

IN THE SUPREME COURT OF NOVA SCOTIA  
IN BANKRUPTCY AND INSOLVENCY  
**Citation:** Fretz (Re), 2011 NSSC 467

**Date:** December 21, 2011  
**Docket:** B 34356  
**Registry:** Halifax

District of Nova Scotia  
Division No. 01 - Halifax  
Court No. 34356  
Estate No. 51-1307118

**In the Matter of the Bankruptcy of Marie Anna Fretz**

IN THE SUPREME COURT OF NOVA SCOTIA  
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**In the Matter of the Bankruptcy of Randall Arthur Fretz**

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**Registrar:** Richard W. Cregan, Q.C.

**Heard:** October 28, 2011

**Written Decision:** December 21, 2011

**Subject:** The discharge of the bankrupts was opposed by the Canada Revenue Agency (CRA).

**Issue:** Their indebtedness to CRA brought them under the special provision of Section 172.1 of the *Bankruptcy and Insolvency Act*. Their income tax for four years had been reassessed. There were allegations of improprieties on their part by which CRA effected their reassessment after three years.

At the discharge hearing CRA took the position that the reassessment was conclusive evidence of improprieties on their part. It offered no other evidence.

**Result:** This position was rejected. The evidence of the bankrupts as to the factors to be considered in discharge hearings was accepted and the court refused to draw any inferences of impropriety from the reassessments.

To comply with Section 172.1 they were discharged conditional upon making nominal payments to their respective estates.

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