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Court File No.:

**FEDERAL COURT**

**B E T W E E N :**

**THE MINISTER OF NATIONAL REVENUE**

Applicant

and

**ASB HOLDINGS LIMITED**

and

**CEB HOLDINGS LIMITED**

and

**NSB HOLDINGS LIMITED**

and

**SDH HOLDINGS LIMITED**

and

**SDS HOLDINGS LIMITED**

Respondents

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**NOTICE OF SUMMARY APPLICATION**

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**TO THE RESPONDENTS:**

**A SUMMARY APPLICATION HAS BEEN COMMENCED** by the applicant under section 231.7 of the *Income Tax Act*, RSC 1985, c. 1 (5th Supp.), as amended. The relief claimed by the applicant appears on the following page.

**THIS APPLICATION** will be heard by the Court on **Tuesday, February 6, 2024 at 9:30 AM** for a two hour duration or as soon after that time as the application can

be heard, at the Federal Court, 180 Queen Street West, Suite 200, Toronto, Ontario M5V 3L6.

**IF YOU WISH TO OPPOSE THIS APPLICATION, you or a solicitor acting for you must serve a respondent's record and file three copies of it not later than 2:00 pm on the last business day that is two days before the hearing of this application.**

Copies of the *Federal Courts Rules*, information concerning the local offices of the Court and other necessary information may be obtained on request to the Administrator of this Court at Ottawa (telephone: 613-992-4238) or at any local office.

**IF YOU FAIL TO OPPOSE THIS APPLICATION, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.**

January 19, 2024

*Issued by:*

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*Registry Officer*

Address of  
local office:

Federal Court  
180 Queen St. West  
Suite 200  
Toronto, Ontario  
M5V 3L6

TO: **Davies Ward Phillips & Vineberg LLP**  
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Counsel for the Respondents

## APPLICATION

### **THE APPLICANT MAKES AN APPLICATION FOR:**

1. an Order, pursuant to section 231.7 of the *Income Tax Act*, RSC 1985, c 1 (5<sup>th</sup> Supp), as amended (the “**Act**”), compelling the respondents, ASB Holdings Limited, CEB Holdings Limited, NSB Holdings Limited, SDH Holdings Limited, and SDS Holdings Limited, to provide the applicant, the Minister of National Revenue (the “**Minister**”), with documents and information sought from them pursuant to demands issued under subsection 231.1(1) of the Act and dated November 4, 2022 and December 5, 2022 within 15 days from the date of this Court’s Order granting compliance;
2. costs of this application; and
3. such further and other relief as counsel for the Minister may request and this Honourable Court deems appropriate.

### **THE GROUNDS FOR THE APPLICATION ARE:**

#### **The Audits**

1. On or about March 2022, the Canada Revenue Agency (the “**Agency**”) commenced related party audits (“**RPA**”) of Abraham Bleeman, his family members, and entities economically connected to him, including the respondents, (the “**Bleeman Group**”) for the 2019 and 2020 taxation years (the “**Period**”).
2. The purpose of the RPA is to verify whether the Bleeman Group are in compliance with their duties and obligations under the Act for the Period.

#### **The Demands**

3. As part of the RPA, the Agency issued demands, on November 4, 2022, to each of the respondents under subsection 231.1(1) of the Act (collectively, the “**1<sup>st</sup> Demands**”).

4. The 1<sup>st</sup> Demands required the respondents to provide certain information and documents to the Agency relating to transactions involving the purchase of shares held in Asden Holdings Limited and Bleeman Holdings Limited in January 2019 by the respondents as well as transactions made pursuant to subsections 51(1), 85(1), and/or 86(1) of the Act (the “**Estate Freeze Transactions**”) (collectively the “**Required Material**”).

5. The respondents were afforded 30-days from the date of the 1<sup>st</sup> Demands to provide the Required Material. The respondents did not provide the Required Material by the 30-day deadline *i.e.*, December 4, 2022.

6. On December 5, 2022, the Agency informed each of the respondents that it had not received the Required Material as required by the 1<sup>st</sup> Demands. It once again required that each of the respondents provide the Required Material pursuant to subsection 231.1(1) of the Act (the “**2<sup>nd</sup> Demands**”).

7. The respondents were afforded 30 days from the date of the 2<sup>nd</sup> Demands to provide the Required Material. The respondents did not provide the Required Material by the 30-day deadline *i.e.*, January 4, 2023.

8. Instead, the respondents provided some but not all the Required Material on January 18, 2023, March 8, 2023, March 31, 2023, and April 3, 2023.

#### **Non-Compliance with the Demands**

9. To date, the respondents have not fully complied with the 1<sup>st</sup> and 2<sup>nd</sup> Demands and have failed to provide the following Required Material to the Agency (collectively, the “**Outstanding Required Material**”):

- a. the valuation report for the purchase of the shares in Asden Holdings Limited and Bleeman Holdings Limited that occurred on January 1, 2019, or, if there isn't any, the documents evidencing the fair market value (“**FMV**”) of the transferred property;
- b. any tax planning memo and related documents *i.e.*, Closing Agenda; and

c. the presentation of the transactions to the taxpayer.

10. The length of time provided to the respondents – now over 14 months - to comply with the 1<sup>st</sup> and 2<sup>nd</sup> Demands and provide the Outstanding Required Material is reasonable.

### **Purpose of the Demands**

11. The Minister issued the 1<sup>st</sup> and 2<sup>nd</sup> Demands for purposes related to the administration and enforcement of the Act. Specifically, the Outstanding Required Material is necessary to verify the FMV of the Asden Holding Limited and Bleeman Holdings Limited shares as at January 1, 2019 as well as whether the Estate Freeze Transactions comply with sections 51, 85, or 86 of the Act.

### **Required Material not Privileged**

12. The Outstanding Required Material is not protected from disclosure by solicitor-client privilege.

### **Statutory Provisions Relied On**

13. The Minister relies on sections 220, 230, 231.1, 231.7, 232, and 248(1) of the Act, regulation 5800 of the Regulations, and Rules 83-98 and 316.2 and Part 7 of the *Federal Courts Rules*, SC 2002, c 8, as amended.

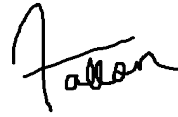
14. Such further and other grounds as counsel for the Minister may submit and this Honourable Court may allow.

### **THIS APPLICATION WILL BE SUPPORTED BY THE FOLLOWING MATERIAL:**

1. the affidavit of Francois Cloutier or another officer of the Agency and the exhibits attached thereto; and

2. such further and other material as counsel for the Minister may submit and this Honourable Court may accept.

Dated at the City of Toronto, in the Province of Ontario, on this 19<sup>th</sup> day of January, 2024.



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**ATTORNEY GENERAL OF CANADA**

Department of Justice

Ontario Regional Office

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