--|--|

**Part 4 – Consent expiry date**

Enter an expiry date for the consent given in **Part 2** or **Part 3** if you want the consent to end at a particular time. Your consent will stay in effect until **you** or **your representative** cancels it, it reaches the expiry date you choose, or we are notified of your death.

|      |       |     |
|------|-------|-----|
| Year | Month | Day |
|      |       |     |

**Part 5 – Cancelling one or more existing consents**Complete this section **only** to cancel an existing consent. Tick the appropriate box.

- A.** Cancel **all** consents.  **B.** Cancel the consents given for the individual, group or business identified below:

|                           |                         |
|---------------------------|-------------------------|
| <b>Name of individual</b> | <b>Name of business</b> |
| First name:               | Last name:              |

|       |
|-------|
| RepID |
|       |

or

|   |         |
|---|---------|
| G | GroupID |
|   |         |

or

|                 |
|-----------------|
| Business number |
|                 |

**Part 6 – Signature**

**You** or **your legal representative** (for example, a person with your power of attorney, your guardian, or an executor or administrator of the taxpayer's estate) must sign and date this form. If you are signing and dating this form as the legal representative, tick the box below. If two or more legal representatives are acting jointly on the taxpayer's behalf, the signature of each legal representative is required. Also, send us a copy of the legal document that identifies you as the legal representative, if you have not already done so. By signing and dating this form, you authorize us to deal with the individual, group, or business identified in **Part 2** or **Part 3** and/or to cancel the consents shown in **Part 5**.

We will process this form only if you provided your **account number** and it is **signed and dated** by you or your legal representative. This form must be received by the CRA **within six months** of its signature date. If not, it will not be processed.

- I am not the taxpayer named in part 1 of this form. However, I have power of attorney for this taxpayer, I am the legal guardian of this taxpayer, I am the executor/administrator of this taxpayer's estate, or I am the trustee or custodian of this trust account.**

Print name of taxpayer or each legal representative

|      |       |     |
|------|-------|-----|
| Year | Month | Day |
|      |       |     |

Signature of taxpayer or each legal representative

Date of signature

BARCODE



# Authorizing or Cancelling a Representative

## Why do you need to complete this form?

Taxpayer and trust account information is confidential. We need your consent if you want the Canada Revenue Agency (CRA) to deal with another person (such as your spouse or common-law partner, other family member, friend, or accountant) who would act as your representative for income tax matters. For **individual** accounts, only forms received with a valid social insurance number (SIN), temporary tax number (TTN) or individual tax number (ITN) will be processed.

This form must be completed by **you** or **your legal representative** (read "What is a legal representative?" on this page).

## Can you use this form for your business accounts?

No. For business number accounts, you have to complete Form RC59, *Business Consent Form*.

## What is a legal representative?

A **legal representative** can be someone with your power of attorney, your guardian, or an executor or administrator of the taxpayer's estate or a trustee for trust accounts. That person does not need to complete this form to be updated as a legal representative on your account, but he or she must provide a **complete** copy of the legal document that identifies him or her as acting in that capacity.

## What will your representative be allowed to do?

When you give us consent to deal with a representative, you are letting that person represent you for income tax matters, depending on the level of authorization you specify, for the tax year or years. Income tax matters include issues related to information on your tax return.

For security purposes, if your representative contacts or visits us, he or she will be asked to identify himself or herself. After we confirm your representative's identity, and verify that he or she is listed as your representative on your account, we will ask for specific information relating to:

- your notice of assessment, notice of reassessment, or other tax documents; or
- the contents of your income tax return.

## Who can change your marital status, address, or direct deposit information?

Only **you** or **your legal representative** can ask us to change your marital status, address, or direct deposit information. Also, only **you** or **your legal representative** will be allowed to authorize, view, and cancel other representatives you have on your file.

## Giving consent to a representative

You can consent to have more than one representative at the same time. However, you must complete a **separate** Form T1013 for each representative.

You can also give or cancel a consent by providing the requested information online through "**Authorize my representative**" on our Web site at [www.cra.gc.ca/myaccount](http://www.cra.gc.ca/myaccount).

You can also change information about an existing representative through the **My Account** online service or by completing a new Form T1013. For example, if your existing representative has traditional access only (telephone, in person, and in writing) and you would like to give the CRA your consent to deal with him or her

online, a new authorization form must be completed because they are not automatically given online access when they register the business (BN), themselves (ReplD) or a group (GroupID) with the "Represent a client" online service. **You do not have to complete a new form every year if there are no changes.**

The difference between **Part 2** and **Part 3** is that **Part 2** grants online access and **Part 3** does not. Therefore both cannot be completed. If both parts are completed, we will only process **Part 2**.

### Note

Online access is not available for trust accounts.

## Part 1 – Taxpayer information

Enter your name, telephone number and account number. If you are an individual, enter either your social insurance number (SIN), temporary tax number (TTN), or individual tax number (ITN). Otherwise, enter your trust account number or T5 filer identification number.

## Part 2 – Giving consent for a representative (including online access)

By giving consent to a representative in Part 2, you are authorizing your representative to deal with the CRA via our **online** services as well as via the **telephone**, **in person** and **in writing**. Complete **Parts 1, 2, 4, and 6**.

You have to provide the **ReplD** if your representative is an individual, the **GroupID** if your representative is a group of individuals, or the **business number** if your representative is a business. Our online services do not have a year-specific option. Therefore, your representative will have access to **all tax years**.

### ReplD / GroupID / Business number

A **ReplD** is a seven-character alphanumeric code that identifies your representative. If your representative does not have a ReplD, he or she can register for one online at [www.cra.gc.ca/representatives](http://www.cra.gc.ca/representatives).

A **GroupID** is a six-character alphanumeric code, starting with the letter G, that identifies a group of representatives. The group of representatives can register online at [www.cra.gc.ca/representatives](http://www.cra.gc.ca/representatives).

A **business number (BN)** is a nine-digit number that identifies the business that you choose to represent you. The BN must be registered with the "**Represent a client**" online service to be an online representative. Your representative can register their BN at [www.cra.gc.ca/representatives](http://www.cra.gc.ca/representatives).

If you complete two or more fields:

- an individual (ReplD) will take precedence over a group (GroupID) or a business (BN); and
- a group (GroupID) will take precedence over a business (BN).

If you entered a **ReplD**, provide the name of the individual associated to the ReplD. If you entered a **GroupID**, provide the name of the group associated to the GroupID. If you entered a **BN**, provide the name of the business associated to the BN.

Enter the **level of authorization** you want to grant to your representative (read "Levels of authorization" on the next page).

If you give consent for **online** access, you will receive a Letter of Intent informing you of the authorization for online access. If you agree with the authorization, a response is not required.

If you give consent for **online** access and you have a "care of" address on your account, a Letter of Intent will be generated and online access will not be granted until **you** or **your legal representative** calls the CRA to confirm online access for the representative's authorization.

### Part 3 – Giving consent for a representative (other than online access, including trust accounts)

You can authorize your representative to deal with us only through our **telephone** services, in **person** and in **writing**. You have to provide the name of your representative if it is an individual, or the business name if your representative is a business. Complete **Parts 1, 3, 4, and 6**.

#### Note

If your representative is a business and you do not identify an individual in that business as your representative, you are giving us consent to deal with anyone from that business

Enter the **level of authorization** you want to grant to your representative and the year(s) for which you want to give your consent (read "Levels of authorization" below).

### Levels of authorization

The level of authorization that you allow tells us what you agree to let your representative do. In some cases, you may want us to disclose your income tax information to your representative, but he or she cannot ask for changes to your account. By specifying the level of authorization, you are controlling the type of access given to your representative.

#### Note

If you do not specify a level of authorization, **we will assign a level 1**.

#### Level 1 – Disclose

We may disclose information to your representative such as:

- information given on your *T1 General Income Tax and Benefit Return* or your *T3 Trust Income Tax and Information Return*;
- adjustments to your *T1 General Income Tax and Benefit Return* or your *T3 Trust Income Tax and Information Return*;
- information about your registered retirement savings plan, Home Buyers' Plan, tax free savings account and Lifelong Learning Plan;
- your accounting information, including balances, payment on filing, and instalments or transfers;
- information about your benefits and credits (Canada child tax benefit, universal child care benefits, goods and services tax/harmonized sales tax credit, and working income tax benefit); and
- your marital status (but not information related to your spouse or common-law partner).

#### Level 2 – Disclose / Request changes

We may disclose the information listed in level 1 to your representative, and with level 2, he or she may ask for changes to your account. Such changes include adjustments to income, deductions, non-refundable tax credits, and accounting transfers.

Your representative will be able to submit a request for taxpayer relief or file a notice of objection or an appeal on your behalf.

However, your representative **will not be allowed** to change your address, your marital status, or your direct deposit information.

We will not give your representative your eight-character access code which is located on the top right corner of your notice of assessment.

### Part 4 – Consent expiry date

Enter an expiry date for the consent given in Part 2 **or** Part 3 if you want the consent to end at a particular time. Your consent will stay in effect until **you** or **your representative** cancels it, **it reaches the expiry date you choose**, or we are notified of your death.

### Part 5 – Cancelling one or more existing consents

Make note of each consent you give so you can cancel them when they are no longer needed. You can immediately cancel an existing consent either online at [www.cra.gc.ca/myaccount](http://www.cra.gc.ca/myaccount) or by calling us at **1-800-959-8281**. You can also cancel an existing consent by completing Parts 1, 5, and 6 of this form. Your consent will stay in effect until you cancel it, it reaches the expiry date you choose, or we are notified of your death. Your representative may also request by telephone, in person, or in writing, that the consent you have given him or her be cancelled.

### Part 6 – Signature

If you do not sign and date this form, we cannot be sure that you have given us consent to deal with the representative identified on the form. **To protect the confidentiality of your tax information**, we will not accept or act on any information given on this form unless **you** or a **legal representative** has signed and dated the form. If two or more legal representatives are acting jointly on the taxpayer's behalf, the signature of each legal representative is required in Part 6 of this form. This form must be received by the CRA **within six months** of its **signature** date. If not, it will not be processed.

### Where do you send your completed form?

Send the completed form to your CRA tax centre at the address listed below. If you are not sure which tax centre is yours, look on your most recent notice of assessment or notice of reassessment. You may also find it on other notices from us.

St. John's Tax Centre  
PO Box 12071 STN A  
St. John's NL A1B 3Z1

Sudbury Tax Services Office  
1050 Notre Dame Avenue  
Sudbury ON P3A 5C1

Summerside Tax Centre  
103-275 Pope Road  
Summerside PE C1N 6A2

Winnipeg Tax Centre  
PO Box 14000 STN Main  
Winnipeg MB R3C 3M2

Jonquière Tax Centre  
PO Box 1900 STN LCD  
Jonquière QC G7S 5J1

Surrey Tax Centre  
9755 King George Blvd  
Surrey BC V3T 5E1

Shawinigan-Sud Tax Centre  
PO Box 3000 STN Main  
Shawinigan-Sud QC G9N 7S6

International Tax Services Office  
PO Box 9769 STN T  
Ottawa ON K1G 3Y4

#### For trust accounts:

Ottawa Technology Centre  
Canada Revenue Agency  
Ottawa ON K1A 1A2

### Do you need more information?

For more information, visit [www.cra.gc.ca](http://www.cra.gc.ca) or call **1-800-959-8281**.

#### Teletypewriter (TTY) users

TTY users can call **1-800-665-0354** for bilingual assistance during regular business hours.