



FEB 17 2006

BY REGISTERED MAIL

Mr. John Xanthoudakis
1445 Stanley Street, Suite 1901
Montréal, Québec H3A 3T1

BN: 87644 4894 RR0001
File #: 3002138

**SUBJECT: Notice of Intent to Revoke
Norshield Development Foundation /
Fondation de développement Norshield**

Dear Mr. Xanthoudakis:

This is further to our letter dated September 6, 2005 (copy attached), in which you were invited to submit representations as to why the Minister of National Revenue should not revoke the registration of Norshield Development Foundation / Fondation de développement Norshield (hereinafter, the "Foundation") in accordance with subsection 168(1) of the *Income Tax Act* (hereinafter, the "Act").

The auditor, after numerous attempts by telephone and in writing, was unable to contact the representatives of the Foundation and conduct an audit. You have also failed to respond to our letter dated September 6, 2005. As a result, sufficient ground exists to revoke the registration of the Foundation.

Consequently, I wish to advise you that pursuant to the authority granted to the Minister in subsection 168(1) of the Act and delegated to me, I propose to revoke the registration of the Foundation. By virtue of subsection 168(2) of the Act, the revocation will be effective on the date of publication in the *Canada Gazette* of the following notice:

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

File Number	Business Number	Name
3002138	87644 4894 RR0001	Norshield Development Foundation / Fondation de développement Norshield Montréal, Québec

.../2

Should you wish to appeal this notice of intent to revoke the Foundation's registration in accordance with subsection 168(4) of the Act, you must file a Notice of Objection within 90 days from the mailing of this letter. This notice is a written statement setting out the reasons for the objection and all the relevant facts. The Notice of Objection should be sent to:

Tax and Charities Appeals Directorate
Appeals Branch
Canada Revenue Agency
25 Nicholas Street
Ottawa, ON K1A 0L5

Consequences of a Revocation

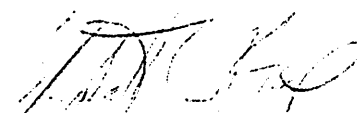
As of the date of revocation of the registration of Norshield Development Foundation / Fondation de développement Norshield, which is the date upon which the above-noted notice is published in the *Canada Gazette*, Norshield Development Foundation / Fondation de développement Norshield will no longer be exempt from Part I Tax as a registered charity and **will no longer be permitted to issue official donation receipts.**

Additionally, the Foundation may be subject to tax pursuant to Part V, section 188 of the Act. For your reference, I have attached a copy of the relevant provisions of the Act (Appendix "1") concerning revocation of registration and the tax applicable to revoked charities as well as appeals against revocation.

By virtue of subsection 188(1) of the Act, the Association will be required to pay a tax within one year after the effective date of revocation. The revocation tax is calculated on prescribed form T-2046, "*Tax Return Where Registration of a Charity is Revoked*". The return must be filed and the tax must be paid on or before the day that is one year after the effective date of revocation. Form T-2046 along with the related Guide are also attached for your information.

I wish to advise you that pursuant to subsection 150(1) of the Act, a return of income for each taxation year in the case of a corporation (other than a corporation that was a registered charity throughout the year) shall without notice or demand therefore, be filed with the Minister in prescribed form containing prescribed information.

Yours sincerely,



Elizabeth Tromp
Director General
Charities Division

Attachments



September 6, 2005

BY REGISTERED MAIL

Mr. John Xanthoudakis
1901-1445 Stanley
Montréal (Québec)
H3A 3T1

Re : *Norshield Development Foundation* (the Charity), Fiscal year ended June 30,
2004; Charity's Business number 87644 4894 RR0001

Sir,

We have been trying to reach you and Mrs. Santschi to take arrangements so that we can audit the captioned charity. Moreover, registered letters sent to you and Mrs. Santschi dated August 23, 2005 remained unanswered.

The fact that we cannot have access to the books and records of the Charity is sufficient a reason to revoke the registration of *Norshield Development Foundation*. In these circumstances, we hereby advise you that we will recommend to the Minister to revoke the Charity's registration.

Among the consequences of a revocation are the following :

1. Loss of the non-taxable status as a registered charity: *Norshield Development Foundation* becomes a taxable entity in accordance with Section I of the *Income Tax Act* (the *Act*).
2. The loss of the privilege to issue official tax receipts for income tax purposes : thus, gifts to *Norshield Development Foundation* will not be allowable as non-refundable tax credits (in accordance with Article 118.1(3) of the *Act*), or as an allowable expense for corporations, (in accordance with Subsection 110.1(1)a) of the *Act*);
3. The likelihood that a tax amount be payable in accordance with Part V, Article 188(1) of the *Act*.



Unless we hear from you **within fifteen (15) days of the date hereof**, the charities Directorate will decide to publish or not a notice of intent to revoke the registration of Norshield Development Foundation in accordance with the provisions of Subsection 168(1) of the Act.

For any question, please contact the undersigned at (514) 346-5891.

Truly yours,

Richard Parent
Audit Division

Attachment : Appendix A : applicable provisions of the Act.

C/C : Mrs. Dora Santschi

Téléphone : (514) 346-5891
Télécopieur : (514) 283-8208
Adresse : 305, boul. René-Lévesque Ouest, 7e étage
Montréal QC H2Z 1A6

Sans frais : 1-800-959-7383 (Particulier)
1-800-959-7775 (Entreprise)
Internet : www.cra-adrc.gc.ca