

ONTARIO SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE PROPOSAL OF BRUCE
ALEXANDER CARSON, OF THE CITY OF OTTAWA,
IN THE PROVINCE OF ONTARIO.

AFFIDAVIT OF BRUCE ALEXANDER CARSON

I, BRUCE ALEXANDER CARSON, of the City of Ottawa, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I filed an Amended Proposal under Part 3, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, Chapter B-3, on or about October 28, 2002. A copy of the Amended Proposal is attached as Exhibit "A" to this Affidavit.
2. The Amended Proposal was approved by the requisite majority of creditors and approved by the Deputy Registrar in Bankruptcy on December 4, 2002. A copy of the order approving the Amended Proposal is attached as Exhibit "B" to this Affidavit.
3. D. & A. MacLeod Company Ltd. (the "Trustee") was named as Trustee in the Amended Proposal.
4. No inspectors were appointed in this Amended Proposal.
5. The major creditor in this Proposal who holds the majority of proven claims is Canada Revenue Agency ("CRA"). Attached hereto and marked as Exhibit "C" is a copy of the Claims Register in this Amended Proposal.

6. Following approval of my Amended Proposal, I experienced financial hardship and I could not look after all of my expenses and make all of my payments under the Amended Proposal. During that time, my financial resources were limited as my employment changed and I was required to move from Toronto to Ottawa, while I was going through marital problems. In consequences, for the following 18 months, I defaulted in the timeliness of my payments under the Amended Proposal.

7. Nonetheless, in March, April and May 2007, I delivered a total payment of \$9,000.00 to the Trustee, which in effect, would have made good all of the then arrears on my regular monthly payments under the Amended Proposal. However, I was advised by the Trustee that additional payments for surplus income arrears, totalling \$31,512.07, remained owing under the Amended Proposal. The Trustee applied the balance of \$4,218.86, from the \$9,000.00 payment, towards the surplus income arrears and a balance of \$27,293.21 now remains due for the surplus income arrears.

8. In addition, I am currently in dispute with CRA over the amount of my post Proposal tax arrears for the years of 2003 and 2004 and the amount for 2005. CRA has calculated the total amount to be \$63,142.73 plus accruing interest. Nonetheless, in June 2007, CRA advised that they were prepared to consent to a Court Order rectifying my default under the Amended Proposal, provided that I make payment on amended terms until the disputed tax issue is resolved.

9. I have now negotiated, through my solicitors, a satisfactory arrangement to honour my payment obligations under the Amended Proposal allowing me to pay my outstanding post Proposal tax arrears and the surplus income arrears, in order to avoid an annulment of the Amended Proposal.

10. I was subsequently advised by the Trustee that, as there were no inspectors appointed to approve my payments and given my default in payment, I would need a court Order to waive the default under my Amended Proposal and, in effect, alter the schedule of payments, as the inspectors could have done, under paragraph 10 of the Amended Proposal.

11. The Trustee has advised me and I do verily believe that an order waiving the default in payment and validating all payments made and to be made is in the best interest of the Amended Proposal creditors.


12. CRA, the major and controlling creditor in this Amended Proposal, has agreed to consent to this Order. Attached hereto and marked as Exhibit "D" is a copy of CRA's consent.

13. I make this Affidavit in support of the relief claimed in this Motion, and for no other or improper purpose.

SWORN BEFORE ME
at the City of Ottawa,
Province of Ontario
this 14th day of September, 2007



A Commissioner, etc.

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) **Bruce Alexander Carson**