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01/21/15

**Subject: Telephone conversations re: CBSA Seizure 4273-14-0724**

I would like to add the following records of my telephone conversations with A KENDALL to this case. I have used my notes and independent recollection:

On **December 17, 2014 at 12:50pm**, A KENDALL responded to the voicemail I left for her at 10:29am the same day. The questions she addressed are:

Q1: I wanted to ask you for clarifications on your letter dated December 11, 2014, while the details are still fresh in your memory. What does the Minister of Finance's Sworn Affidavit talk about?

AK: I don't remember.

Q2: If you don't mind, kindly open the Sworn Affidavit.

AK: Ok

Q3: In the first paragraph, the Deputy Minister declares under oath that the following coins were issued for circulation in Canada under the authority of the Government of Canada. Then it goes on to list a number of Gold, Silver and Platinum coins, with denominations, metal purity and names. Then in he states that they are "current", "legal tender" and may be used according to the Currency Act, 1985 R.S. c C-52, as amended. In closing, the affidavit explicitly states that under Part IX of schedule VI of the Excise Tax Act, 1985 RS c E-15, no tax is payable on the sale of these coins.

AK: Yes, what's your point?

RH: Your response on Dec 11 to this sworn affidavit is that gold coins are considered commodities and they fall within the reporting provisions of the Customs Act and must be reported upon importation. Your response directly contradicts the Minister of Finance. Does your authority override the Minister's Sworn Affidavit?

AK: Silence, then after a short while, "Is there anything else?"

Q4: Thank you for admitting to fabricating in your letter dated Nov 3 that the PCMLTFA defines "currency"

A4: Wow! Then, is there anything else?

On **December 9, 2014 at 13:58**, I called A KENDALL and asked the following questions, and the responses. I sought to clarify the basis for her claim on Nov 3 that collectible, non-circulation bank notes are not considered currency. With her answer she contradicted her claim that collectibles are not currency. Later, in her Dec 11 letter, A KENDALL changed her position to that the gold coins are "commodities".

Q1: I would like to understand how the circulation status of a currency affects its treatment under the Customs Act. Are the \$1000 banknotes that are now non-circulation currency, and are collectibles, still considered currency?

AK: Yes

Q2: What about the \$2 banknotes, now withdrawn

A2: What about recently withdrawn 1cent coins, are they currency?

AK: Yes

Q3: What about my gold coins, which are declared to be currency of the United States by the US code Title 31?

AK: They are not currency.

Q4. Ok, so if my gold coins are not currency, does it mean that they can be brought into Canada in any amount (say 1000 coins) without the requirement to report them under the PCMLTFA ?

AK: Yes, you have to declare them for Customs, but don't need to fill out a currency report.

RH: This exemption from the PCMLTFA for currency in the form of gold coins means that the CBSA is facilitating terrorist financing and money laundry, and does not seem consistent with the intent of

the PCMLTFA.

AK: Silence

*Note: A KENDALL also stated this in writing in her December 11, 2014 letter:*

“It is the position of the CBSA that, for the purposes of administering Part 2 of the PCMLTFA, gold coins are not considered currency (circulation coins) and thus, there is no requirement to report the import or export of these items pursuant to the PCMLTFA or the related regulations.”

On **November 12, 2014 at 08:58am**, A KENDALL responded to the voicemail I left for her 5 days prior, on November 7, 2014 at 14:29. The following questions were addressed:

Q1: Which sections of the PCMLTFA defines “currency”?

AK: (after a pause) Section 12.

Q2: What is the legal definition of “currency” in Canada?

AK: Currency is something like a quarter that you can use in a convenience store to buy some gum, for example.

RH: That is not the legal definition. The legal definition for Canadian currency is given in the Currency Act, and the legal definition for foreign currency is given in the Excise Act

Q3: Which act of regulation specifies that “uncirculated” legal tender coins are not considered currency?

A3: Evaded.

Q4: What is the tariff code for legal-tender coins?

A4: Evaded.

Radu Hociung

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Sincerely,

A handwritten signature in black ink, appearing to be 'Radu Hociung', written in a cursive style.

Radu Hociung