

Date: 20071107

Docket: A-448-06

Citation: 2007 FCA 360

**CORAM: LINDEN J.A.
NADON J.A.
SHARLOW J.A.**

BETWEEN:

ALICE E. LARGE

and

EARL W. LARGE

Appellants

and

HER MAJESTY THE QUEEN

Respondent

Heard at Vancouver, British Columbia, on November 7, 2007.

Judgment delivered from the Bench at Vancouver, British Columbia, on November 7, 2007.

REASONS FOR JUDGMENT OF THE COURT BY:

SHARLOW J.A.

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REASONS FOR JUDGMENT OF THE COURT

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SHARLOW J.A.

[1] This is an appeal from the judgments of Justice McArthur (2006 TCC 509) dismissing the income tax appeals of Alice E. Large and Earl W. Large for 1997 and 1998. We are all of the view that this appeal must be dismissed.

[2] We agree with the decision of Justice McArthur, substantially for the reasons he gave. We refer in particular to paragraph 45 of the reasons of Justice McArthur, in which he explains why there is no relevant distinction between this case and *Recalma v. Canada*, [1998] 2 C.T.C. 403, 98 D.T.C. 6238, *Lewin v. Canada*, 2002 FCA 461, and *Sero v. Canada*, 2004 FCA 6. We refer also to paragraph 47 of the reasons, in which Justice McArthur explains that the most important factor in this case is that, for the years under appeal, the interest income payable to Ms. Large on the promissory note issued by Carnaby Investments Ltd. is, as a factual matter, derived from the commercial mainstream.

[3] This appeal will be dismissed with costs.

"K. Sharlow"

J.A..

FEDERAL COURT OF APPEAL

SOLICITORS OF RECORD

DOCKET: A-448-06

STYLE OF CAUSE: Alice E. Large et al. v. HMQ

PLACE OF HEARING: Vancouver, British Columbia

DATE OF HEARING: November 7, 2007

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NADON J.A.
SHARLOW J.A.

DELIVERED FROM THE BENCH BY: SHARLOW J.A.

DATED: November 7, 2007

APPEARANCES:

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