Federal Court of Appeal  Cour d'appel fédérale

Date: 20171124

Docket: A-168-16

Citation: 2017 FCA 232

CORAM: **PELLETIER J.A.**
BOIVIN J.A.
GLEASON J.A.

BETWEEN:

UNIVERSITY HILL HOLDINGS INC. (FORMERLY 589918 B.C. LTD.)
PACIFIC CASCADIA CAPITAL CORP.
GLENELG PRODUCTIONS (2000) CORPORATION, IN ITS CAPACITY AS DESIGNATED
PARTNER OF GLENELG 2000-2 MASTER LIMITED PARTNERSHIP
SENTINEL HILL PRODUCTIONS (1999) CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 29 LIMITED PARTNERSHIP
SENTINEL HILL PRODUCTIONS (1999) CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 30 LIMITED PARTNERSHIP
SENTINEL HILL PRODUCTIONS (1999) CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 31 LIMITED PARTNERSHIP
SENTINEL HILL PRODUCTIONS III CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 116 LIMITED PARTNERSHIP
SENTINEL HILL PRODUCTIONS III CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 155 LIMITED PARTNERSHIP
SENTINEL HILL PRODUCTIONS III CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 178 LIMITED PARTNERSHIP

Appellants

And

HER MAJESTY THE QUEEN

Respondent

Heard at Vancouver, British Columbia, on September 11, 2017.

Judgment delivered at Ottawa, Ontario, on November 24, 2017.

REASONS FOR JUDGMENT BY:	BOIVIN J.A.
CONCURRED IN BY:	PELLETIER J.A. GLEASON J.A.

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REASONS FOR JUDGMENT

BOIVIN J.A.

I. Introduction

[1] This appeal concerns a settlement agreement signed on March 31, 2004 (Settlement Agreement) between the Minister of National Revenue (Minister), acting through the Canada Revenue Agency (CRA), and Sentinel Hill Alliance Atlantis Equicap Millennium Limited Partnership. The Appellants contend that the Settlement Agreement is unenforceable against them, whereas Her Majesty the Queen (Respondent) contends that the Settlement Agreement is properly binding upon the Appellants.

II. The Appellants in this Appeal

[2] In this appeal, there are a total of nine (9) Appellants. A brief overview is in order for purposes of situating the Appellants within the factual background of the Settlement Agreement.

[3] The Appellants, in one capacity or another, are involved in film production. They are part of a larger group that include four (4) master limited partnerships (MLP): (1) the Sentinel Hill Alliance Atlantis Equicap Millennium Limited Partnership (Sentinel Hill MLP); (2) the Norfolk Master Limited Partnership (Norkfolk MLP); (3) the Glenelg 2000-1 Master Limited Partnership (Glenelg-1 MLP); and (4) the Glenelg 2000-2 Master Limited Partnership (Glenelg-2 MLP). At the time of the Settlement Agreement, these partnerships were associated with one another, by virtue of common promoters (Respondent's Memorandum of Fact and Law at paras. 1, 7-8; see

also *Cummings v. The Queen*, 2009 TCC 310, [2009] T.C.J. No. 222 (QL) at para. 5 [*Cummings*] where the same Settlement Agreement was at issue). Within each of these four (4) MLPs, there were several production services limited partnerships (PLP) through which film productions were carried out.

[4] The Settlement Agreement was entered into on March 31, 2004. The signatories were Mr. Ian MacGregor, representing the CRA, and Mr. Neil Harris, who represented all four (4) MLPs and their related PLPs. The Settlement Agreement, however, primarily focused on one of the four (4) MLPs, namely Sentinel Hill MLP. As a result of the Settlement Agreement, Sentinel Hill MLP and Norfolk MLP, along with their respective PLPs, were issued Notices of Reassessment and Notices of Determination. No appeal was lodged with respect to Sentinel Hill MLP (Appellants' Memorandum of Fact and Law at para. 10). An appeal was lodged with respect to Norfolk MLP, but this had to do with whether the reassessments were statute-barred (Norfolk's appeal was disposed of in *Cummings*; see also Respondent's Memorandum of Fact and Law at para. 24). As such, it is of no relevance.

[5] The present appeal therefore concerns the two remaining MLPs, *i.e.* Glenelg-1 MLP and Glenelg-2 MLP. The first two (2) Appellants in this appeal, namely University Hill Holdings Inc. and Pacific Cascadia Capital Corp., are corporate partners in Glenelg-1 MLP (Appellants' Memorandum of Fact and Law at para. 10; Respondent's Memorandum of Fact and Law at para. 3). The seven (7) remaining Appellants are Glenelg-2 MLP and six (6) PLPs associated with Glenelg-2 MLP. This is so, despite the fact that the names of these PLPs refer to "Sentinel Hill" (number: 29, 30, 31, 116, 155 and 178).

[6] Given that the Settlement Agreement at issue before us primarily focused on Sentinel Hill MLP, it will be necessary at times to refer to it. But as noted earlier, Sentinel Hill MLP is not a party to this appeal.

[7] Therefore, in the remainder of these reasons, I shall refer to the nine (9) appellant parties collectively as the "Appellants" or as "Glenelg".

III. Factual Background

[8] In the course of an audit for the 2000 and 2001 taxation years, the CRA informed Sentinel Hill MLP that it had concerns regarding certain deductions claimed in connection with expenses on grounds that they were unreasonable.

[9] The statutory provision empowering the Minister to disallow deductions for unreasonable expenses is section 67 of the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.) (ITA):

General limitation re expenses	**Restriction générale relative aux dépenses**
67 In computing income, no deduction shall be made in respect of an outlay or expense in respect of which any amount is otherwise deductible under this Act, except to the extent that the outlay or expense was reasonable in the circumstances.	**67** Dans le calcul du revenu, aucune déduction ne peut être faite relativement à une dépense à l'égard de laquelle une somme est déductible par ailleurs en vertu de la présente loi, sauf dans la mesure où cette dépense était raisonnable dans les circonstances.

[10] The parties' representatives met a number of times in the month of March 2004. This led to settlement discussions focused on Sentinel Hill MLP's tax issues but with a common

understanding that if a settlement agreement were reached, it would also be applied to the Appellants (Appellants' Memorandum of Fact and Law at para. 8). The CRA had also previously commenced an audit of Appellants.

[11] During the settlement discussions, the parties' representatives addressed the tax treatment of various types of claimed expenses, three (3) of which are relevant to this appeal: Management fees, Producer Referral fees, and Financing fees.

[12] The discussions led to the Settlement Agreement between the CRA and Sentinel Hill MLP signed on March 31, 2004. The Settlement Agreement set out the specific terms on which Sentinel Hill MLP would be reassessed. It stated, using Sentinel Hill MLP's dollar amounts, which expenses would be allowed and which expenses would be disallowed. Furthermore, although the Settlement Agreement primarily focused on Sentinel Hill MLP, paragraph 6 of the Settlement Agreement stated that Glenelg would be reassessed "on the basis consistent" therewith. Therefore, the Minister needed to interpret its terms in order to apply them to the Appellants. As noted earlier, the Minister has since reassessed Sentinel Hill MLP on the basis of the Settlement Agreement, and Sentinel Hill MLP has not appealed its reassessment.

[13] When the Minister issued reassessments and determinations to the Appellants, it soon became apparent that the parties did not agree as to how the Settlement Agreement should be applied to them.

[14] The Appellants disagreed with the Minister's interpretation of the Settlement Agreement, claiming that it did not reflect its underlying terms. They appealed their reassessments and determinations and the matter was heard in the Tax Court of Canada.

IV. Decision of the Tax Court Judge

[15] The appeal before the Tax Court was heard in September 2015 by Archambault J. (the Tax Court Judge). The Reasons for Judgment were delivered orally by the Tax Court Judge on April 27, 2016, and Judgments dismissing the Appellants' appeals from the reassessments and determinations made under the ITA for the 2000 and 2001 taxation years were rendered on May 3, 2016.

[16] In addressing the parties' dispute regarding the Settlement Agreement, the Tax Court Judge found that there was a valid binding agreement between the Appellants and the Minister. On this basis, he concluded that the Minister's reassessments and determinations proceeded in accordance with the Settlement Agreement as it applied to the Appellants and that they were consistent with the conduct of the parties. More particularly, the Tax Court Judge was of the view that the terms of the Settlement Agreement were sufficiently certain and that, despite the parties' disagreement during the settlement discussions, their conduct and the wording of the final agreement indicated that there was a true meeting of the minds and that the Settlement Agreement constituted a principled agreement pursuant to the ITA.

[17] We are now seized of an appeal of the Tax Court Judge's decision. For the reasons set out below, I would dismiss the appeal with costs.

V. Standard of review

[18] The central question in this appeal is the interpretation of the Settlement Agreement. This raises issues of mixed fact and law (*Sattva Capital Corp. v. Creston Moly Corp.*, 2014 SCC 53, [2014] 2 S.C.R. 633 at para. 50 [*Sattva*]). On appeal, findings of mixed facts and law are reviewable under the standard of palpable and overriding error (*Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235). A palpable error is an obvious error (*Canada v. South Yukon Forest Corporation*, 2012 FCA 165, 4 B.L.R. (5th) 31 at para. 46, cited with approval by the Supreme Court of Canada in *Beinhaim v. St-Germain*, 2016 SCC 48, [2016] 2 S.C.R. 352 at para. 38). An overriding error is one that "goes to the very core of the outcome of the case" (*Ibid*).

VI. Issues

[19] This appeal raises four (4) issues:

(1) Did the Tax Court Judge err in his interpretation of the Settlement Agreement as applied to the Appellants?

(2) Did the Tax Court Judge err in finding that there was a meeting of the minds in the circumstances?

(3) Did the Tax Court Judge err in finding that the Settlement Agreement is a principled agreement pursuant to the ITA?

(4) Are the Tax Court Judge's reasons sufficient to permit a meaningful review?

VII. Analysis

A. *Did the Tax Court Judge err in his interpretation of the Settlement Agreement as applied to the Appellants?*

[20] The Supreme Court of Canada recently confirmed in *Sattva* the essential of principles of contract interpretation. It held at paragraph 47:

> Regarding the first development, the interpretation of contracts has evolved towards a practical, common-sense approach not dominated by technical rules of construction. The overriding concern is to determine "the intent of the parties and the scope of their understanding" (*Jesuit Fathers of Upper Canada v. Guardian Insurance Co. of Canada*, 2006 SCC 21, [2006] 1 S.C.R. 744, at para. 27, *per* LeBel J.; see also *Tercon Contractors Ltd. v. British Columbia (Transportation and Highways)*, 2010 SCC 4, [2010] 1 S.C.R. 69, at paras. 64-65, *per* Cromwell J.). To do so, a decision-maker must read the contract as a whole, giving the words used their ordinary and grammatical meaning, consistent with the surrounding circumstances known to the parties at the time of formation of the contract. Consideration of the surrounding circumstances recognizes that ascertaining contractual intention can be difficult when looking at words on their own, because words alone do not have an immutable or absolute meaning:
>
> > No contracts are made in a vacuum: there is always a setting in which they have to be placed. . . . In a commercial contract it is certainly right that the court should know the commercial purpose of the contract and this in turn presupposes knowledge of the genesis of the transaction, the background, the context, the market in which the parties are operating.
> >
> > (*Reardon Smith Line [Reardon Smith Line Ltd. v. Hansen-Tangen*, [1976] 3 All E.R. 570], at p. 574, *per* Lord Wilberforce)
>
> [Emphasis added.]

[21] Adding to the above, the Supreme Court of Canada further stated that "[c]ontractual interpretation involves issues of mixed fact and law as it is an exercise in which the principles of contractual interpretation are applied to the words of the written contract, considered in light of the factual matrix" (*Sattva* at para 50).

[22] Turning to the issue at hand, the point of departure is the Settlement Agreement itself. It provides as follows (Appeal Book, Vol. 4, Tab 4c) at pp. 566-568):

> 1. Except as set out below, the losses realized by the Partnership [Sentinel Hill MLP] and the PLPs will be allowed as claimed by each of them in respect of their 2000 and 2001 taxation years.
>
> 2. Fees paid by the PLPs to various movie and television production studios, totaling approximately $55.8 million in 2000, will be accorded Class 14 treatment and deductible under paragraph 20(1)(*a*) of the *Income Tax Act* (Canada) [the ITA] on the following basis:
>
> | **Taxation Year** | **Percentage Deductible** |
> |---|---|
> | 2000 | 20 |
> | 2001 | 20 |
> | 2002 | 15 |
> | 2003 | 15 |
> | 2004 | 15 |
> | 2005 | 5 |
> | 2006 | 5 |
> | 2007 | 5 |
> | **TOTAL** | **100** |
>
> 3. With respect to the total remaining fees claimed by the Partnership and the PLPs in their 2000 taxation years of approximately $109 million in the aggregate:
>
> - $55,494,000 of Management fees will be allowed as claimed.
> - $40 million of the aggregate of the amounts claimed as Producer Referral Fees and Financing Fees will be disallowed.
>
> 4. With respect to the 2001 taxation year for the Partnership and the PLPs, the deductibility of the Management Fee will be treated on a basis consistent with the treatment set out in paragraph 3 above. The Financing Fee will be disallowed by the amount of $14,250,000.
>
> 5. Based upon the issuance of notices of determination pursuant to subsection 152(1.1) of the [ITA] in accordance with paragraphs 1 to 4 above, the Partnership and the PLPs will not pursue their rights to appeal such determinations and, accordingly, will not file Notices of Objection to such determinations pursuant to section 165 of the [ITA].

> 6. CRA agrees to make determinations of the income or loss of the two Glenelg Limited Partnerships and the Norfolk Master Limited Partnership (or assessments of individual investors should determinations not be possible), on the basis consistent with paragraphs 1 to 4 above provided that the production services transactions carried out by these partnerships and their related [PLPs] were substantially similar to the transactions carried out by the Partnership and the PLPs; the CRA has the right to audit to determine if the transactions are substantially similar. The aforementioned Partnerships and or investors will not object or appeal.
>
> …
>
> [Emphasis added.]

(1) Applicability of the Settlement Agreement to the Appellants

[23] The Appellants argued at the hearing before this Court that it is not clear whether the Settlement Agreement agreed upon with Sentinel Hill MLP applies to them. Hence, prior to engaging in the analysis respecting the Tax Court Judge's interpretation of the Settlement Agreement – specifically the meaning of the terms "on the basis consistent with" in the Settlement Agreement – I will first address the preliminary issue of the applicability of the Settlement Agreement to the Appellants.

[24] In his reasons, the Tax Court Judge found that it was "obvious" that Mr. David Davies and Mr. Neil Harris, the lawyers involved in the settlement discussions with Mr. MacGregor for the CRA, not only negotiated on behalf of Sentinel Hill MLP but also on behalf of the Appellants. As such, they had the capacity to conclude an agreement on their behalf and the Settlement Agreement is accordingly applicable to the Appellants (Tax Court Judge's reasons at pp. 17-19).

[25] More compelling yet is the fact that the Settlement Agreement explicitly makes reference to Glenelg at paragraph 6 of the said agreement, as reproduced above. Furthermore, the record regarding the settlement discussions demonstrates that Glenelg was meant to be treated the same way as Sentinel Hill MLP:

- On March 17, 2004, an email sent by Mr. David Davies confirms that the settlement that is being negotiated will apply to the "2 Glenelgs" (Consolidated Book of Documents, Tab 4; Appeal Book, Vol. 3, Tab c) at p. 520);
- On March 27, 2004, an email sent by Mr. David Davies mentions that "if there's a deal, it absolutely has to be applied across the board to Norfolk and the Glenelgs too" (Consolidated Book of Documents, Tab 8; Appeal Book, Vol. 3, Tab c) at p. 546);
- Notes from Mr. Neil Harris dated February 16, 2004, are clear to the effect that "Norfolk and Glenelg transactions – will be treated the same provided that they are "copycat transactions – substantially similar"" (Consolidated Book of Documents, Tab 19; Appeal Book, Vol. 5, Tab 4c) at p. 761).

[26] Hence, on the basis of the language of paragraph 6 of the Settlement Agreement and the evidence on record, the Tax Court Judge did not err in finding that the Settlement Agreement is applicable to the Appellants.

[27] I now turn to the Tax Court Judge's interpretation of the terms "on the basis consistent with" of paragraph 6 in the Settlement Agreement.

(2) Meaning of the terms "on the basis consistent with" at paragraph 6 of the Settlement Agreement

[28] In his analysis of paragraph 6 of the Settlement Agreement, the Tax Court Judge concluded that the terms "on the basis consistent with" meant that the same ratio of disallowed expenses that applied to Sentinel Hill MLP would also apply to the other partnerships, including

the Appellants. Although the Tax Court Judge acknowledged that more than one interpretation could be given to the terms "on the basis consistent with", he was of the view, upon weighing the evidence, that a "reasonable person" or an "objective interpreter" would have understood the words of the document "on the basis consistent with" – when interpreted as a whole and from the factual matrix – "[as applying to] the same proportions of disallowance as determined by the ratio expressed as a percentage" (Tax Court Judge's reasons at p. 19, lines 16-17). In other words, if a proportion of fees are disallowed for one taxpayer (*e.g.* Sentinel Hill MLP), a second taxpayer (*e.g.* Glenelg) assessed "on the basis consistent with" will be disallowed fees in the same proportion (Respondent's Memorandum of Fact and Law at para. 39).

[29] The Appellants submit that the Tax Court Judge erred in his interpretation of the terms "on the basis consistent with" at paragraph 6 of the Settlement Agreement arguing that the terms notably "create uncertainty" and invite a "wide range of plausible interpretations" (Appellants' Memorandum of Fact and Law at para. 58). While I agree with the Appellants that the terms at issue may invite different interpretations, the Appellants' submissions amount to no more than a disagreement with the Tax Court Judge's interpretation of the words, as opposed to a palpable and overriding error of interpretation. Based on the wording of paragraph 6 of the Settlement Agreement and the evidence before the Tax Court Judge, there are no grounds warranting the Court's intervention regarding the Tax Court Judge's interpretation of the terms "on the basis consistent with"

[30] Having found that the Settlement Agreement applies to the Appellants, and that the same ratio of disallowed expenses that applied to Sentinel Hill MLP should also apply to the

Appellants, the issue to be determined at this juncture is the following: what is the ratio, expressed as a percentage, that would allow a determination of the proportions of disallowance to the Appellants for the taxation years 2000 and 2001?

(3) Ratio to be applied for the taxation years 2000 and 2001

[31] In this appeal, the Tax Court Judge's conclusion that the ratio applies to fees, not losses, is not disputed. Rather, it is the ratio *per se* with respect to the various fees under consideration that is in dispute.

[32] For the taxation year 2000, a reading of paragraph 3 of the Settlement Agreement confirms that the Management fees are to be allowed as claimed. In other words, the disallowance ratio for Management fees is 0%. With respect to Producer Referral fees and Financing fees, it is also clear that $40 million is to be disallowed and the numerator 40 is thus unambiguous. The issue to be decided is the denominator – that is, $40 million out of how much is being disallowed? The Appellants argue that the ratio to be applied pursuant to the Settlement Agreement is 40/109, the denominator being $109 million in total expenses claimed. This calculation yields a percentage of disallowance of 36.7%. The Respondent disagrees and points to the Tax Court Judge's finding: a ratio of 40/53, the $53 million in the denominator representing the difference between the total expenses claimed and the Management fees which were allowed as claimed ($109 M - $55.5 M = $53.5 M). This calculation yields a percentage of disallowance of 75.5%.

[33] With respect to the taxation year 2001, the Appellants submit that the ratio is 49.8%, representing $14.25 million in disallowed Financing fees divided by $28.6 million in total fees. The Respondent again points to the Tax Court Judge's finding that the ratio is 64.4%, representing $14.25 million in disallowed Financing fees divided by $22.13 million in Financing fees.

[34] For convenience, the following table illustrates the Tax Court Judge's interpretation of the Settlement Agreement regarding the ratios for the 2000 and 2001 taxation years:

For the 2000 Taxation Year:			
Type of Expense	Percentage Disallowed*	Disallowance Calculation	Source (from Agreement)
Management Fees	0 %	$0 ÷ $55.5 M	Para. 3(1)
Producer Referral Fees	75.5 %	$40 M ÷ $53 M**	Para. 3(2)
Financing Fees	75.5 %	$40 M ÷ $53 M	Para. 3(2)
For the 2001 Taxation Year:			
Type of Expense	Percentage Disallowed*	Disallowance Calculation	Source (from Agreement)
Management Fees	0 %	$0 ÷ $55.5 M	Para. 4 ("on the basis consistent with" para. 3)
Producer Referral Fees ***	N/A	N/A	N/A
Financing Fees	64.4 %	$14.25 M ÷ $22.13 M	Para. 4, with evidence that Sentinel Hill MLP claimed $22.13 M in Financing fees in 2001
* Percentages are rounded to the nearest decimal.			

** The $53 M figure represents the difference between the total expenses claimed and the Management Fees which were allowed as claimed: $109 M – $55.5 M = $53.5 M.

*** Because there were no Producer Referral Fees claimed in 2001, there was no need to develop a disallowance ratio.

[35] The Appellants challenge the ratios determined by the Tax Court Judge pursuant to the Settlement Agreement. For more clarity, figures in dispute as between the Appellants and the Respondent are in **bold**:

For the 2000 Taxation Year:			
Type of Expense	Percentage Disallowed*	Disallowance Calculation	Source (from Agreement)
Management Fees	0 %	$0 ÷ $55.5 M	Para. 3(1)
Producer Referral Fees	**36.7 %**	$40 M ÷ **$109 M****	Para. 3(2)
Financing Fees	**36.7 %**	$40 M ÷ **$109 M**	Para. 3(2)
For the 2001 Taxation Year:			
Type of Expense	Percentage Disallowed*	Disallowance Calculation	Source (from Agreement)
Management Fees	0 %	$0 ÷ $55.5 M	Para. 4 (“on the basis consistent with” para. 3)
Producer Referral Fees	N/A	N/A	N/A
Financing Fees	**49.8 %**	$14.25 M ÷ **$28.6 M**	Para. 4, with evidence that Sentinel Hill MLP claimed **$28.6 M in total fees** in 2001

* Percentages are rounded to the nearest decimal.

** The $109 M figure represents the total expenses claimed.

[36] The Appellants submit that the words of the Settlement Agreement "must be interpreted in light of the central pillar of the settlement agreement *i.e.* – to disallow $40 million, out of $109 million, [not $40 million out of $53 million] to be allocated among three expenses at Sentinel Hill's discretion" (Appellants' Memorandum of Fact and Law at paras. 8, 16 and 56). More particularly, the Appellants claim that Sentinel Hill MLP was given discretion in deciding the fees to which the $40 million disallowance would be applied and that, as such, the Appellants should therefore have had a similar discretion. They further submit that the Tax Court Judge failed to consider the "surrounding circumstances" (*i.e.*, the settlement discussions) in interpreting the Settlement Agreement (Appellants' Memorandum of Fact and Law at para. 81). The Appellants concede however that diverging interpretations are possible but claim that the better interpretation favours a ratio of 40/109 for the 2000 taxation year and of 14.25/28.6 for 2001 taxation year (Appellants' Memorandum of Fact and Law at paras. 64 and 77).

[37] In support of their position, the Appellants rely on a note written by Mr. Harris (representing the MLPs and the related PLPs) on March 29, 2004 with a reference to a ratio of 40/109. This note is dated the same day Mr. Harris sent a draft settlement agreement with respect to Sentinel Hill MLP's 2000 taxation year to Mr. MacGregor (representing CRA) to confirm a verbal agreement in that regard. For the 2000 taxation year, Sentinel Hill MLP had claimed a total of $109 million for Management fees, Producer Referral fees and Financing fees. The parties agreed that the CRA would disallow a total of $40 million. It would allow all of the Management fees, in the amount of $55.5 million, and would disallow $40 million from the Producer Referral fees and Financing fees (Letter from Mr. Harris dated March 29, 2004, Consolidated Book of Documents, Tab 10; Appeal Book, Vol. 3, Tab c) at p. 558).

[38] The following day, on March 30, 2004, the parties turned to Sentinel Hill MLP's 2001 taxation year. They wanted to treat the 2001 taxation year on the same basis as the 2000 taxation year. In so doing, they quickly realized that there was a misunderstanding as to the principles underlying the numbers for the 2000 taxation year.

[39] The misunderstanding, in essence, resulted from the fact that the Appellants thought they had agreed that $40 million out of $109 million in total expenses would be disallowed, resulting in a disallowance ratio of 40/109 (36.7%). The CRA, on the other hand, thought it had agreed that $40 million out of $53 million in Producer Referral fees and Financing fees would be disallowed, for a disallowance ratio of 40/53 (75.5%).

[40] This misunderstanding necessarily had implications for the ultimate disallowance for the 2001 taxation year. Sentinel Hill MLP had claimed $22.13 million in Financing fees and $6.47 million in Management fees (no Producer Referral fees), for a total of $28.6 million. The Appellants' understanding resulted in a $10.5 million disallowance (40/109 * $28.6 million in total fees) whereas the CRA's understanding resulted in a $16.7 million disallowance (40/53 * $22.13 million in Financing fees).

[41] Faced with this misunderstanding, Mr. Harris offered to split the difference – *i.e.* a disallowance totalling $13.6 million. Mr. MacGregor responded with a counter-offer for a $14.25 million disallowance, and this was accepted by Mr. Harris. Yet, the Appellants insist that the March 29, 2004 misunderstanding "was never resolved" (Appellants' Memorandum of Fact

and Law at para. 41). As explained next, this contention cannot stand in light of the parties' settlement discussions.

(4) Settlement discussions between the parties

[42] The parties concede that, on March 29, 2004, there was a misunderstanding as to the applicable disallowance ratios as described above. The record demonstrates that the wording of paragraph 3 of the Settlement Agreement in its final version executed on March 31, 2004 differs from the prior draft dated March 29, 2004 (Respondent's Memorandum of Fact and Law at para. 55):

Prior Draft dated March 29, 2004	**Final Version dated March 31, 2004**
3. With respect to the total remaining fees claimed by the Partnership and the PLPs in their 2000 taxation years of approximately $109 million in the aggregate, such aggregate fees will be deductible in computing the incomes of the Partnership and the PLPs, except to the extent of $40 million which shall be applied to the producer referral fees and the financing fees, *pro rata*.	3. With respect to the total remaining fees claimed by the Partnership and the PLPs in their 2000 taxation years of approximately $109 million in the aggregate: • $55,494,000 of Management fees will be allowed as claimed. • $40 million of the aggregate of the amounts claimed as Producer Referral Fees and Financing Fees will be disallowed.

[43] When comparing the language above, it can be seen that the Settlement Agreement in its final version clearly states that the $55,494,000 in Management fees were to be allowed in full and specifies that the $40 million "of the aggregate" of the Producer Referral fees and Financing fees was to be disallowed for the 2000 taxation year.

[44] On March 30, 2004, Mr. Harris wrote in an email to his clients that the CRA would apply the 75.5% ratio (40/53) to the 2001 taxation year (Appeal Book, Vol. 4, Tab 4c) at p. 564). Between the time of that email and the execution of the final agreement dated March 31, 2004, Mr. Harris and the CRA subsequently agreed that $14.25 million of Financing fees would be disallowed for the 2001 taxation year. Unlike paragraph 3 of the Settlement Agreement regarding the 2000 taxation year, paragraph 4 of the Settlement Agreement does not provide a specific basis for calculating a disallowance ratio, hence the need to consider the surrounding circumstances in order to determine the applicable ratio for the 2001 taxation year.

[45] As noted earlier, the dollar figure ($14.25 million) set forth at paragraph 4 of the Settlement Agreement was negotiated from the following initial positions: the CRA wanted 75.5% (40/53) of $22.13 million in Financing fees to be disallowed, for a $16.7 million disallowance, whereas the Appellants wanted 36.7% (40/109) of $28.6 million in total fees to be disallowed, for a $10.5 million disallowance. The Appellants offered to split the difference ($13.6 million), and the parties finally agreed on $14.25 million.

[46] However, this dollar figure gives rise to two possible ratios. The first, put forth by the Respondent, is 64.4%, representing $14.25 million in disallowed Financing fees divided by $22.13 million in Financing fees only. The second, which the Appellants contend is applicable, is 49.8%, representing $14.25 million in disallowed Financing fees divided by $28.6 million in total fees.

[47] At this juncture, it is useful to recall that paragraph 4 of the Settlement Agreement states as follows:

> 4. With respect to the 2001 taxation year for the Partnership and the PLPs, the deductibility of the Management Fee will be treated on a basis consistent with the treatment set out in paragraph 3 above. The Financing Fee will be disallowed by the amount of $14,250,000.

[48] Because paragraph 4 of the Settlement Agreement makes express and separate reference to Management fees and Financing fees, the first ratio (64.4%) stands as the more plausible ratio consistent with the parties' Settlement Agreement. Indeed, as the Tax Court Judge stated in his reasons, Mr. Harris knew or ought reasonably to have known that the CRA adopted the 64.4% ratio – not the 49.8% ratio – and that Mr. Harris settled on that basis: "I believe, Mr. Harris had no other choice but to accept that his interpretation was not shared by the CRA's representative and he had to settle for 14.2 million [and hence the 64.4% ratio]" (Tax Court Judge's reasons at p. 45, lines 16-18).

[49] With respect to the 75.5% ratio for the 2000 taxation year (40/53), the Tax Court Judge found that Mr. Harris "accepted, at the very least implicitly, the 75.7 percent of the [P]roducer [R]eferral and [F]inancing fees for 2000." (Tax Court Judge's reasons at p. 57, lines 20-22) [Emphasis added]. It also seems reasonable, given the misunderstanding between the parties, that the change in paragraph 3 referred to above (para. 42 of these reasons) which occurred between the March 29, 2004 letter and the March 31, 2004 Settlement Agreement, would consequently resolve the said misunderstanding and apply the ratio of 40/53. Moreover, the Settlement Agreement was executed after recognition of the mutual misunderstanding. On April 2, 2004, a letter was sent by Sentinel Hill MLP to all investors explaining the terms of the Settlement

Agreement and the reasons for agreeing to it (Appellants' Memorandum of Fact and Law at para. 46). It is thus reasonable to assume that the misunderstanding was resolved in favour of the ratio of 40/53 at paragraph 3 of the Settlement Agreement. Otherwise, why would the Appellants execute the Settlement Agreement if the mutual misunderstanding and the ambiguity had not been resolved? One would assume that the Appellants' lawyers representing the four (4) MLPs would have challenged the final version of the Settlement Agreement if they still considered that the proper ratio was 40/109. They did not.

[50] In that respect, I agree with the Tax Court Judge's observations at page 22 (lines 5-21) of his reasons concerning the ratio to be applied for the 2000 and 2001 taxation years:

> It makes a lot of sense that the ratio to be applied in 2000 to the Glenelg Partnerships' [Appellants'] [P]roducer [R]eferral and [F]inancing fees be determined by dividing the amount disallowed for the Sentinel Partnership of $40 million by the total amount of such fees incurred by these partnerships, that is approximately $53 million, which represents approximately 75.5 percent. Using the same approach to calculate the ratio for 2001, the result would be approximately 64.5 percent (14.2 million divided by 22.1 million). The reasonable person or objective interpreter would realize that the proportion of the expenses being partially disallowed vary from 2000 to 2001. This is a settlement and there are no rules which would require that the proportions be the same for both years: there could be more or less unreasonable expenses in 2001 that in 2000 because the circumstances may not be necessary the same in both years. And this is what the parties agreed to.

[51] Finally, the evolution of the parties' discussions also reveals that while the CRA had initially granted Sentinel Hill MLP some discretion with regard to the fees to which the $40 million disallowance would apply, it ultimately decided that the Producer Referral Fees and Financing Fees were inflated since they were never actually paid in cash (see Tax Court Judge's reasons at p. 27, lines 23-28; p. 32, lines 12-27). This further supports the Tax Court Judge's

determination that the $40 million disallowance would apply specifically to Producer Referral Fees and Financing Fees, and that the appropriate ratio would be 40/53 (75.5%).

[52] In light of the terms of the Settlement Agreement and the surrounding circumstances in which it was reached as evidenced by the record and as set forth above, the Tax Court Judge did not make a reviewable error. While the Appellants may disagree, they have failed to show a palpable and overriding error that would justify the Court's intervention.

B. *Did the Tax Court Judge err in finding that there was a meeting of the minds in the circumstances?*

[53] Overlapping with their challenge to the interpretation of the Settlement Agreement, the Appellants submit that there was no meeting of the minds in the circumstances. Unsurprisingly, the Tax Court Judge's analysis of the "meeting of the minds" issue is intertwined with his interpretation of the Settlement Agreement. The Appellants essentially contend that the Tax Court Judge disregarded relevant and uncontested evidence and misapplied the applicable principles in this regard. In particular, the Appellants submit that the parties' misunderstanding regarding the disallowance ratios reflects a lack of certainty that evidences the absence of a "meeting of the minds".

[54] Again, I disagree that the Tax Court Judge erred in his analysis on that point.

[55] Significantly, the Tax Court Judge sought to determine whether the Minister's assessment based on the Settlement Agreement was "consistent with the conduct of the parties" (Tax Court

Judge's reasons at p. 24, line 6). Indeed, because the Settlement Agreement focused primarily on Sentinel Hill MLP, the Tax Court Judge reasoned that "it [was] required [for him] to take into account the surrounding circumstances" for purposes of interpreting the Settlement Agreement as it related to the Appellants (Tax Court Judge's reasons at p. 24, line 6-7).

[56] As explained earlier, the Tax Court Judge concluded (and the parties do not dispute) that there was indeed a misunderstanding as to the disallowance ratios on March 30, 2004. He accepted that, at that point, there was no meeting of the minds (Tax Court Judge's reasons at p. 44). He observed, however, that the parties had continued their settlement discussions and modified the wording of the agreement before finalizing it on March 31, 2004. The Tax Court Judge concluded that the modifications in wording reflected the parties' final understanding and hence an agreement pursuant to which Mr. Harris, on behalf of the Appellants, accepted the disallowance ratio applied by the Minister (Tax Court Judge's reasons at p. 46, lines 12-19):

> … the only wording, in my opinion, that could be seen, …, as supporting the interpretation of Mr. Harris for using a denominator of 109 million … disappeared from the March 29 version, which indicates to me and any other objective interpreter, that Mr. Harris did give up on his interpretation.

[57] In so doing, the Tax Court Judge applied "the "cardinal presumption" that [the parties] have intended what they have said" (Tax Court Judge's reasons at p. 52, lines 10-18, citing *Ventas, Inc. v. Sunrise Senior Living Real Estate Investment Trust*, 2007 ONCA 205, 29 B.L.R. (4th) 312 at para. 24). Ultimately, the Tax Court Judge concluded that "[t]he settlement constitutes a binding agreement satisfying the basic principles of contract law, including that there was a meeting of the minds and that the terms of the Settlement Agreement are sufficiently

certain" (Tax Court Judge's reasons at p. 74, line 28, p. 75, lines 1-4). I see no reason to interfere with this conclusion in the circumstances.

C. *Did the Tax Court Judge err in finding that the Settlement Agreement is a principled agreement pursuant to the ITA?*

[58] The Appellants contend, in the alternative, that, if the Settlement Agreement is binding upon them as a matter of contract law, it is unenforceable as a matter of tax law because its terms do not reflect a principled application of the ITA to the known facts (Appellants' Memorandum of Fact and Law at para. 100). Hence, they argue that the Tax Court Judge erred in finding that the Settlement Agreement is a principled agreement pursuant to the ITA.

[59] In order to address this argument, it is useful to reproduce again section 67 of the ITA, regarding allowable expenses:

General limitation re expenses	**Restriction générale relative aux dépenses**
67 In computing income, no deduction shall be made in respect of an outlay or expense in respect of which any amount is otherwise deductible under this Act, except to the extent that the outlay or expense was reasonable in the circumstances.	**67** Dans le calcul du revenu, aucune déduction ne peut être faite relativement à une dépense à l'égard de laquelle une somme est déductible par ailleurs en vertu de la présente loi, sauf dans la mesure où cette dépense était raisonnable dans les circonstances.

[60] The Appellants submit that an agreement that contemplates a reassessment of allowable expenses on the basis of section 67 of the ITA "must be supported by evidence that the expenses were excessive or otherwise unreasonable." (Appellants' Memorandum of Fact and Law at para. 107). As such, argue the Appellants, the Minister must "analyse each expense" (Appellants'

Memorandum of Fact and Law at para. 108) and offer a legal basis for finding it to be unreasonable. In this case, the Appellants claim that no evidence or legal basis was provided to them by the Minister during the settlement discussions. The auditor did not offer an opinion on the reasonableness of the Appellants' expenses. Nor did the parties have any information serving as a basis establishing that $40 million of the expenses claimed were unreasonable. The parties were simply bargaining and settled on that dollar amount. Given such circumstances, the Appellants submit, the Settlement Agreement cannot be found to be a principled application of tax law to the known facts. In other words, it is not a "principled agreement" pursuant to the ITA.

[61] The Appellants add that it was incumbent upon the Minister to plead before the Tax Court, the facts which support the conclusion that the disallowed expenses were unreasonable (Appellants' Memorandum of Fact and Law at para. 107). In the present case, the Minister did not lead any evidence at trial to defend the Settlement Agreement as a principled one pursuant to the ITA. Therefore, the Tax Court Judge was in effect allowing the Minister to determine an unsubstantiated percentage and disallow that percentage of expenses as unreasonable for tax purposes.

[62] The Appellants emphasize that the Tax Court Judge's interpretation of the requirement that tax settlements be principled gives very little meaning to that requirement. It allows agreements to be enforced unless they are logically precluded by the ITA. Instead, in the words of the Appellants, the "principled agreement" requires that the Tax Court "determine whether the

overall amount assessed is correct as a matter of tax law" (Appellants' Memorandum of Fact and Law at para. 104), regardless of what the terms of the settlement provide.

[63] With respect, the "principled agreement" requirement does not operate in the manner suggested by the Appellants. The case law does not support their contention and, moreover, to adopt the Appellants' position would effectively amount to negating the possibility and the value of settling tax disputes in many cases.

[64] The requirement that tax settlements be principled was discussed in *Galway v. Canada (Minister of National Revenue – M.N.R.)*, [1974] 1 F.C. 593, 1974 CarswellNat 168 and confirmed by this Court in *Galway v. Canada (Minister of National Revenue – M.N.R.)*, [1974] 1 F.C. 600, 1974 CarswellNat 186 [*Galway*]. The oft-quoted passage from *Galway* is that "the Minister has a statutory duty to assess the amount of tax payable on the facts as he finds them in accordance with the law as he understands it" (*Galway* at para. 7). The rule is less constraining than the Appellants would suggest.

[65] In *Galway*, the parties were in disagreement as to whether an amount of $200,500 received by the taxpayer was to be included in taxable income (*Galway* at para. 6). If it was included in income, the additional tax liability was to be $133,381.58 (*Ibid*). If it was not, no additional tax liability arose. The parties reached a settlement agreement whereby the Minister would assess the taxpayer for a total amount of exactly $100,000, comprising of taxes and interest. They sought a judgment on consent to implement the terms of their settlement. The Court refused to grant such a judgment because there was no basis in the ITA on which the

parties could rely to produce the result on which they had settled. The Court would not have had jurisdiction to grant such a judgment following a trial; therefore, it could not grant it on consent.

[66] In refusing to grant the judgment, this Court in *Galway* in a *per curiam* decision also made the following remarks at paragraph 4:

> It is no part of the Court's function, on an application for consent judgment, to examine the issues, either of fact or of law, involved in the appeal except in so far as may be necessary for the Court to satisfy itself that the judgment sought is within the jurisdiction of the Court and is one that can legally be granted.
>
> [Emphasis added.]

[67] The rule in *Galway* thus prohibits the parties from arriving at settlements that have no basis in the ITA. Since the question in *Galway* was whether a particular amount of money was to be treated as income or not, the parties could not compromise on the tax treatment of that sum. It was either included in income or it was not; it could not be a mix of both.

[68] The same cannot be said of the facts in the case at bar. As the Respondent put it at the hearing before our Court, the question is "[c]ould the settlement figures be arrived at by application of section 67?" The answer, in this case, is yes. The Tax Court Judge indeed found that: "[s]ection 67 ITA clearly gives the basis for disallowing a portion of the expenses claimed by a particular taxpayer; it does not have to be an all or nothing" (Tax Court Judge's reasons at p. 62, lines 3-6). The test is not, as the Appellants submit, whether the Minister effectively demonstrated before the Tax Court that the disallowed expenses were in fact unreasonable and hence that the terms of the Settlement Agreement result in the correct amount being assessed. If that were the test, the effect would be to require the Minister to prepare for a trial in all cases.

Doing so would negate any benefit to settling as opposed to going to trial. As a matter of policy, it is in the interest of our legal system that settlement agreements remain a feasible option and that they be enforced provided that the settlement terms are permitted under the ITA.

[69] This Court recently applied *Galway* in *CIBC World Markets Inc. v. Canada*, 2012 FCA 3, [2012] F.C.J. No. 30 (QL) [*CIBC World Markets*]. CIBC had sought an order of increased costs against the Minister on the basis that the Minister had not accepted an offer of settlement made by CIBC before trial. The underlying tax dispute was whether CIBC was entitled to the input tax credits it claimed in its Goods and Services Tax (GST) return. During the settlement discussions, CIBC had made a settlement offer whereby it would receive only 90% of the input tax credits. This Court found that the Minister could not have accepted that settlement offer, since "under no factual or legal scenario would CIBC have been granted 90% of the input tax credits it claimed." (*CIBC World Markets* at para. 19). As such, this Court applied the rule in *Galway* and dismissed CIBC's motion for an order of increased costs.

[70] Both *Galway* and *CIBC World Markets* were all-or-nothing situations. This Court could not have enforced the settlement terms in those cases, given that a judgment on those terms could not have been rendered following a trial. The situation in the present case is entirely different: settling on the amount of allowable expenses is not a function of an all-or-nothing determination. In my view, those cases involved compromises on the law, whereas this case involves a compromise on the facts. The Appellants concede that the parties can agree to facts, and that the Court will only interfere if the agreed-upon facts clearly have no bearing to reality.

[71] The Appellants further submit that the case at bar is akin to *Bolton Steel Tube Co. v. Canada (Minister of National Revenue)*, 2014 TCC 94, [2014] T.C.J. No. 74 (QL) [*Bolton Steel*]. In that case, the Tax Court vacated the Minister's reassessment of the taxpayer on the basis that it did not reflect the terms of a settlement agreement entered into in 2012. The crux of the settlement agreement in *Bolton Steel* was that the Minister would add $403,219 to the taxpayer's income for the 1996 taxation year. The taxpayer had reported income of $1,260,074 for the 1996 taxation year in its initial tax return, but the Minister had reassessed the taxpayer's 1996 income at an amount of $1,863,072 in 2007. The Minister, therefore, understood the taxpayer's 1996 income to be $1,863,072, while the taxpayer understood its 1996 income to be $1,260,074. The Minister issued a reassessment whereby the taxpayer's income for 1996 was calculated as $2,266,291 (by adding $403,219 to $1,863,072). The taxpayer appealed, because it believed the reassessment should have been for $1,663,293 (by adding $403,219 to $1,260,074).

[72] The Tax Court vacated the Minister's reassessment for two reasons. First, it found that the facts did not support the Minister's interpretation. The parties were in settlement discussions precisely because they disagreed as to whether the taxpayer's 1996 income was $1,260,074 as originally reported, or $1,863,072 as reassessed in 2007. They had never considered that the taxpayer's 1996 income would be more than $1,863,072. The second reason was that, even if the taxpayer had agreed to be reassessed at $2,266,291 for the 1996 taxation year, there was no factual or legal basis to support a reassessment at that amount. As such, an agreement that the taxpayer earned $2,266,291 of income in 1996 would have no relation to reality. In other words, the Minister's interpretation of the settlement terms in *Bolton Steel* yielded a result that was

outside the bounds of the parties' initial dispute. In that sense, the reassessment was completely "divorced" from the facts (*Bolton Steel* at para. 19).

[73] In the case at bar, the Minister's interpretation of the Settlement Agreement is not divorced from the facts. The Appellants' initial position was that all the claimed expenses were reasonable. The CRA's position was that at least a portion of the expenses were unreasonable. As the Tax Court Judge indicated, "it was open to the CRA and to the Appellants here to come to a settlement that would consider only a portion of certain expenses to be treated as being unreasonable." (Tax Court Judge's reasons at p. 62, lines 6-9). The terms of their Settlement Agreement do just that, and they arrive squarely within the bounds of the parties' negotiations. It follows that *Bolton Steel* is of no assistance to the Appellants.

[74] The Appellants also submit that the "principled agreement" requirement serves a "disciplining" function for the Minister. It prevents the Minister from coercing the taxpayer into accepting a settlement by threatening to reassess for a much higher amount if the taxpayer does not accept, because the proposed settlement and the "threatened alternative assessment" cannot both be principled (Appellants' Memorandum of Fact and Law at para. 110).

[75] I do not accept this contention. If the Minister were to act in such a manner, the taxpayer would retain the right to appeal the "threatened alternative assessment". The Minister's assessments must always have a legal basis in the ITA, whether they are based on settlement agreements or not. In choosing to settle, then, the taxpayer is not so much managing the risk that the Minister will reassess it on more onerous terms, but rather the risk that the Minister's

"threatened" assessment has sufficient factual or legal basis such that it will withstand scrutiny at trial before the Tax Court.

[76] The Appellants make a final argument to the effect that the Settlement Agreement cannot be principled insofar as it applies to the Appellants because no actual numbers concerning allowable expenses were ever discussed regarding the Appellants. But this argument overlooks an essential aspect of the parties' agreement: it is applicable to the larger group of partnerships. The fact that the parties did not determine specific numbers for the Appellants was deliberate as it ensured that the tax treatment of the different entities was consistent across the board.

[77] In his reasons, the Tax Court Judge stated that he had "no hesitation in concluding that the settlement was a principled settlement done in accordance with the provisions of the [ITA] and this Court could have issued a judgment with a similar result." (Tax Court Judge's reasons at p. 63, lines 25-28). For the reasons stated above, I agree with the conclusion of the Tax Court Judge: the terms of the Settlement Agreement are principled and in accordance with the ITA. As a result, the Settlement Agreement is enforceable as such.

D. *Are the Tax Court Judge's reasons sufficient to permit a meaningful review?*

[78] The Appellants contend that the Tax Court Judge's reasons are insufficient to permit a meaningful review (Appellants' Memorandum of Fact and Law at paras. 113-114).

[79] While it is true that the transcript of the Tax Court Judge's reasons appears to omit certain footnotes, and that insertions dictated by the Tax Court Judge when he orally delivered

his reasons are not included, the reasons, when read as a whole, are complete enough to allow a meaningful review. Furthermore, at the hearing before this Court, the Appellants conceded that the alleged errors or inconsistencies in the transcript are not, in and of themselves, sufficient to allow the appeal. Given my previous conclusions regarding the Tax Court Judge's findings with respect to the interpretation of the Settlement Agreement, the meeting of the minds and the principled agreement requirement, this argument must also fail.

VIII. Disposition

[80] For the foregoing reasons, I would dismiss the appeal with costs.

"Richard Boivin"
J.A.

"I agree.
J.D. Denis Pelletier J.A."

"I agree.
Mary J.L. Gleason J.A."

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET:	A-168-16
STYLE OF CAUSE:	UNIVERSITY HILL HOLDINGS INC. (FORMERLY 589918 B.C. LTD.), PACIFIC CASCADIA CAPITAL CORP., GLENELG PRODUCTIONS (2000) CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF GLENELG 2000-2 MASTER LIMITED PARTNERSHIP, SENTINEL HILL PRODUCTIONS (1999) CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 29 LIMITED PARTNERSHIP, SENTINEL HILL PRODUCTIONS (1999) CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 30 LIMITED PARTNERSHIP, SENTINEL HILL PRODUCTIONS (1999) CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 31 LIMITED PARTNERSHIP, SENTINEL HILL PRODUCTIONS III CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 116 LIMITED PARTNERSHIP, SENTINEL HILL PRODUCTIONS III CORPORATION, IN ITS CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 155 LIMITED PARTNERSHIP, SENTINEL HILL PRODUCTIONS III CORPORATION, IN ITS

	CAPACITY AS DESIGNATED PARTNER OF SENTINEL HILL NO. 178 LIMITED PARTNERSHIP v. HER MAJESTY THE QUEEN
PLACE OF HEARING:	VANCOUVER, BRITISH COLUMBIA
DATE OF HEARING:	SEPTEMBER 11, 2017
REASONS FOR JUDGMENT BY:	BOIVIN J.A.
CONCURRED IN BY:	PELLETIER J.A. GLEASON J.A.
DATED:	NOVEMBER 24, 2017

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