



Canada Revenue  
Agency

Agence du revenu  
du Canada

**REGISTERED MAIL**

Meyers Norris Penny  
Chartered Accountants & Business Advisors  
700 – 3100 Steeles Avenue East  
Markham ON L3R 8T3

**AUG 02 2013**

BN: 119239994RR0001

Attention: Mr. Chris Joakim, CA

File #:0706564

**Subject:     **Notice of Penalty****  
**The Gitta Nishuma Foundation**

Dear Mr. Joakim:

I am writing further to our letter dated October 21, 2011 (copy enclosed), in which you were invited to submit representations as to why we should not assess a penalty to The Gitta Nishuma Foundation (the Organization) in accordance with section 188.1 of the *Income Tax Act*.

We have now reviewed and considered your written responses of December 29, 2011, and June 6, 2012. Your representations have allowed us to accept certain transfers made by the Organization as gifts to qualified donees as defined in subsection 149.1(1) of the Act and therefore reduce the penalty proposed in our letter dated October 21, 2011. However, notwithstanding your reply, our concerns with respect to the Organization's non-compliance with the requirements of subsections 188.1(4) and 188.1(5) of the Act have not been fully alleviated.

It remains our position that in the November 30, 2008, and 2009 fiscal periods, the Organization gifted the amount of \$2,900 and \$5,000 respectively, to a non-qualified donee.

Consequently, for each of the reasons mentioned in our letter dated October 21, 2011, I wish to advise you that, pursuant to subsections 188.1(4) and 188.1(5) of the Act, I propose to assess a penalty to the Organization.

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

**Canada**

**Penalty Assessment:**

The penalty assessed by the Canada Revenue Agency (CRA) is calculated as follows:

	Fiscal Period Ending November 30, 2008	Fiscal Period Ending November 30, 2009
Gifts to non-qualified donees	\$2,900.00	\$5,000.00
Penalty applied as per subsection 188.1(4) of the Act	105%	105%
Total Penalty Owning as per subsection 188.1(4) of the Act	\$3,045.00	\$5,250.00

In accordance with subsection 189(6.3) of the Act, the penalty may be paid to an eligible donee as defined in subsection 188(1.3). An eligible donee in respect of a particular charity is a **registered charity**:

1. of which more than 50% of the members of the board of directors or trustees of the registered charity deal at arm's length with each member of the board of directors or trustees of the particular charity;
2. that is not subject to a suspension of tax-receipting privileges;
3. that has no unpaid liabilities under the *Income Tax Act* or the *Excise Tax Act*;
4. that has filed all its information returns; and
5. that is not subject to a security certificate under the *Charities Registration (Security Information) Act*.

The CRA requires the following documentation to confirm that the eligible donee received the penalty payment:

- a letter addressed to the Director, Compliance Division (mail to address below), signed by an authorized representative of the eligible donee, confirming the penalty payment was received and the amount paid; and
- a copy of either the cancelled cheque or evidence of a non-cash transfer.

Should you choose instead to make your payment to the CRA, please make the cheque payable to the Receiver General for Canada and mail it to:

Director  
Compliance Division  
Charities Directorate  
Canada Revenue Agency  
320 Queen Street, 7<sup>th</sup> Floor  
Ottawa ON K1A 0L5

I trust the foregoing fully explains our position.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Hawara", with a long horizontal flourish extending to the right.

Cathy Hawara  
Director General  
Charities Directorate

**Attachments:**

- CRA letter dated October 21, 2011
- Organization's response of December 29, 2011 and June 6, 2012

c.c.: Mr. George Kuhl  
175 Bloor Street East, Suite 600  
Toronto ON M4W 3R8

Please note that in accordance with subsection 149.1(1.1) of the Act the penalty payment made to an eligible donee shall not be deemed to be an amount expended on charitable activities nor a gift made to a qualified donee.

Failure to pay this penalty amount or make arrangements for payment will result in us reconsidering our decision not to proceed with the issuance of a Notice of Intention to Revoke the registration of the Organization in the manner described in subsection 168(1) of the Act.

If you have any questions or require further information or clarification regarding the penalty payment, please contact Mr. Eli Morad at 613-894-7456 .

**Appeal Process:**

Should you wish to appeal this Notice of Penalty in accordance with subsection 165(1) of the Act, a written Notice of Objection, which includes the reasons for objection and all relevant facts, must be filed **within 90 days** from the mailing of this letter. The Notice of Objection should be sent to:

Tax and Charities Appeals Directorate  
Appeals Branch  
Canada Revenue Agency  
250 Albert Street  
Ottawa ON K1A 0L5

**Public Notice:**

By virtue of paragraph 241(3.2)(g) of the Act, the following information relating to the Organization's penalty assessment will be posted on the Charities Directorate Web site:

**Penalty Assessment:**

Name of Organization:	The Gitta Nishuma Foundation
Registration Number:	119239994RR0001
Effective date of Penalty:	August 2, 2013
Reason for Penalty:	Gifts made to non-qualified donees
Act Reference:	188.1(4) and 188.1(5)
Amount of Penalty:	\$8,295.00



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## NOTICE OF ASSESSMENT - AVIS DE COTISATION

Date of mailing - Date de l'envoi August 2, 2013	Business Number - Numéro d'entreprise 119239994RR0001	Taxation year - Année d'imposition 2008
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### NAME OF ORGANIZATION - NOM DE L'ORGANISME

**THE GITTA NISHUMA FOUNDATION**

Penalty amount \$3,045	Amount paid NIL	Balance owing \$3,045
Montant de la pénalité	Montant payé	Solde dû

### Explanation of assessment - explication de la cotisation

The Organization has conferred an undue benefit by making gifts to non-qualified donees.

Andrew Treusch  
Commissioner of Revenue  
Commissaire du revenu

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## NOTICE OF ASSESSMENT - AVIS DE COTISATION

Date of mailing - Date de l'envoi August 2, 2013	Business Number - Numéro d'entreprise 119239994RR0001	Taxation year - Année d'imposition 2009
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### NAME OF ORGANIZATION - NOM DE L'ORGANISME

**THE GITTA NISHUMA FOUNDATION**

Penalty amount \$5,250	Amount paid NIL	Balance owing \$5,250
Montant de la pénalité	Montant payé	Solde dû

### Explanation of assessment - explication de la cotisation

The Organization has conferred an undue benefit by making gifts to non-qualified donees.

Andrew Treusch  
Commissioner of Revenue  
Commissaire du revenu

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