



**ONTARIO
COURT OF JUSTICE**

**IN THE MATTER OF AN APPLICATION FOR A COMPLIANCE AUDIT OF
ROSANNA DE FRANCESCA'S ELECTION CAMPAIGN FINANCES PURSUANT TO
SECTION 81 OF THE *MUNICIPAL ELECTIONS ACT*, 1996,
S.O. 1996, C.32, Sched.**

BETWEEN:

LUCIA MILANI

Appellant

- and -

**COMPLIANCE AUDIT COMMITTEE OF THE CITY OF VAUGHAN and
ROSANNA DE FRANCESCA**

Respondents

NOTICE OF APPEAL

THE APPELLANT, LUCIA MILANI, APPEALS to the Ontario Court of Justice, pursuant to Section 81.(6) of the Municipal Elections Act, 1996, S.O. 1996, c. 32, Sched., from a decision of the Compliance Audit Committee (the "Committee") of the City of Vaughan made on July 8, 2011.

THE APPELLANT REQUESTS:

- (a) that the decision of the Committee denying the Appellant's request for a compliance audit of the campaign finances of the City of Vaughan Councilor, Rosanna De Francesca (the "Candidate"), be set aside;
- (b) an Order directing the Committee to appoint an auditor to conduct a complete compliance audit of the Candidate's campaign finances pursuant to Section 81. (5) (6) (7) of the Municipal Elections Act (the "Act") and all related provisions of the Act;

- (c) an Order granting the Appellant leave to file fresh evidence as required or as this Honorable Court may deem just for the hearing of this appeal;
- (d) costs of this appeal; and
- (e) such further and other relief as this Honourable Court deems just.

THE GROUNDS OF THIS APPEAL ARE:

- (f) On or about October 25, 2010, the Candidate was elected to Vaughan City Council;
- (g) In the interest of public transparency, accountability and fairness, the Act requires all candidates to make financial disclosure of their campaign finances at the end of each election campaign. Such financial disclosure includes the accurate reporting of all expenditures made by the candidate during the election period, the full and accurate reporting and disclosure of all surpluses on hand at the end of the election period, and the full and accurate listing of all contributors and contributions made to and received by a candidate during an election campaign;
- (h) On March 25, 2011, the Candidate filed a financial statement for the 2010 election campaign with the Clerk's Office of the City of Vaughan;
- (i) Section 81.(1) of the Act states:

“An elector who is entitled to vote in an election and believes on reasonable grounds that a candidate has contravened a provision of this Act relating to the election campaign finances may apply for a compliance audit of the candidate's election finances.” [emphasis added]
- (j) On June 23, 2011, the Appellant (as an elector) applied for a compliance audit of the Candidate's campaign finances pursuant to section 81. (1) of the Act believing on reasonable grounds that the Candidate violated the Act. A number of perceived irregularities and questionable transactions were referenced by the Appellant in

her request to the Committee, including the following apparent contraventions of the Act:

- (i) the Candidate failed to accurately account and report all her campaign expenses;
 - (ii) the Candidate failed to account and disclose all inventory on hand as required by the Act and all proscribed election campaign reporting forms;
 - (iii) the Candidate failed to accurately report all contributions made in kind to her election campaign;
 - (iv) the Candidate failed to properly and accurately identify all contributors and contributions made to her election campaign;
 - (v) the Candidate failed to disclose and fully report all dealings with related or non-arm's length parties, including various corporations of which the Candidate's spouse was an officer and director. This gave rise to the Appellant's reasonable belief that the Candidate did not fully and accurately report the value of all campaign assets or services received by and paid for by the Campaign which were used by the Candidate or a related parties for personal use or gain; and
 - (vi) the Candidate under-reported her campaign expenses which appear to have caused the Candidate to exceed her legally mandated spending limit.
- (k) The Appellant demonstrated reasonable grounds to believe that the Candidate contravened the Act. The Appellant met the **low threshold** and the test set out by this Honorable Court in prior decisions when determining whether to grant such compliance audits. Based thereon, the Appellant established that an audit of the Candidate's campaign finances is warranted in the circumstances;
- (l) The Committee however denied the Appellant's request and erred in its interpretation of the Act and common law;

- (m) The Appellant relies upon, *inter alia*, the information and documentation which was before the Committee, all financial records and documents filed by the Candidate with the Clerk's office of the City of Vaughan, and such further and other evidence as counsel may advise and this Honorable Court may permit, in order to demonstrate that a compliance audit of the Candidate's campaign finances should be ordered by this Honorable Court under the Act;
- (n) Sections 66 to 82.1 and Section 92 of the Act; and
- (o) such further and other grounds as counsel may advise and this Honourable Court may permit.

THE BASIS OF THE APPELLATE COURT'S JURISDICTION IS:

- (a) Section 81(6) of the Act;
- (b) The decision appealed from is a final decision; and
- (c) Leave to appeal is not required.

The Appellant requests that this matter be heard at the Courthouse in Newmarket, Ontario on a date and time to be determined by the Trial Coordinator.

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Appellant

-and-

COMPLIANCE AUDIT COMMITTEE OF THE CITY OF
VAUGHAN ET AL

Respondents

Court File No.

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COURT OF JUSTICE
Proceeding commenced at Newmarket
Proceeding under the Municipal Elections Act, 1996
S.O. 1996, c. 32, Sched

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