

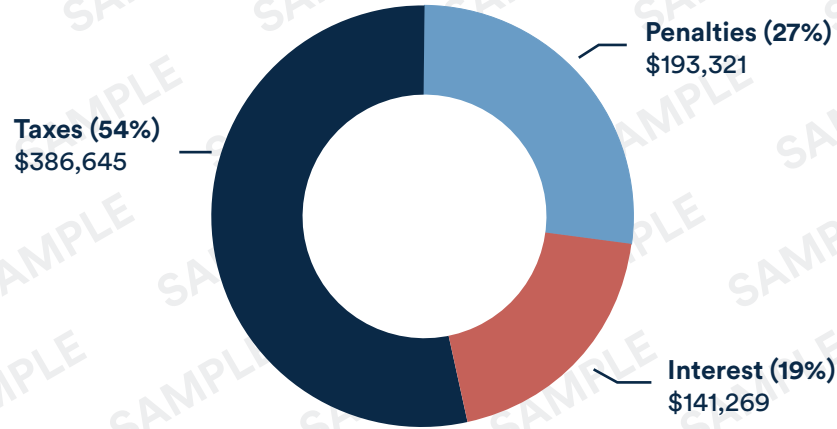
Joe Taxpayer

123 Maple Avenue  
Toronto, Ontario  
M4V 3A9

February 1, 2018

# Amount in Dispute

## \$721,235



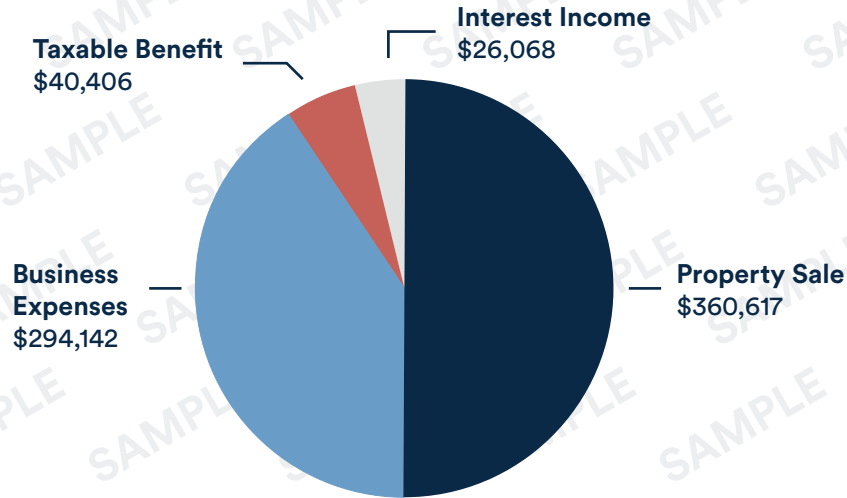
Year	Tax	Penalties	Interest	Total
2010	\$ 248,291	\$ 124,145	\$ 105,128	\$ 477,564
2011	\$ 32,372	\$ 16,186	\$ 10,664	\$ 59,233
2012	\$ 150,791	\$ 52,990	\$ 25,476	\$ 184,447
<b>Total</b>	<b>\$ 386,645</b>	<b>\$ 193,321</b>	<b>\$ 141,269</b>	<b>\$ 721,235</b>

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# Issues in Dispute



Issue	Tax	Penalties	Interest	Total
Property Sale	\$ 193,322	\$ 96,660	\$ 70,634	\$ 360,617
Business Expenses	\$ 157,686	\$ 78,842	\$ 57,614	\$ 294,142
Taxable Benefit	\$ 21,661	\$ 10,830	\$ 7,914	\$ 40,406
Interest Income	\$ 13,975	\$ 6,987	\$ 5,106	\$ 26,068
<b>Total</b>	<b>\$ 386,645</b>	<b>\$193,321</b>	<b>\$ 141,269</b>	<b>\$ 721,235</b>

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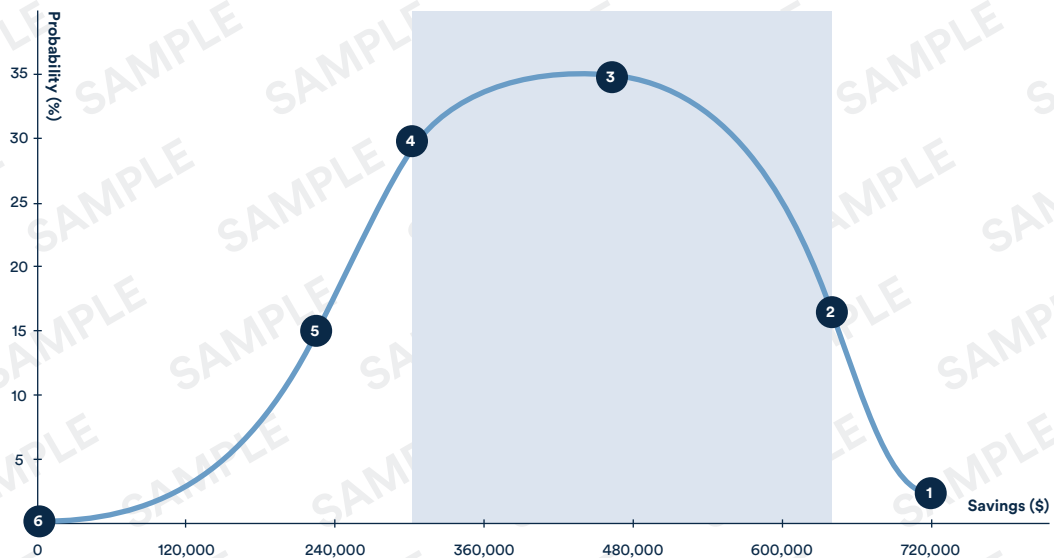
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# Anticipated Litigation Result

We trust that you understand and accept the limits on our ability to accurately predict litigation results. If not, please read our [Tax Court Appeal Forecasting](#) article.

Although tax litigation contains the uncertain and unknowable, we want to bring our best guess into the light of day where we can inspect and discuss it. This way, we can work together to make the best decisions and maximise your return on investment.

We believe – based on our current understanding of the facts, evidence, and law – that if you litigated the matter to the fullest extent possible, you would achieve a scenario within the highlighted range below.



	Tax	Penalties	Interest	Savings
<b>Scenario 1</b>	\$ 386,645	\$ 193,321	\$ 141,269	\$ 721,235
<b>Scenario 2</b>	\$ 322,722	\$ 193,321	\$ 127,293	\$ 643,386
<b>Scenario 3</b>	\$ 187,198	\$ 193,321	\$ 92,351	\$ 472,871
<b>Scenario 4</b>	\$ 51,019	\$ 193,321	\$ 57,313	\$ 301,654
<b>Scenario 5</b>	\$ 0	\$ 193,321	\$ 47,089	\$ 240,410
<b>Scenario 6</b>	\$ 0	\$ 0	\$ 0	\$ 0

\* See Principled Settlement Report for a detailed breakdown of each scenario.

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# Principled Settlement Report

## Scenario 1

Property Sale	100%
Business Expenses	100%
Taxable Benefit	100%
Interest Income	100%
Penalties	100%

### Total Savings (100%)

\$ 721,235

### Outstanding Amount (0%)

\$ -



## Scenario 2

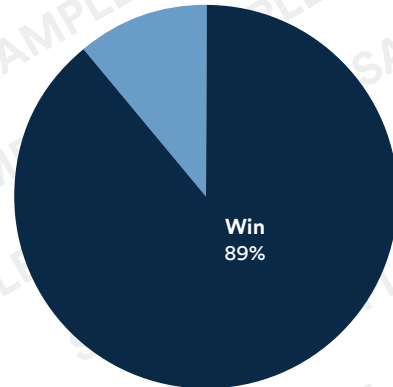
Property Sale	100%
Business Expenses	75%
Taxable Benefit	50%
Interest Income	0%
Penalties	100%

### Total Savings (89%)

\$ 643,386

### Outstanding Amount (11%)

\$ 77,849



## Scenario 3

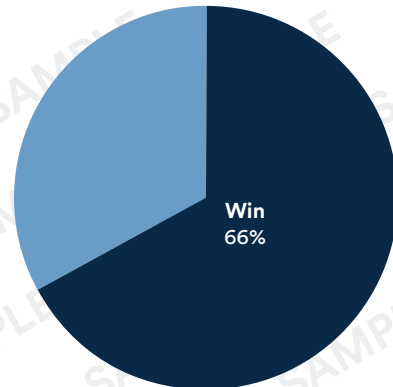
Property Sale	50%
Business Expenses	50%
Taxable Benefit	50%
Interest Income	0%
Penalties	100%

### Total Savings (66%)

\$ 472,871

### Outstanding Amount (34%)

\$ 248,364



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# Principled Settlement Report (continued)

## Scenario 4

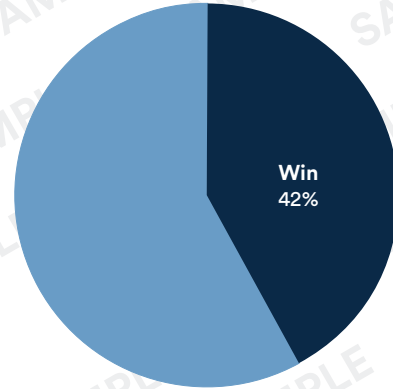
Property Sale	0%
Business Expenses	25%
Taxable Benefit	50%
Interest Income	0%
Penalties	100%

### Total Savings (42%)

\$ 301,654

### Outstanding Amount (58%)

\$ 419,581



## Scenario 5

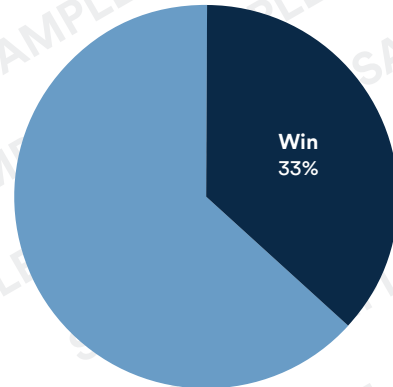
Property Sale	0%
Business Expenses	0%
Taxable Benefit	0%
Interest Income	0%
Penalties	100%

### Total Savings (33%)

\$ 240,410

### Outstanding Amount (67%)

\$ 480,825



## Scenario 6

Property Sale	0%
Business Expenses	0%
Taxable Benefit	0%
Interest Income	0%
Penalties	0%

### Total Savings (0%)

\$ -

### Outstanding Amount (100%)

\$ 721,235

