



Agenda Including Addeds

2018 Municipal Election Compliance Audit Committee

1st Meeting of the Municipal Election Compliance Audit Committee

April 25, 2019, 10:30 AM

Committee Room #4, Second Floor, City Hall

Members: D. Ross, C. Scrimgeour, A. Wright and C. Saunders (Secretary)

The City of London is committed to making every effort to provide alternate formats and communication supports for Council, Standing or Advisory Committee meetings and information, upon request. To make a request for any City service, please contact accessibility@london.ca or 519-661-2489 ext. 2425.

- 1. Call to Order**
 - 1.1 Disclosures of Pecuniary Interest
 - 1.2 Election of Chair
- 2. Consent Items**
 - 2.1 Terms of Reference for the 2018 Municipal Election Compliance Audit Committee 2
 - 2.2 Certificate of Maximum Contributions to Candidate's Own Campaign 4
 - 2.3 Financial Statement – Auditor's Report Candidate – Form 4 – Paul Cheng 5
 - 2.4 Financial Statement – Auditor's Report Candidate – Form 4 – Paul Paolatto 16
- 3. Items for Discussion**
 - 3.1 Application by Lincoln McCardle for Compliance Audit of Paul Cheng 31
 - 3.2 Application by Alan McQuillan for Compliance Audit of Paul Cheng 46
 - a. *(ADDED) Written submission – A. McQuillan* 49
 - 3.3 Application by Lincoln McCardle for Compliance Audit of Paul Paolatto 50
 - a. *(ADDED) Written submission – P. Paolatto* 69
- 4. Deferred Matters/Additional Business**
- 5. Adjournment**

Schedule 1**TERMS OF REFERENCE****2018 MUNICIPAL ELECTION COMPLIANCE AUDIT COMMITTEE****Name**

The name of the Committee is the “2018 Municipal Election Compliance Audit Committee”.

Term of the Committee

The term of the Committee shall be from December 1, 2018 to November 15, 2022.

Meetings

The Committee will meet as needed, with meetings to be scheduled by the City Clerk or their designate when a compliance audit application is received.

Mandate

The Committee is required to act in accordance with the powers and obligations set out in the *Municipal Elections Act, 1996*, as amended (*MEA*). The Committee will be required to:

- consider a compliance audit application received from an elector that a candidate or a registered third party has contravened provisions of the *MEA* relating to election campaign finances and determine whether it should be granted or rejected;
- if the application is granted, the committee shall appoint an auditor to conduct a compliance audit;
- receive the auditor’s report;
- consider the auditor’s report and if the report concludes that the candidate or registered third party appear to have contravened a provision of the *MEA* relating to election campaign finances, the committee may commence legal proceedings against the candidate or third party for the apparent contravention; and,
- consider the report(s) of the clerk identifying each contributor to a candidate for office on a council or a registered third party who appears to have contravened any of the contribution limits under section 88.9 or 88.13 of the *MEA* and decide whether to commence a legal proceeding against a contributor for an apparent contravention.

Composition

The Committee will be composed of three (3) members, with membership drawn from the following stakeholder groups:

- a) accounting and audit – accountants or auditors with experience in preparing or auditing the financial statements of municipal candidates;
- b) academic – college or university professors with expertise in political science or local government administration;
- c) legal profession with experience in municipal law, municipal election law or administrative law;
- d) professionals who in the course of their duties are required to adhere to codes or standards of their profession which may be enforced by disciplinary tribunals; and,
- e) other individuals with knowledge of the campaign financing rules of the *Municipal Elections Act, 1996*, as amended.

Members of Council, employees or officers of the municipality or local board, any persons who are registered third parties in the municipality in the election for which the committee is established or any persons who are candidates in the election for which the Committee is established are not eligible to be appointed to the Committee, pursuant to clause 88.37(2) of the *Municipal Elections Act, 1996*, as amended.

Further, an individual shall be deemed ineligible to be a member of the Committee if they prepare the financial statements of any candidate running for office on Municipal Council during the term for which the Committee has been established.

Appointment Process

All applicants will be required to submit a summary outlining their qualifications and experience. A Nomination Committee consisting of the Managing Director, Corporate Services and Chief Financial Officer/City Treasurer, the City Clerk and the Deputy City Clerk will submit a short list of candidates to Council through the Corporate Services Committee. Any vacancies which arise after December 1, 2018 shall be nominated by the Nomination Committee to Council, through the Corporate Services Committee.

Members will be selected on the basis of the following:

- a) demonstrated knowledge and understanding of municipal election campaign financing rules and knowledge of the MEA and related regulations;
- b) proven analytical and decision-making skills;
- c) experience working on a committee, administrative tribunal, task force or similar setting;
- d) availability and willingness to attend meetings; and,
- e) excellent oral and written communication skills;

Members will be appointed by Municipal Council.

Compensation

Members shall receive an honorarium of \$100.00 per meeting, to be funded from the Election Reserve. Administrative costs for such items as printing and mailing will be absorbed within the City Clerk's Operating Budget.

Staff Support

The City Clerk shall establish administrative practices and procedures for the Committee and shall carry out any other duties required under this *Act* to implement the Committee's decisions.

Funding

Costs related to the retention of an auditor will be funded from the Election Reserve.

Costs incurred as a result of a decision of the Committee being challenged to the Superior Court of Justice shall be funded from the Election Reserve.



Certificate of Maximum Contributions to Candidate's own Campaign



For the election to be held on the 22nd day of October, 2018.

Municipality City of London	
Candidate for the office of Mayor	Ward(s) number All

I certify that the permitted amount of contributions to a candidate's own campaign for the above mentioned office is

\$ 25,000.00

Date Sept 25 18

Signature of clerk [Signature]

The contribution limit is calculated based on the number of electors who are eligible to vote for the office that you are running for. Section 88.9.1 of *The Municipal Elections Act, 1996* prescribes the formula to calculate the maximum contributions to a candidate's own election campaign. The formula to calculate the limit is:

1. in the case of the office of head of council of a municipality, a total amount of,
 - (a) \$7,500, plus
 - (b) 20 cents for each elector entitled to vote for the office, to a maximum of \$25,000, and
2. in the case of any other office, a total amount of,
 - (a) \$5,000, plus
 - (b) 20 cents for each elector entitled to vote for the office, to a maximum of \$25,000.

Note: The contribution limit applies to the total amount of contributions made by yourself and/or your spouse to your campaign. This includes any contributions of goods and the replacement value of any inventory from a previous campaign that you are using in your current campaign.

Date _____

Received by (Signature of candidate or authorized agent) _____



Ministry of Municipal Affairs

**Financial Statement - Auditor's Report
Candidate - Form 4**

Municipal Elections Act, 1996 (Section 88.25)

Instructions

All candidates must complete Boxes A and B. Candidates who receive contributions or incur expenses must complete Boxes C, D, Schedule 1 and Schedule 2 as appropriate. Candidates who receive contributions or incur expenses in excess of \$10,000 must also attach an Auditor's Report.

All surplus funds (after any refund to the candidate or their spouse) shall be paid immediately over to the clerk who is responsible for the conduct of the election.

For the campaign period from (day candidate filed nomination)	YYYY	MM	DD	to	YYYY	MM	DD										
	2	0	1	8	0	5	0	1		2	0	1	8	1	2	3	1

- Initial filing reflecting finances to December 31 (or 45 days after voting day in a by-election)
- Supplementary filing including finances after December 31 (or 45 days after voting day in a by-election)

Box A: Name of Candidate and Office

Candidate's name as shown on the ballot	
Last Name or Single Name Paul	Given Name(s) Cheng
Office for which the candidate sought election Mayor	Ward name or no. (if any)
Municipality City of London	
Spending Limit - General \$ 223,931.25	Spending Limit - Parties and Other Expressions of Appreciation \$ 22,393.13

I did not accept any contributions or incur any expenses. (Complete Boxes A and B only)

Box B: Declaration

I, Paul Cheng, declare that to the best of my knowledge and belief that these financial statements and attached supporting schedules are true and correct.

Paul Cheng
Signature of Candidate

29/03/2019
29/03/2019
Date (yyyy/mm/dd)

Date Filed (yyyy/mm/dd) <i>2019/03/29</i>	Time Filed <i>9:29 AM</i>	Initial of Candidate or Agent (if filed in person) <i>P.C.</i>	Signature of Clerk or Designate <i>[Signature]</i>
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Catharine A. Saunders, a Commissioner for taking Affidavits and Oaths, Middlesex County, while a Clerk of The Corporation of the City of London.

Box C: Statement of Campaign Income and Expenses

LOAN
 Name of bank or recognized lending institution _____
 Amount borrowed \$ _____

INCOME

Total amount of all contributions (from line 1A in Schedule 1)	+ \$	49,763.55
Revenue from items \$25 or less	+ \$	_____
Sign deposit refund	+ \$	_____
Revenue from fundraising events not deemed a contribution (from Part III of Schedule 2)	+ \$	_____
Interest earned by campaign bank account	+ \$	_____
Other (provide full details)		
1. _____	+ \$	_____
2. _____	+ \$	_____
3. _____	+ \$	_____
4. _____	+ \$	_____
5. _____	+ \$	_____
Total Campaign Income (Do not include loan)	= \$	49,763.55 c1

EXPENSES (Note: include the value of contributions of goods and services)

Expenses subject to general spending limit

Inventory from previous campaign used in this campaign (list details in Table 4 of Schedule 1)	+ \$	_____
Advertising	+ \$	23,415.79
Brochures/flyers	+ \$	_____
Signs (including sign deposit)	+ \$	8,040.78
Meetings hosted	+ \$	_____
Office expenses incurred until voting day	+ \$	8,260.08
Phone and/or internet expenses incurred until voting day	+ \$	_____
Salaries, benefits, honoraria, professional fees incurred until voting day	+ \$	2,659.10
Bank charges incurred until voting day	+ \$	216.41
Interest charged on loan until voting day	+ \$	_____
Other (provide full details)		
1. Billboards	+ \$	24,662.25
2. HST on various expenses	+ \$	_____
3. _____	+ \$	_____
4. _____	+ \$	_____
5. _____	+ \$	_____
Total Expenses subject to general spending limit	= \$	67,254.41 c2

EXPENSES

Expenses subject to spending limit for parties and other expressions of appreciation

1. Campaign kick-off party	+ \$	813.60
2. _____	+ \$	_____
3. _____	+ \$	_____
4. _____	+ \$	_____
5. _____	+ \$	_____
Total Expenses subject to spending limit for parties and other expressions of appreciation	= \$	813.60 c3

Expenses not subject to spending limits

Accounting and audit	+ \$	1,695.00	
Cost of fundraising events/activities (list details in Part IV of Schedule 2)	+ \$		
Office expenses incurred after voting day	+ \$		
Phone and/or internet expenses incurred after voting day	+ \$		
Salaries, benefits, honoraria, professional fees incurred after voting day	+ \$		
Bank charges incurred after voting day	+ \$		
Interest charged on loan after voting day	+ \$		
Expenses related to recount	+ \$		
Expenses related to controverted election	+ \$		
Expenses related to compliance audit	+ \$		
Expenses related to candidate's disability (provide full details)			
1. _____	+ \$		
2. _____	+ \$		
3. _____	+ \$		
4. _____	+ \$		
5. _____	+ \$		
Other (provide full details)			
1. _____	+ \$		
2. _____	+ \$		
3. _____	+ \$		
4. _____	+ \$		
5. _____	+ \$		
Total Expenses not subject to spending limits	= \$	1,695.00	C4

Total Campaign Expenses (C2 + C3 + C4) = \$ 69,763.01 C5

Box D: Calculation of Surplus or Deficit

Excess (deficiency) of income over expenses (Income minus Total Expenses) (C1 – C5)	+ \$	-19,999.46	D1
Eligible deficit carried forward by the candidate from the last election (applies to 2018 regular election only)	- \$		D2
Total (D1 – D2)	= \$	-19,999.46	
If there is a surplus, deduct any refund of candidate's or spouse's contributions to the campaign	- \$		
Surplus (or deficit) for the campaign	= \$	-19,999.46	D3

If line D3 shows a surplus, the amount must be paid in trust, at the time the financial statements are filed, to the municipal clerk who is responsible for the conduct of the election.

Schedule 1 - Contributions

Part I – Summary of Contributions

Contributions in money from candidate and spouse	+ \$ 25,000.00
Contributions in goods and services from candidate and spouse (include value listed in Table 3 and Table 4)	+ \$ _____
Total value of contributions not exceeding \$100 per contributor • Include ticket revenue, contributions in money, goods and services where the total contribution from a contributor is \$100 or less (do not include contributions from candidate or spouse).	\$ 1,944.94
Total value of contributions exceeding \$100 per contributor (from line 1B on page 5; list details in Table 1 and Table 2) • Include ticket revenue, contributions in money, goods and services where the total contribution from a contributor exceeds \$100 (do not include contributions from candidate or spouse).	\$ 22,818.61
Less: Contributions returned or payable to the contributor	- \$ _____
Contributions paid or payable to the clerk, including contributions from anonymous sources exceeding \$25	- \$ _____
Total Amount of Contributions (record under Income in Box C)	= \$ 49,763.55 1A

Part II – Contributions exceeding \$100 per contributor – individuals other than candidate or spouse

Table 1: Monetary contributions from individuals other than candidate or spouse

Name	Full Address	Date Received	Amount Received \$	Amount \$ Returned to Contributor or Paid to Clerk
See schedule attached			22,378.88	
			Total	22,378.88

Additional information is listed on separate supplementary attachment

Paul Cheng Campaign 2018

Schedule 1 - Contributions - Table 1

Financial Donations

Contributor Name	Address	Date Received	Amount
Andrew Spriet	1196 St Anthony Rd, London N6H	28-Aug-18	\$ 850.00
Ann Milling	15 Cree Pl.,London, ON N5V 2V5	17-Oct-18	\$ 200.00
Anthony Cuzzocrea	400 York St, Ste 103,London,ON N6B3N2	07-Sep-18	\$ 500.00
Bill Fellner	2042 Elgin St, PO 149, Arva ON N0M 1C0	13-Oct-18	\$ 500.00
Chris Butler	butler.chris@sympatico.ca	07-Jul-18	\$ 120.00
Christopher Craigan	230 Ridgewood Cres., London, ON N6J 3G6	17-Oct-18	\$ 500.00
Debbie Mistretta	1990 Commissioners Rd. E, N6M 1E7	20-Aug-18	\$ 200.00
Dennis Oliver	99 Horton ST, London ON N6P 4Y6	19-Oct-18	\$ 250.00
Edward Craig	1495 Hastings Dr. ,London,ON N5X 1B2	20-Oct-18	\$ 1,200.00
Eugene Sawchuk	30 Elmgrove Cres, London, ON N6J3X5	28-Dec-18	\$ 975.00
Fei Luo	344 Chambers Pl, London ON N5X 4H4	15-Aug-18	\$ 1,000.00
Harvey Ersman	973 Colborne St., London,ON N6A 4A7	09-Oct-18	\$ 300.00
Ian Cheng	6 Pinegrove Cres, London ON N6J 3Y9	08-Jun-18	\$ 200.00
James Lystar	16 Kenwood Cres.,London,ON N5Y 3W7	22-Oct-18	\$ 500.00
Jerry Masse	249 Springback Dr.,London, ON	30-Oct-18	\$ 1,000.00
Jie Dan	1965 riverbend Rd, London ON N6K 0A1	13-Aug-18	\$ 500.00
John W White	PO Box 56, Arva, ON N0M 1C0	17-Oct-18	\$ 500.00
Joseph Hassen	9334 Glendon Dr.,Mt. Brydges, ON N0L 1W0	11-Oct-18	\$ 1,200.00
Liang Ming Cheng	1-918 Grosvernor Gate, London , Ontario	07-Jun-18	\$ 1,000.00
Michael Maziarz	mike.j.maziarz@gmail.com	04-Nov-18	\$ 1,000.00
Mike Czestochowski	London, ON	17-Oct-18	\$ 1,000.00
Mingyang Xu	wenxu.9@gmail.com	19-Oct-18	\$ 1,000.00
Paul Curtin	128 Fairmount Ave. London, Ontario	07-Jun-18	\$ 400.00
Paul Curtin	128 Fairmount Ave. London, Ontario	20-Oct-18	\$ 600.00
Paul Kash	396 Wueens St, London ON N6B 1X8	05-Oct-18	\$ 500.00
Phil Masschelein	RR 1 Ailsa Craig, ON N0M 1A0	22-Oct-18	\$ 1,200.00
Ron Wolf	700 Richmond St, London ON N6A 5C7	17-Oct-18	\$ 150.00
Scott Rasenberg	882 Sandcherry St., London, ON N6H5V2	17-Sep-18	\$ 1,200.00
Selvon Mohammed	Selvon@3web.com	24-Aug-18	\$ 200.00
Stephen Stapleton	560 Wellinton St,London,ON N6A 3R4	30-Sep-18	\$ 800.00
Steve Copp	45 York St, London ON N6A 1A4	12-Oct-18	\$ 1,200.00
Steven Plunkett	9282 Elviage Dr, London ON N6K 4N5	18-Oct-18	\$ 500.00
Tony Aarts	2304 Slo-Pitch Rd,PO Box 81,Putnam,ON N0L2B0	25-Sep-18	\$ 1,000.00
Wen Xu	80 Empress Ave, London ON N6H 1M7	14-Sep-18	\$ 133.88
Total Contributions > \$100			22,378.88

Description of Goods or Services	Date Received (yyyy/mm/dd)	Value \$
<input type="checkbox"/> Additional information is listed on separate supplementary attachment	Total	

Table 4: Inventory of campaign goods and materials from previous municipal campaign used in this campaign
 (Note: value must be recorded as a contribution from the candidate and as an expense)

Description	Date Acquired (yyyy/mm/dd)	Supplier	Quantity	Current Market Value \$
<input type="checkbox"/> Additional information is listed on separate supplementary attachment	Total			

Schedule 2 – Fundraising Events and Activities

Fundraising Event/Activity

Complete a separate schedule for each event or activity held

Additional schedule(s) attached

Description of fundraising event/activity _____

Date of event/activity (yyyy/mm/dd) _____

Part I – Ticket revenue

Admission charge (per person)

(If there are a range of ticket prices, attach complete breakdown of all ticket sales)

	<u>\$</u>	2A	
Number of tickets sold	X		2B
Total Part I (2A X 2B) (include in Part 1 of Schedule 1)			= \$ _____

Part II – Other revenue deemed a contribution

(e.g. revenue from goods sold in excess of fair market value)

Provide details

1. _____	+	\$ _____	
2. _____	+	\$ _____	
3. _____	+	\$ _____	
4. _____	+	\$ _____	
5. _____	+	\$ _____	
Total Part II (include in Part 1 of Schedule 1)			= \$ _____

Part III – Other revenue not deemed a contribution

(e.g. contribution of \$25 or less; goods or services sold for \$25 or less)

Provide details

1. _____	+	\$ _____	
2. _____	+	\$ _____	
3. _____	+	\$ _____	
4. _____	+	\$ _____	
5. _____	+	\$ _____	
Total Part III (include under Income in Box C)			= \$ _____

Part IV – Expenses related to fundraising event or activity

Provide details

1. _____	+	\$ _____	
2. _____	+	\$ _____	
3. _____	+	\$ _____	
4. _____	+	\$ _____	
5. _____	+	\$ _____	
6. _____	+	\$ _____	
7. _____	+	\$ _____	
8. _____	+	\$ _____	
Total Part IV Expenses (include under Expenses in Box C)			= \$ _____

Auditor's Report
Municipal Elections Act, 1996 (Section 88.25)

A candidate who has received contributions or incurred expenses in excess of \$10,000 must attach an auditor's report.

Professional Designation of Auditor Chartered Professional Accountant	
Municipality London	Date (yyyy/mm/dd)

Contact Information		
Last Name or Single Name Snyders	Given Name(s) Mark	Licence Number 1-21218
Address		
Suite/Unit No.	Street No. 82	Street Name Wellington St
Municipality London	Province ON	Postal Code N6B 2K3
Telephone No. (including area code) 519 660-6060	Email Address marks@meb.on.ca	

The report must be done in accordance with generally accepted auditing standards and must:

- set out the scope of the examination
- provide an opinion as to the completeness and accuracy of the financial statement and whether it is free of material misstatement

Report is attached

Personal information, if any, collected on this form is obtained under the authority of sections 88.25 and 95 of the *Municipal Elections Act, 1996*. Under section 88 of the *Municipal Elections Act, 1996* (and despite anything in the *Municipal Freedom of Information and Protection of Privacy Act*) documents and materials filed with or prepared by the clerk or any other election official under the *Municipal Elections Act, 1996* are public records and, until their destruction, may be inspected by any person at the clerk's office at a time when the office is open. Campaign financial statements shall also be made available by the clerk in an electronic format free of charge upon request.

MACNEILL EDMUNDSON
PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT

To the City Clerk of The City of London re: Paul Cheng Campaign

Qualified Opinion

We have audited the accompanying Form 4: Financial Statement - Auditor's Report Candidate of the Paul Cheng Election Campaign (the "financial statement"), for the campaign period May 1, 2018 to December 31, 2018 relating to the City of London Municipal Election held on October 22, 2018, prepared in accordance with Section 88 of the Municipal Elections Act, 1996.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Campaign as at December 31, 2018, and the results of its operations for the campaign period then ended in accordance with the accounting treatment prescribed in the Municipal Elections Act, 1996.

Basis for Qualified Opinion

Due to the nature of the types of transactions inherent in any election campaign, the completeness of the various categories of income and expenses is not susceptible to satisfactory audit verification. Accordingly, our verification of income and expenses was limited to the amounts recorded in the candidate's election campaign records and we were not able to determine whether any adjustments might be necessary to assets, liabilities, income, expenses, or campaign period surplus/deficit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Campaign in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

Without modifying our opinion, we note that the Form 4 is prepared for the information and use of the Candidate and the City Clerk to comply with the Municipal Elections Act, 1996, and as such, may not be suitable for another purpose. The attached Form 4 is not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Responsibilities of the Candidate for the Financial Statements

The Candidate is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting treatment prescribed in the Municipal Elections Act, 1996.

(continues)

James B. MacNeill CPA, CA Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

MACNEILL EDMUNDSON

PROFESSIONAL CORPORATION

INDEPENDENT AUDITOR'S REPORT *(continued)*

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Campaign's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

We communicate with the Candidate regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

London, Ontario
March 26, 2019

MacNeill Edmundson
PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

James B. MacNeill CPA, CA Jeremy A. Giles CPA, CA Lissa Savage CPA, CA
Robert F. Edmundson CPA, CA (Retired)

82 WELLINGTON STREET, LONDON, ONTARIO N6B 2K3 TEL 519.660.6060 FAX 519.672.6416 WEB www.meb.on.ca



Ministry of Municipal Affairs

**Financial Statement - Auditor's Report
Candidate - Form 4**

Municipal Elections Act, 1996 (Section 88.25)

Instructions

All candidates must complete Boxes A and B. Candidates who receive contributions or incur expenses must complete Boxes C, D, Schedule 1 and Schedule 2 as appropriate. Candidates who receive contributions or incur expenses in excess of \$10,000 must also attach an Auditor's Report.

All surplus funds (after any refund to the candidate or their spouse) shall be paid immediately over to the clerk who is responsible for the conduct of the election.

For the campaign period from (day candidate filed nomination)	YYYY	MM	DD	to	YYYY	MM	DD									
	2	0	1	8	0	5	0	1	2	0	1	8	1	2	3	1

- Initial filing reflecting finances to December 31 (or 45 days after voting day in a by-election)
- Supplementary filing including finances after December 31 (or 45 days after voting day in a by-election)

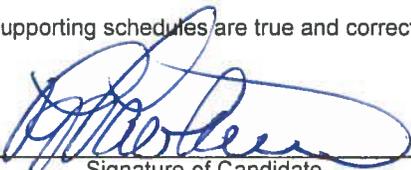
Box A: Name of Candidate and Office

Candidate's name as shown on the ballot	
Last Name or Single Name Paolatto	Given Name(s) Paul
Office for which the candidate sought election Mayor	Ward name or no. (if any)
Municipality London	
Spending Limit - General \$ 223,931.25	Spending Limit - Parties and Other Expressions of Appreciation \$ 22,393.13

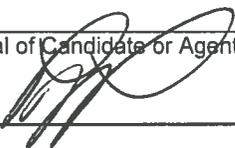
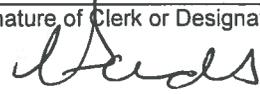
I did not accept any contributions or incur any expenses. *(Complete Boxes A and B only)*

Box B: Declaration

I, Paul Paolatto, declare that to the best of my knowledge and belief that these financial statements and attached supporting schedules are true and correct.



 2019/02/06 2019/03/28 
 Signature of Candidate Date (yyyy/mm/dd)

Date Filed (yyyy/mm/dd) 2019/03/28	Time Filed 1:02 PM	Initial of Candidate or Agent (if filed in person) 	Signature of Clerk or Designate 
---------------------------------------	-----------------------	-------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------

Catharine A. Saunders, a Commissioner for taking Affidavits and Oaths, Middlesex County, while a Clerk of The Corporation of the City of London.

~~Jeannie Raycroft, a Commissioner for taking Affidavits and Oaths, Middlesex County, while a deputized Clerk of The Corporation of the City of London.~~ 



Box C: Statement of Campaign Income and Expenses

LOAN

Name of bank or recognized lending institution _____
 Amount borrowed \$ _____

INCOME

Total amount of all contributions (from line 1A in Schedule 1)	+ \$	91,403.34
Revenue from items \$25 or less	+ \$	_____
Sign deposit refund	+ \$	_____
Revenue from fundraising events not deemed a contribution (from Part III of Schedule 2)	+ \$	_____
Interest earned by campaign bank account	+ \$	_____
Other (provide full details)		
1. _____	+ \$	_____
2. _____	+ \$	_____
3. _____	+ \$	_____
4. _____	+ \$	_____
5. _____	+ \$	_____
Total Campaign Income (Do not include loan)	= \$	91,403.34 C1

EXPENSES (Note: include the value of contributions of goods and services)

Expenses subject to general spending limit

Inventory from previous campaign used in this campaign (list details in Table 4 of Schedule 1)	+ \$	_____
Advertising	+ \$	34,625.41
Brochures/flyers	+ \$	17,795.16
Signs (including sign deposit)	+ \$	13,038.35
Meetings hosted	+ \$	2,057.81
Office expenses incurred until voting day	+ \$	4,806.14
Phone and/or internet expenses incurred until voting day	+ \$	3,356.39
Salaries, benefits, honoraria, professional fees incurred until voting day	+ \$	5,000.00
Bank charges incurred until voting day	+ \$	1,608.93
Interest charged on loan until voting day	+ \$	_____
Other (provide full details)		
1. Legal Advice	+ \$	2,900.00
2. Vehicle expenses	+ \$	628.90
3. Rent	+ \$	4,050.00
4. Meals	+ \$	1,535.58
5. _____	+ \$	_____
Total Expenses subject to general spending limit	= \$	91,402.67 C2

EXPENSES

Expenses subject to spending limit for parties and other expressions of appreciation

1. _____	+ \$	_____
2. _____	+ \$	_____
3. _____	+ \$	_____
4. _____	+ \$	_____
5. _____	+ \$	_____
Total Expenses subject to spending limit for parties and other expressions of appreciation	= \$	_____ C3



Expenses not subject to spending limits

Accounting and audit	+ \$	2,260.00	
Cost of fundraising events/activities (list details in Part IV of Schedule 2)	+ \$	<u> </u>	
Office expenses incurred after voting day	+ \$	<u> </u>	
Phone and/or internet expenses incurred after voting day	+ \$	<u> </u>	
Salaries, benefits, honoraria, professional fees incurred after voting day	+ \$	<u> </u>	
Bank charges incurred after voting day	+ \$	<u> </u>	
Interest charged on loan after voting day	+ \$	<u> </u>	
Expenses related to recount	+ \$	<u> </u>	
Expenses related to controverted election	+ \$	<u> </u>	
Expenses related to compliance audit	+ \$	<u> </u>	
Expenses related to candidate's disability (provide full details)			
1. _____	+ \$	<u> </u>	
2. _____	+ \$	<u> </u>	
3. _____	+ \$	<u> </u>	
4. _____	+ \$	<u> </u>	
5. _____	+ \$	<u> </u>	
Other (provide full details)			
1. _____	+ \$	<u> </u>	
2. _____	+ \$	<u> </u>	
3. _____	+ \$	<u> </u>	
4. _____	+ \$	<u> </u>	
5. _____	+ \$	<u> </u>	
Total Expenses not subject to spending limits	= \$	<u>2,260.00</u>	C4

Total Campaign Expenses (C2 + C3 + C4) = \$ 93,662.67 C5

Box D: Calculation of Surplus or Deficit

Excess (deficiency) of income over expenses (Income minus Total Expenses) (C1 – C5)	+ \$	<u>-2,259.33</u>	D1
Eligible deficit carried forward by the candidate from the last election (applies to 2018 regular election only)	- \$	<u> </u>	D2
Total (D1 – D2)	= \$	<u>-2,259.33</u>	
If there is a surplus, deduct any refund of candidate's or spouse's contributions to the campaign	- \$	<u> </u>	
Surplus (or deficit) for the campaign	= \$	<u>-2,259.33</u>	D3

If line D3 shows a surplus, the amount must be paid in trust, at the time the financial statements are filed, to the municipal clerk who is responsible for the conduct of the election.



Schedule 1 - Contributions

Part I – Summary of Contributions

Contributions in money from candidate and spouse	+ \$ 21,913.33
Contributions in goods and services from candidate and spouse (include value listed in Table 3 and Table 4)	+ \$
Total value of contributions not exceeding \$100 per contributor	
• Include ticket revenue, contributions in money, goods and services where the total contribution from a contributor is \$100 or less (do not include contributions from candidate or spouse).	+ \$ 840.01
Total value of contributions exceeding \$100 per contributor (from line 1B on page 5; list details in Table 1 and Table 2)	
• Include ticket revenue, contributions in money, goods and services where the total contribution from a contributor exceeds \$100 (do not include contributions from candidate or spouse).	+ \$ 68,650.00
Less: Contributions returned or payable to the contributor	– \$
Contributions paid or payable to the clerk, including contributions from anonymous sources exceeding \$25	– \$
Total Amount of Contributions (record under Income in Box C)	= \$ 91,403.34 1A

Part II – Contributions exceeding \$100 per contributor – individuals other than candidate or spouse

Table 1: Monetary contributions from individuals other than candidate or spouse

Name	Full Address	Date Received	Amount Received \$	Amount \$ Returned to Contributor or Paid to Clerk
See Attached Donor List			68,650.00	
			Total	68,650.00

Additional information is listed on separate supplementary attachment

Description of Goods or Services	Date Received (yyyy/mm/dd)	Value \$
<input type="checkbox"/> Additional information is listed on separate supplementary attachment		Total

Table 4: Inventory of campaign goods and materials from previous municipal campaign used in this campaign
 (Note: value must be recorded as a contribution from the candidate and as an expense)

Description	Date Acquired (yyyy/mm/dd)	Supplier	Quantity	Current Market Value \$
<input type="checkbox"/> Additional information is listed on separate supplementary attachment				Total



Schedule 2 – Fundraising Events and Activities

Fundraising Event/Activity

Complete a separate schedule for each event or activity held

Additional schedule(s) attached

Description of fundraising event/activity _____

Date of event/activity (yyyy/mm/dd) _____

Part I – Ticket revenue

Admission charge (per person)
(If there are a range of ticket prices, attach complete breakdown of all ticket sales)

	\$		2A	
Number of tickets sold	X		2B	
Total Part I (2A X 2B) (include in Part 1 of Schedule 1)				= \$ _____

Part II – Other revenue deemed a contribution

(e.g. revenue from goods sold in excess of fair market value)

Provide details

1.		+	\$		
2.		+	\$		
3.		+	\$		
4.		+	\$		
5.		+	\$		
Total Part II (include in Part 1 of Schedule 1)					= \$ _____

Part III – Other revenue not deemed a contribution

(e.g. contribution of \$25 or less; goods or services sold for \$25 or less)

Provide details

1.		+	\$		
2.		+	\$		
3.		+	\$		
4.		+	\$		
5.		+	\$		
Total Part III (include under Income in Box C)					= \$ _____

Part IV – Expenses related to fundraising event or activity

Provide details

1.		+	\$		
2.		+	\$		
3.		+	\$		
4.		+	\$		
5.		+	\$		
6.		+	\$		
7.		+	\$		
8.		+	\$		
Total Part IV Expenses (include under Expenses in Box C)					= \$ _____



Auditor's Report
Municipal Elections Act, 1996 (Section 88.25)

A candidate who has received contributions or incurred expenses in excess of \$10,000 must attach an auditor's report.

Professional Designation of Auditor
 FCPA, FCGA, LPA

Municipality Sarnia	Date (yyyy/mm/dd) 2019/03/20
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Contact Information

Last Name or Single Name Moore	Given Name(s) Brian	Licence Number L-218232
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Address

Suite/Unit No.	Street No. 316	Street Name George Street
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Municipality Sarnia	Province ON	Postal Code N7T 7H9
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Telephone No. (including area code) 519 344-1271	Email Address bmoore@turnermoore.com
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The report must be done in accordance with generally accepted auditing standards and must:

- set out the scope of the examination
- provide an opinion as to the completeness and accuracy of the financial statement and whether it is free of material misstatement

Report is attached

Personal information, if any, collected on this form is obtained under the authority of sections 88.25 and 95 of the *Municipal Elections Act, 1996*. Under section 88 of the *Municipal Elections Act, 1996* (and despite anything in the *Municipal Freedom of Information and Protection of Privacy Act*) documents and materials filed with or prepared by the clerk or any other election official under the *Municipal Elections Act, 1996* are public records and, until their destruction, may be inspected by any person at the clerk's office at a time when the office is open. Campaign financial statements shall also be made available by the clerk in an electronic format free of charge upon request.



Donor List

Name	Address	billing_city	billing_zip	Date	Amount
Sheldon Aaron	1470 Corley Dr	London		2018-06-13 14:39	1,200.00
Ismail Omer	2143 Callingham Dr	London	N6G 5L9	2018-09-14 10:13	1,200.00
Milad Bosta	1966 Richmond St N	London		2018-09-25 10:27	1,200.00
Colin Tattersall	144 Sydenham Street	London		2018-09-26 13:59	1,200.00
Kevin Endo	410 Regent St	London	N6A 3H1	2018-09-26 14:00	1,200.00
Richard Tattersall	2181 Jack Nash Dr	London		2018-09-26 15:52	1,200.00
Mathew Teske	1458 Sunningdale Rd E	London		2018-10-19 10:02	1,200.00
Murray Faulkner	49 Sir Robert Pl	Arva	N0M 1C0	2018-06-13 14:56	1,200.00
Scott Burns	74 Dissing Cres	London		2018-12-11 10:28	1,200.00
Joseph Carapella	3800 Colonel Talbot Rd	London		2018-12-11 10:30	1,200.00
Bill Eansor	41 Kingspark Cres	London	N6K 4J3	2018-12-11 10:40	1,200.00
Michael Howe	301-100 Wellington St	London	N6B2K6	2018-06-14 16:59	1,200.00
Jamie Critch	560 Wellington St	London	N6A 3R4	2018-06-14 17:06	1,200.00
Alan Drewlo	238 Hyman St	London	N6A 1N5	2018-06-14 17:08	1,200.00
David Stimac	1397 Corley Dr	London	N6G 2K5	2018-06-15 11:44	1,200.00
Michael J. Coon	38 Medway Cres	London	N5X 3S8	2018-06-19 13:31	1,200.00
Elizabeth Aaron	1470 Corley Dr	London	N6G 2K4	2018-06-27 11:35	1,200.00
Marjie Macoun	1060 Wellington Gdns	London	N6A 5Z2	2018-06-27 11:47	1,200.00
Jeff Macoun	1060 Wellington Gdns	London	N6A 5Z2	2018-06-27 11:49	1,200.00
Donna Lansink	505 Colborne St	London	N6B 2T6	2018-06-29 16:17	1,200.00
Jason Lessif	1950 Dundas Str	London		2018-07-05 12:36	1,200.00
Paul Desalaiz	92 Hampton Cres	London		2018-07-19 9:10	1,200.00
Gordon MacLeod	1074 Wellington Rd	London		2018-07-19 9:15	1,200.00
John Simioni	103 Fanshawe Park Rd E	London		2018-08-02 23:18	1,200.00
Steven Copp	45 York St	London		2018-08-14 22:30	1,200.00
Ryan Finch	1050 Wellington Gdns	London		2018-08-22 17:04	1,200.00

Reinhard Lohmann	383 St George St	London		2018-08-29 13:50	1,200.00
Frank Longo	17 Hampton Cres	London		2018-09-05 23:39	1,200.00
Holden Rhodes	1633 Gloucester Rd	London		2018-09-11 8:45	1,200.00
Charlie Miller	850 Wellington Rd	London	N6J 2N1	2018-09-11 8:48	1,200.00
Marco Palumbo	1525 Jim Allen Way	London		2018-08-12 17:12	1,000.00
Silvestro Palumbo	1726 Tigerlily Rd	London		2018-08-12 17:12	1,000.00
Giuliano/Jean DiCola	RR41 1619 Gainsborough Road	London		2018-08-12 17:13	1,000.00
Fernando Di Cola	20735 Denfield Road R.R. #41	London		2018-09-05 23:38	1,000.00
Archie Lietch	250 Sydenham St.	London		2018-10-21	1,000.00
Matt Johnstone	329 Springbank Dr,	London		2018-10-19 9:54	750.00
Ann Smith	1019 Maitland St	London	N5Y 2X8	2018-06-27 11:18	750.00
Jeremy Hanford	265 Baseline Rd	London	N5Z	2018-08-18 11:55	700.00
Alon Shatil	50 Lavender Way	London		2018-09-17 11:14	500.00
Amir Shenouda	24 Ravenglass Cres	London		2018-09-25 10:16	500.00
colin hopper	103 woodholme Pl	London		2018-09-27 14:39	500.00
Adam Carapella	3800 Colonel Talbot Road	London	N6P1H5	2018-10-08 14:37	500.00
Bob DiFruscia	1040 Riverside Dr	London	N6H 5N4	2018-06-13 14:48	500.00
Judith McKay-Pepe	71 Fanshawe Park Road W	London		2018-10-12 15:36	500.00
Cheryl Miller	351 Millbank Dr	London		2018-06-13 14:58	500.00
Luigi Giugno	20 Green Acres Dr	London		2018-10-19 10:55	500.00
Claudio DeVincenzo	10 Redford Rd	London		2018-12-11 10:36	500.00
John Scott-Pearse	552 William St	London		2018-06-13 15:08	500.00
Marion Lott	30 Hesketh Pl	London	N6G 4V3	2018-06-27 11:28	500.00
Ryan Gauss		London	P5A	2018-07-02 20:47	500.00
Nick Niro	333 Griffith St	London	N6K 2R8	2018-07-03 13:13	500.00
Daniel Hirschberger	430 Lawson Rd	London	N6G 1X8	2018-07-09 9:38	500.00
Jane Inglis	26 Hesketh Pl	London	N6G4V3	2018-08-05 10:21	500.00
Craig Richardson		London		2018-08-14 18:43	500.00
Albert Scarpelli	1150 Coates Lane	London		2018-08-18 11:58	500.00

Harry Hermann	1571 Ryersie Rd	London	N6G 2S2	2018-08-23 13:38	500.00
Maurice Pellarin	42 Markland Dr	London		2018-09-05 23:36	500.00
Eirin O'Donnell	1658 Aldersbrooke Rd	London	N6G 3B8	2018-09-06 11:34	500.00
Peter White	258 Windermere Ct E	London		2018-06-13 14:36	500.00
Carole Doman Olkowski	512 Waterloo Street	London		2018-09-13 12:36	500.00
Vito Frijia	122 Farmington Crt	London		2018-09-14 9:42	500.00
Moustafa Mahmoud Abou-Sharkh	183 Blackacres Blvd	London		2018-10-19 10:46	400.00
Lori Watson	6 Hesketh Pl	London	N6G 4V3	2018-06-27 11:25	400.00
Ian Stone	2014 Valleyrun Blvd	London	N6G 5N8	2018-09-12 11:49	400.00
Edith Hollingsworth	38 Medway Cres	London		2018-10-19	400.00
Peter Hanford & Anne Martin	100 Hillsmount Cres	London		2018-08-14 22:47	350.00
Glen Smeltzer	461 Grangeover Ave	London		2018-09-05 23:44	350.00
Suhair Al-Shanteer	2615 Colonel Talbot Rd	London		2018-10-19 10:06	300.00
Andrew Spriet	1196 St Anthony Rd	London	N6H 2R1	2018-06-13 15:11	300.00
Bonnie Fleming Pierotti	193 Cheapside Street	London		2018-09-05 23:41	300.00
Don Barlett	1091 The Pkwy	London	N6A 2W8	2018-09-10 22:46	300.00
Hesham H Abdelsayed	233 Ensign Cres	London		2018-09-25 10:15	250.00
Jeannette Eberhard	1120 The Pkwy	London		2018-06-13 14:40	250.00
Doug Weldon	21649 Richmond St	London		2018-10-08 14:36	250.00
Tom Tillmann	1663 Gloucester Rd	London	N6G 2S5	2018-10-08 14:38	250.00
Ken Frohwerk		London		2018-10-08 14:39	250.00
Aleck Harasym	118 Fitzwilliam Blvd	London		2018-10-08 14:40	250.00
Mary Ann Colihan	191 Sherwood Avenue	London		2018-10-12 15:33	250.00
Hank Vander Laan	2617 Victoria Rd	London		2018-10-12 15:37	250.00
Ana Stimac	505 Jarvis St	London	N6K 1X3	2018-06-14 17:13	250.00
Wayne Webster	778 Hamilton Road	London	N5Z 1T9	2018-06-13 14:00	250.00
Peter Adams	1582 Gloucester Rd	London		2018-07-03 14:51	250.00
Paul Cocker	831 Talbot St	London	N5Y 5R9	2018-08-02 18:11	250.00
John Finan	461 Second St	London	N5V 2B1	2018-08-02 20:42	250.00

Mark Gilliam	8 Bexhill Dr	London	N6E 1W9	2018-08-05 10:19	250.00
John Besterd	1526 Ryersie Rd	London	N6G 2R9	2018-08-14 22:32	250.00
Lorilee Down	1803 Ironwood Rd	London		2018-06-13 14:10	250.00
Kristina Shaw	10 Hesketh Pl	London	N6G4V3	2018-08-18 11:24	250.00
Richard Hammond	23 Willingdon	London		2018-08-20 17:04	250.00
Colin Nash	1590 Kirkpatrick Way	London		2018-06-13 14:16	250.00
John Brighton	122 Toohey Ln	London		2018-08-23 13:39	250.00
John Capone	94 Central Ave.	London	N6A1M4	2018-06-13 14:20	250.00
Kevin Gardner	1814 Riverbend Rd	London	N6K 0A4	2018-09-05 23:41	250.00
Greg Playford	484 Waterloo St	London	N6B 2P6	2018-09-11 8:44	250.00
Kevin Robertson	2128 Valleyrun Blvd	London	N6G5M7	2018-09-11 8:49	250.00
Michelle Campbell	19 Harrison Crescent	London		2018-06-26	250.00
Gord Hume	95 Chalet Cres	London	N6K 3C5	2018-06-13 13:49	200.00
Ahmed Seksek	299 Sarnia Rd	London		2018-10-19 10:42	200.00
Ghassan Abushawish	3 Clifton Cres	London		2018-10-19 10:50	200.00
Faisal Anwar	1965 Riverbend Rd	London		2018-10-19 10:51	200.00
Robin Procunier	G-620 Richmond Street	London	N6A 5J9	2018-06-27 11:21	200.00
Peter Miazga	179 Grenfell Pl	London		2018-08-18 11:56	200.00
Jackie Farquhar	383 St George St	London		2018-08-29 13:47	200.00
Rebecca Herrington	1586 Moe Norman	London	N6K	2018-09-06 12:41	200.00
Britta Jones	50 Northumberland Rd	London		2018-09-27 10:55	150.00
Steve (Goose) Garrison	19 Harrison Crescent	London		2018-06-27 11:39	150.00
John Acton	76 Byron Ave E	London	N6C 1C7	2018-06-27 11:44	150.00
John Leitch	968 Wellington St	London	N6A 3T2	2018-06-27 11:50	150.00
Nadine Weedmark	726 Whetter Ave	London	N6C2H3	2018-09-21 10:37	100.00
MaryLynn Mansell	38 Mantle Pl	London	N6H 4Z9	2018-09-26 10:24	100.00
Frank Galera		London		2018-10-08 14:41	100.00
Erica Brown	1544 Gloucester Road	London	N6G2S6	2018-10-12 15:37	100.00
Craig Coleman	460 Wellington St	London	N6A3P8	2018-10-19 9:56	100.00

Heather Broadhead	172 Timber Dr	London		2018-10-19 9:58	100.00
Ashraf El Khodeir	14 Kristina Cres	London		2018-10-19 10:07	100.00
Omar Srour	2824 Devon Rd	London		2018-10-19 10:08	100.00
Husam Mohammed	46 Ambleside Dr	London		2018-10-19 10:43	100.00
Nick Sauter	204 Tremont Rd	London	N5V 1C4	2018-06-13 15:06	100.00
Arnon & Michelle Kaplansky	599 Maitland St	London	N6B 2Z8	2018-06-19 17:54	100.00
Robert Anderson	255 Dufferin Ave	London	N6A 4K1	2018-06-28 8:50	100.00
Gord Drimmie	59 Kirk Dr	London		2018-06-29 16:01	100.00
Norah Culver	266 Epworth Ave	London	N6A2M2	2018-06-13 14:05	100.00
Brent Shea	2744 Post Road Trce	London		2018-07-09 10:49	100.00
Chirag Shah		London		2018-07-30 17:44	100.00
Chris Culver	266 Epworth Ave	London	N6A2M2	2018-06-13 14:07	100.00
John Downing	1115 The Pkwy	London		2018-08-15 17:32	100.00
Ed Tomkowiak	168 Elworthy Ave	London	N6C 2M7	2018-08-18 11:27	100.00
Beverley Reed	50 Fiddlers Green Rd	London	N6H 4T4	2018-09-12 9:57	100.00

Subtotal >\$100 68,650.00



TurnerMoore LLP Chartered Professional Accountants | Licensed Public Accountants
Partners Building Success

Independent Practitioner's Audit Report

To the City Clerk for Paul Paolatto Election Campaign

Qualified Opinion

We have audited the accompanying Form 4 ("the financial statements") of Paul Paolatto Election Campaign, for the campaign period from May 1, 2018 to December 31, 2018 relating to the City of London Municipal Election held on October 22, 2018.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Paul Paolatto, Candidate, as at December 31, 2018 and his income and expenses for the campaign period from May 1, 2018 to December 31, 2018 in accordance with the requirements of the Municipal Elections Act, 1996.

Basis for Qualified Opinion

Due to the nature of the types of transactions inherent in any election campaign, the completeness of the various categories of income and expenses is not susceptible of satisfactory audit verification. Accordingly, our verification of income and expenses was limited to the amounts recorded in the records of the Paul Paolatto Election Campaign and we were not able to determine whether any adjustments might be necessary to income and expenses and the campaign period surplus or deficit. Our audit opinion on the financial statements for the campaign period from May 1, 2018 to December 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Paul Paolatto Election Campaign in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other Matter

The financial statements, which have not been, and are not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the City Clerk to comply with the requirements of the Municipal Elections Act, 1996. The financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

Responsibilities of Management and Those Charged with Governance for the Financial Statements Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted auditing standards and the requirements of the Municipal Elections Act, 1996 relevant to preparing such financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Continued

Those charged with governance are responsible for overseeing the Paul Paolatto Election Campaign's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole free from material misstatement, whether due to fraud or error, and to issue an auditor's report includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that audit conducted in accordance with Canadian generally accepted auditing standards will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether
- fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design
- procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion
- the effectiveness of the Campaign's internal control.
- Evaluate the overall presentation, structure and content of the financial statements, and whether
- the financial statements represent the underlying transactions and events in a manner that achieves presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Turner Moore LLP
TurnerMoore LLP

March 28, 2019

Chartered Professional Accountants

Licensed Public Accountants

Deadline for making the application:

In accordance with section 88.33 (3) and 88.35 (3) of the *Act* the application must be made within 90 days after the latest of the following dates:

1. The candidate or registered third party's filing date under section 88.30.
2. The date the candidate or registered third party filed a financial statement, if the statement was filed within 30 days after the applicable filing date under section 88.30.
3. The candidate or registered third party's supplementary filing date, if any, under section 88.30.
4. The date on which the candidate or registered third party's extension, if any, under subsection 88.23 (6) or 88.27 (3) expires.

Application to be filed in person, with the City Clerk at 308-300 Dufferin Avenue, London, Ontario.

Schedule "A"

Lincoln John McCardle

(Full legal name)

First and foremost, given Mr Cheng's own financial filing, it appears that his campaign ran up an almost \$20,000 deficit. Since no creditors have come forward, I believe that Mr. Cheng covered this with his own funds - putting him well over the personal contribution limit.

Additionally, on May 12th, 2017 I may a campaign contribution to this campaign, well before he was a candidate.

This has never been acknowledged, a receipt issued or refunded.

Lastly, it is my assertion that this candidate ran a lengthy 'pre-campaign campaign' whose costs were substantial.

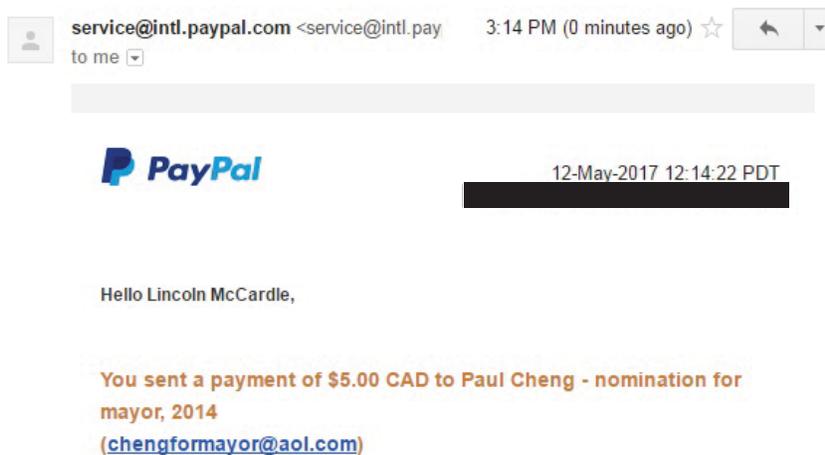
Without seeing when the costs were incurred I am unable to determine whether these were included in the filings but I certainly believe they should have been - or leave it to you to consider the ramifications on future campaigns if these are to be permitted. For the sake of space I have sent further documentation to elections@london.ca.

Please feel free to contact me anytime for clarification or with any questions.

CHENG COMPLAINT

Please see below a timeline of the multiple ways that Paul Cheng has violated the Ontario Municipal Elections Act by “jumping the gun” and campaigning in all but name earlier than allowed by law, May 1, 2018. London has been subjected to TV ads, billboards and “town hall” meeting prior to this date. As you will see below this is only the tip of the iceberg. Cheng, runner-up to Brown in the 2014 race, opened his office in January of 2018 and regularly fans out electronic invites to his “town hall” events provocatively billed as, “Why not London?” Cheng also crafted TV commercials that smack of two-minute mayoral pitches targeting BRT. I think serious contemplation needs to be given to the question if and how these moves differ from his official campaign. Further details provided below as I happened across them:

This issue for me began in May 2017, when Paul Cheng (<http://paulchenglondon.ca/>) held a press conference on the steps of city hall to announce his intention to enter the Mayor’s race. At that time, he asked people to visit his website, something he later repeated on various local media sources. (example: <https://omny.fm/shows/the-andrew-lawton-show/mayoral-andidate-paul-cheng-on-the-andrew-lawton-s>) Upon visiting the site, I was dismayed to discover I could and did donate \$5 to his campaign. My sadness arose both at the obvious Municipal Act violation and the fact I could have spent that money on something that was actually useful. To date that money has not been returned.



I of course contacted the local elections office at the time and was simply pointed to the Municipal Elections Act – and this part in particular:

Enforcement – *The courts are the appropriate body for enforcement of the Municipal Elections Act in Ontario. Police investigations and Crown prosecutions ensure a process where evidence is properly gathered and weighed. A process where individuals could forward prosecutions independently without police involvement could result in challenges to due process.*

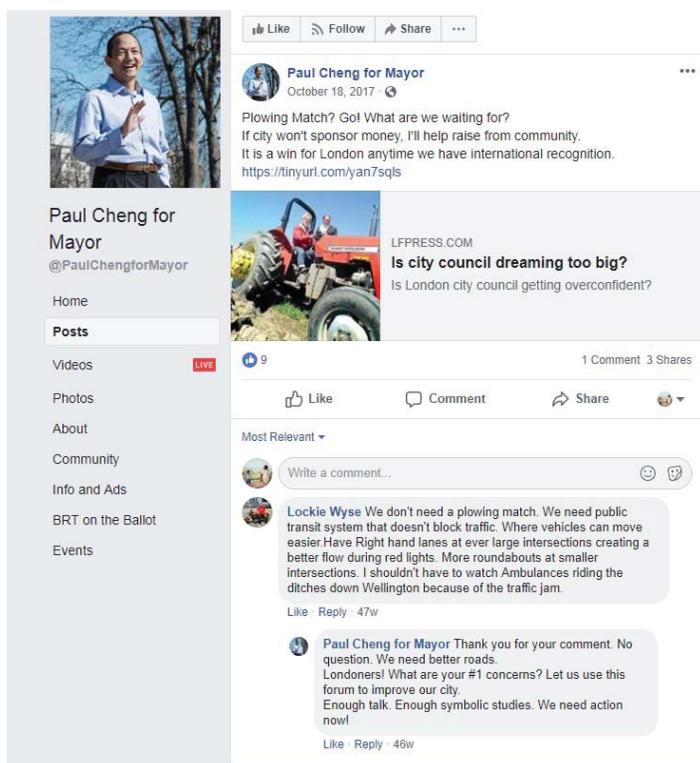
I did follow up with the London Police Services but after a short back and forth, it was mutually agreed this did not seem like an ideal use of resources given the more pressing issues they are currently dealing with in our community. Now that the election period has begun and the candidate has filed his

nomination papers I am hopeful that the matter can now be investigated as well as further infractions detailed below.

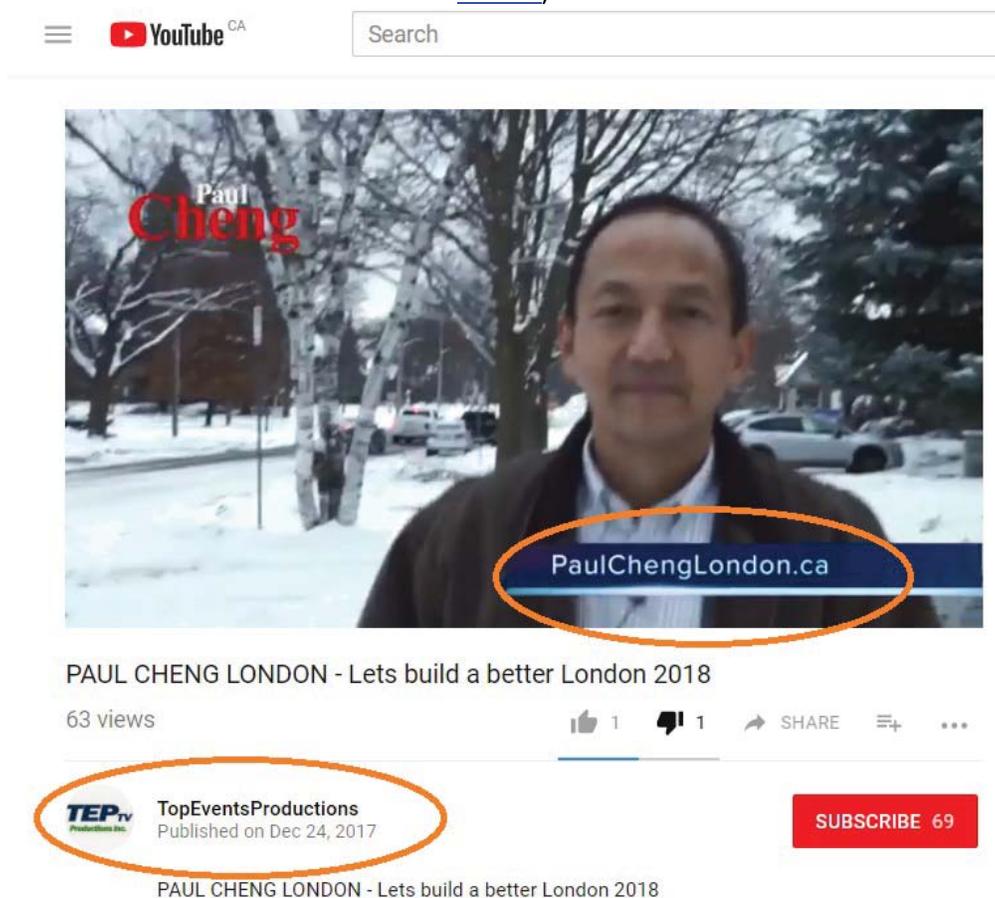
While the “Paul Cheng for Mayor Facebook” page (<https://www.facebook.com/pg/PaulChengforMayor/>) did stop publishing in the fall of 2014, it started regularly posting again on September 18, 2017. It has continued ever since. A couple of early posts that might be worth your attention are below, although of course there are 100s prior to the legal campaign of May 1, 2018. If not 1000’s. First, from September 26, 2017 (please also note comment) ...



And a few short weeks later – October 18,2017.



In December 2017 we were treated to a video that appears to be professionally put together titled "PAUL CHENG LONDON - Lets build a better London 2018" (<https://www.youtube.com/watch?v=gqJ3-sOY2J8>).



And having a "Multicultural Media and Advertisement company specialized in Corporate, Broadcast and Educational Audio and Video production and post-production design bringing together skilled professionals with dynamic experience" put it together and post it sounds an awful like something that might one might reasonable expect to incur expenses. Just a thought. (<http://www.topevents.ca/>)

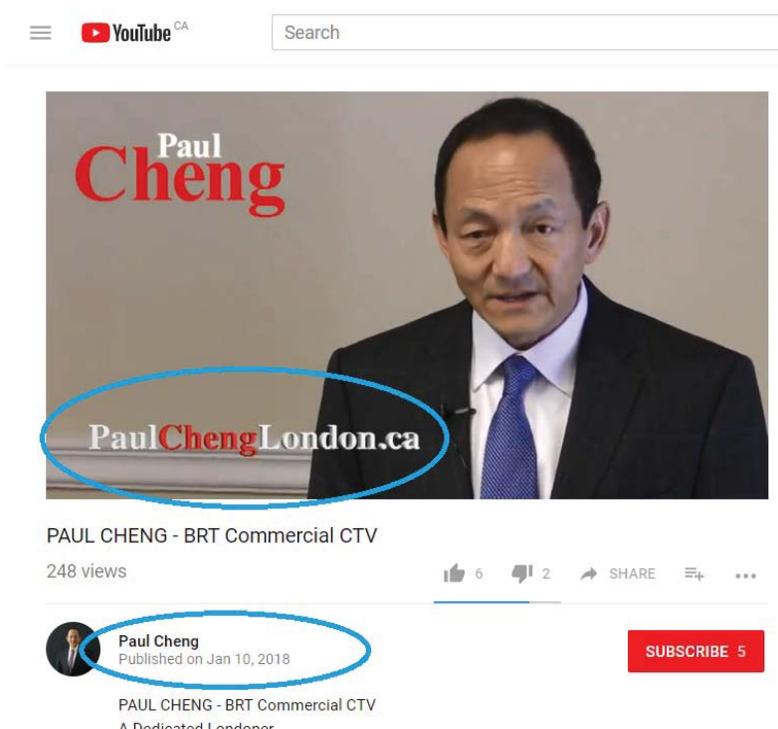
In January 2018, we have learned about the hiring of a the hiring of an "Executive Assistant - Communications at Paul Cheng's Office" (<https://www.linkedin.com/in/kattie-forbes/>)



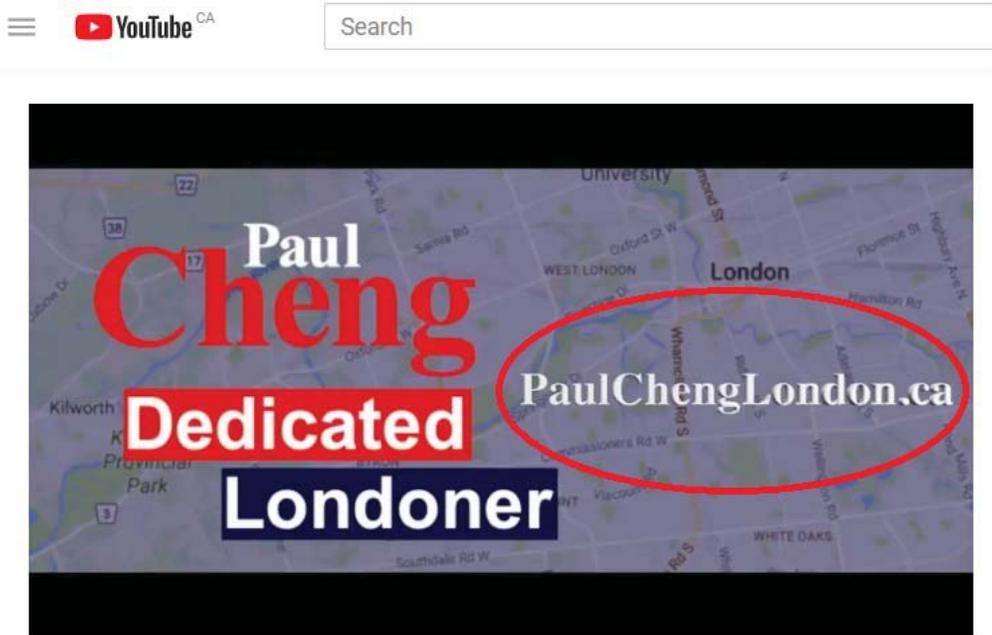
And even an open house ...



... as well we can also add TV commercials as an addition to this pre-campaigning campaign as of January 2018. This is likely obvious but each and every one of things incurs expenses and goes against both the letter and the spirit of the Ontario Municipal Election Act.



Another video recorded, edited and uploaded to social media as well as his website. Ads on television and promoted social media posts continue in earnest.



PAUL CHENG - Christmas Greetings 2017

47 views

2 likes 0 comments SHARE



Paul Cheng
Published on Jan 10, 2018

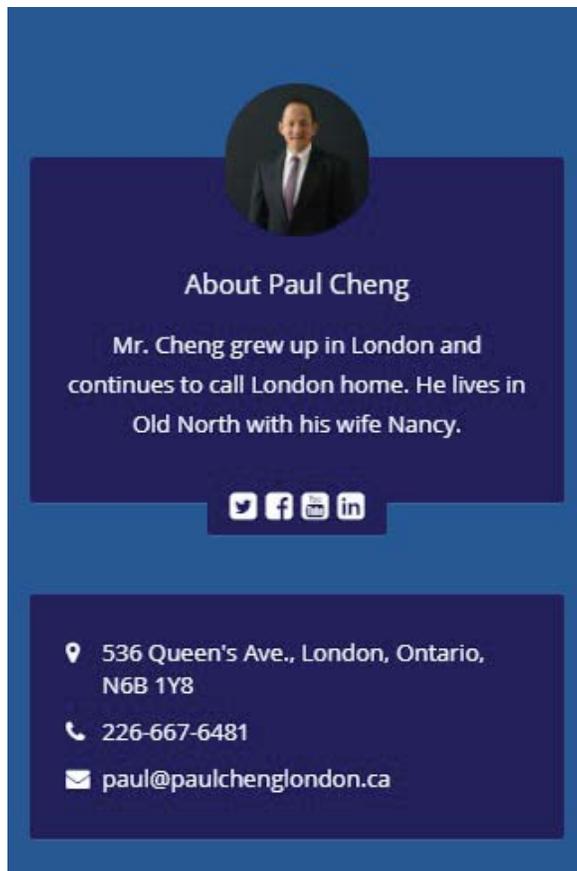
SUBSCRIBE 5

PAUL CHENG - Christmas Greetings 2017
A Dedicated Londoner

Even city councillors are not immune from the campaigning, as this January 19, 2018 not from ward 6's Phil Squire illustrates ...



Additionally, since (at least) early January <http://paulchenglondon.ca> has listed the following as his address and phone number. I will simply draw your attention to the fact that the contact information is in fact address and phone number of his campaign office:



A graphic with a blue background. At the top is a circular portrait of Paul Cheng. Below it, the text reads: "About Paul Cheng", "Mr. Cheng grew up in London and continues to call London home. He lives in Old North with his wife Nancy." Below the text are icons for Twitter, Facebook, YouTube, and LinkedIn. At the bottom, contact information is listed: "536 Queen's Ave., London, Ontario, N6B 1Y8", "226-667-6481", and "paul@paulchenglondon.ca".

So we've established that he promoted and advertised his website, campaign office contact information prior to the May 1, 2018 nomination filing date. Certainly there is no way he would actually schedule a town hall or similar campaign event, is there? I draw your attention to this, found on the same website on January 23, 2018 at 9:25AM:

Join Us at Our Next Town Hall



We're organizing our next Town Hall for Feb. 6 at the Jewish Community Centre (536 Huron St.).

We invite you to share your views about the future of London. Please mark your calendars and share with your friends.

Date: Tuesday, February 6th from 7:00 – 9:00 at the Jewish Community Centre, 536 Huron St.

Please mark your calendars and share with your friends.

PLEASE RSVP HERE

If there are specific topics you would like Paul to address, please email your suggestions to office@paulchenglondon.ca.



+ GOOGLE CALENDAR

Paul Cheng has been referred to as “Mayoral Candidates” by local media for some time now and I can hardly blame them for their confusion. He is frequently asked to provide comments for stories regarding municipal politics. While his intentions have long been known, it should be obvious to everyone that until May 1, 2018 that is not the case and is clearly causing voter confusion. I hate to think that London is giving the impression that pre campaign campaigns are allowed to exist because even if you report it, it is not dealt with until after elections. Should we not change that? It seems akin to disqualifying a goal once the hockey game has been won, no?

It was actually Jan 19th, 2018 when the first poll came out (<http://www.iheartradio.ca/newstalk-1290-cjbc/new-poll-cheng-leading-over-other-mayoral-candidates-but-most-undecided-1.3565712>) with Cheng leading the way. Again, to remind you, it is my assertion that he will not actually be a candidate for almost three months still, on May 1, 2018.

“The focus is not on running the city better but to make sure any potential challenger is killed off before the process even starts in four years from now.” – Paul Cheng, March 31, 2015

January 23, 2018 - a “reminder” was sent from the city clerk’s office to Mr. Cheng about the Municipal Elections Act. His response surprised nobody: “We have obeyed the law, and the spirit of the law,” he said. “They’re saying ‘Watch it buddy,’ so my response is, ‘What are you accusing me of?’” Cheng said the email doesn’t change his plans to advertise or work out of his office, noting his messaging doesn’t include any reference to a mayoral campaign, nor does it ask for votes or money.

“A person cannot become a candidate prior to being nominated during the nomination period. A candidate cannot expend monies unless the individual is a candidate,” - city clerk Cathy Saunders, January 23, 2018.

While I hardly have to remind you, this is the same Paul Cheng that missed the deadline to file his campaign finance paperwork last time, thus initially disqualifying him from running again in the 2018 election. In stark contrast to the \$25,000 a candidate can spend on their own campaign, he also managed last time (before the rule change) to spend a mind-boggling \$126,687 of his own personal money. Based on everything I have seen so far I am increasingly skeptical he intends to adhere to the budget limits, if he is even aware of them. In light of this fact, I hope and trust due diligence is followed when (and if) his campaign budget numbers are audited.

“We are asking people, ‘What are your concerns?’ As a taxpayer, or a Londoner, I have every right . . . I’m just one guy with a belief in the city.”

— Expected mayoral candidate Paul Cheng, on his town hall events. (Feb 2, 2018)

Why Not London? Event Feb. 28, 2018 (<http://paulchenglondon.ca/event/paul-cheng-launches-not-london/>): Reminder, he continues to assert that this is not a campaign event. From the description: “We want ALL Londoners excited about building London’s future.... SO we ask: “Why Not London?” Let’s start talking! Go to www.whynotlondon.ca and share your voice, your thoughts, your ideas with ALL fellow Londoners? #whynotlondon. We need your help!” And then later, “Thanks again for all your support!”



March 16th, 2018 – spotted the sign below up at 536 Queen's Ave. I actually believe the sign had been up for some time but it was the first time seeing it in person.



March 16th, 2018 – a blog post, “Red Tape: Barriers to Business in London: (<http://paulchenglondon.ca/red-tape-barriers-to-business-in-london/>)

Among the high/lowlights: “Over the past few months, I’ve hosted a number of Town Halls and met with many business owners. When asked, “what’s the ONE thing you would change in our city?” Many business owners respond that the red tape and the obstructionist mentality in City Hall makes it incredibly difficult to do business in London. We need to be more pro-business and more responsive to the needs of business if we are going to grow our city.”

<https://www.youtube.com/watch?v=OFpAvZE0IVl>

We need to ask ourselves in what capacity is he commenting on this system and can we infer that his plans to change it include him being Mayor of the city?

Why Not London Town Halls – events scheduled for April 11th & 24th with the following description: *Join us for our Why Not London Town Hall on Wednesday, April 11, 2018. Come out and tell us how we can improve the City of London for everyone. Speak up and be heard! You have a voice here.*

Seems pretty similar to campaign events, no?

March 26th, 2018 – Not sure when this was added but just noticed it today, Why there is another town hall planned! “**Why Not London Town Hall – April 11, 2018** – at the Lambeth Community Centre.

Join us for our Why Not London Town Hall on Wednesday, April 11, 2018. Come out and tell us how we can improve the City of London for everyone. Speak up and be heard! You have a voice here.”

<http://paulchenglondon.ca/event/why-not-london-town-hall/>

March 26th, 2018 – twitter post (<https://twitter.com/PaulChengLdn/status/978315662035767307>) that seems to suggest he is not only discussing municipal issues but then furthermore letting citizens know his proposed methods to fix them, and I believe once again that ‘as Mayor’ is implied here:



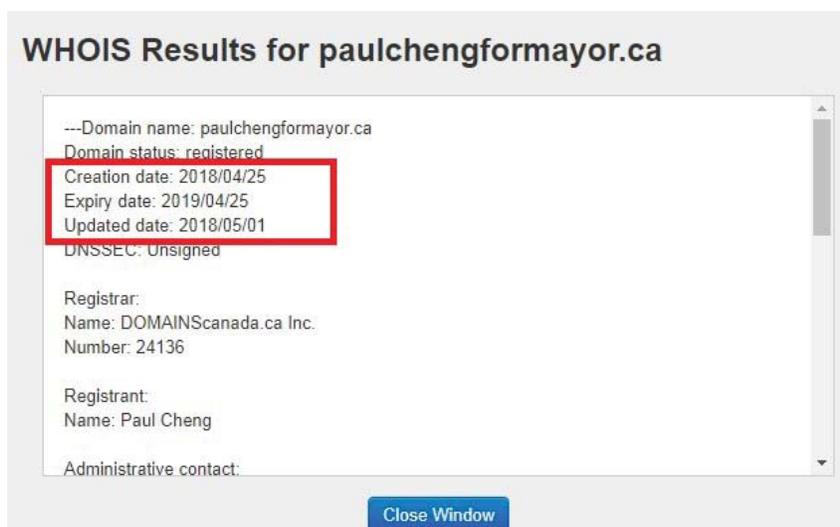
April 19th, 2018 – I came across his BRT Commercial for CTV on YouTube and will once again state this is clear campaigning and is additionally occurring costs. Prior to May 1st of course.

<https://www.youtube.com/watch?v=3tRuwQStIgU>

As well, there are additional videos posted on his website (<https://paulchenglondon.ca/videos/>) and YouTube channel (<https://www.youtube.com/channel/UCCGcLqeBMKZbzTxT-Wtey9Q/videos>) where he tackles such additional topics as jobs, homelessness and homelessness. They have been regular posted since January of 2018.

April 24th, 2018 – We are treated to a blog post “BRT: A Disaster Waiting to Happen” (<https://paulchenglondon.ca/brt-disaster-waiting-to-happen/>) which outlines his thought and platform for transportation – and as always calls for change. Which of course he will be happy to discuss with you at another Why Not London Town Hall being held at 7PM on April 24th at the Masonville Public Library (do they provide free space?) where attendees are encouraged to ‘c ome out and tell us how we can improve the City of London for everyone.” Details here: <https://paulchenglondon.ca/event/why-not-london-town-hall-april-24-2018/>

April 25th, 2018 – the website address paulchengformayor.ca (his campaign website) is registered. Just a reminder that this is not free and would have incurred an expense prior to him filing on May 1, 2018:



April 28th, 2018 – It may seem unrelated but honestly, what exactly is this?

The Paul Cheng Multicultural Ambassador Scholarships

<http://paulchengformayor.ca/event/the-paul-cheng-multicultural-ambassador-scholarships/>

Hard to say it’s campaigning per se – but what only offer them during elections years? It was also listed on his pre-campaign campaign website. Either coincidence or there are ulterior motives here –

I’ll leave that up to you to decide.

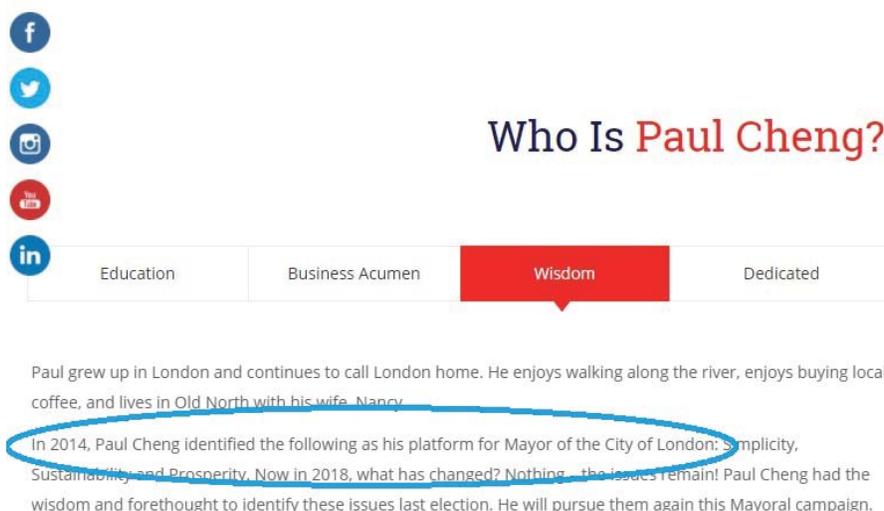
May 1, 2018 –Papers are officially filed and new website is launched. While I’m pleasantly surprised that he even went to the trouble of launching a new website, I would encourage you to check his campaign website { <http://paulchengformayor.ca/> } and compare it to it his pre-campaign campaign website { <https://paulchenglondon.ca/> }. I would like to suggest here that they are nearly identical in terms on content and appearance. Even events that were held previous to May 1st were carried over to the ‘new’ website.

As well, this video that appeared on his website and YouTube on May 1, 2018, <https://youtu.be/RDGmCoTNymA> . Are we to believe it was professionally shot, edited and posted that morning. (Spoiler alert: we are not.) It seems obvious to me that this was prepared in advance and would have incurred expenses prior to May 1, 2018 – when he filed his nomination papers.

If you don’t believe me that he has been campaigning for some time now? Maybe you would believe it coming from him.

(<http://paulchengformayor.ca/about/#1454772290353-94cce19d-b6ca>)

I can think of no better words to make it clear that this was an early and intended early campaign than those from Paul Cheng himself.



October 19, 2018: Just a reminder that as of today Paul Cheng has already put 40 per cent more of his own money into his campaign than the \$25,000 limit allowed by law, a move that could put him in jeopardy if he wins the top job, provincial and civic election officials say:

<https://lfpres.com/news/local-news/cheng-on-collision-course-with-election-spending-rules>

April 3, 2019: As per his own recent filing, Mr. Cheng maxed out his personal contributions and yet this appears on his financial statement:

Box D: Calculation of Surplus or Deficit

Excess (deficiency) of income over expenses (Income minus Total Expenses) (C1 – C5)	+ \$ -19,999.46	D1
Eligible deficit carried forward by the candidate from the last election (applies to 2018 regular election only)	- \$	D2
Total (D1 – D2)	= \$ -19,999.46	
If there is a surplus, deduct any refund of candidate's or spouse's contributions to the campaign	- \$	
Surplus (or deficit) for the campaign	= \$ -19,999.46	D3

If line D3 shows a surplus, the amount must be paid in trust, at the time the financial statements are filed, to the municipal clerk who is responsible for the conduct of the election.

Based on the fact that no creditors have come forward, I am led to believe that this deficit may well have been covered by him personally. This of course means he is over the personal limit – even if you choose to overlook his lengthy and expensive pre-campaign campaign.

In closing, I'd like to add that <http://paulchenglondon.ca/> was Paul Cheng's campaign website when he ran for Mayor and he continued to update and advertise it ever since. I am of the opinion that he really never took much a break from campaigning ever since and hope that based on the evidence above that you will agree.

Thanks for your time and all the best!

Excerpt from the 2018 Candidate Guide

“Compliance audits

Each municipality and school board must appoint a compliance audit committee.
 If an eligible elector believes that you have contravened the election finance rules, they may apply for a compliance audit of your campaign finances. The application must be in writing and must set out the reasons why they believe you contravened the rules.
 An application for a compliance audit must be submitted to the municipal clerk who conducted the election within 90 days of the deadline to file the campaign financial statement.
 The compliance audit committee will consider the application and decide whether to grant or reject the application. You may appeal the committee's decision to the Superior Court of Justice within 15 days after the decision is made.
 If the committee grants the application, it will appoint an auditor to conduct a compliance audit of your campaign finances. The auditor is entitled to have access to all of the financial records related to your campaign. The auditor will produce a report, which you are entitled to receive.
 The compliance audit committee will meet to consider the auditor's report. If the report concludes that there is an apparent contravention of the Municipal Elections Act, 1996 the committee will decide whether to commence legal action.
 The compliance audit committee does not have any authority to set penalties. Only the court can decide if you contravened the act and, if so, which penalties should apply.
 A person who does not want to or who is not able to apply for a compliance audit may decide to commence legal action on their own. A prosecution related to the 2018 election must be commenced before November 15, 2022.”

Deadline for making the application:

In accordance with section 88.33 (3) and 88.35 (3) of the Act the application must be made within 90 days after the latest of the following dates:

1. The candidate or registered third party's filing date under section 88.30.
2. The date the candidate or registered third party filed a financial statement, if the statement was filed within 30 days after the applicable filing date under section 88.30.
3. The candidate or registered third party's supplementary filing date, if any, under section 88.30.
4. The date on which the candidate or registered third party's extension, if any, under subsection 88.23 (6) or 88.27 (3) expires.

Application to be filed in person, with the City Clerk at 308-300 Dufferin Avenue, London, Ontario.

Schedule "A"

Alan John McQuillan

Full legal name

Please outline the reasons for your belief. Use additional copies of this page as necessary, providing clear and specific information. If you refer to any documents please attach copies of these documents to this Schedule.

I believe that Mr. Cheng violated section 88.9.1 of the Municipal Elections Act ("the Act") by overspending in the 2018 municipal election. The London Free Press disclosed this in an article last fall and again on March 30, 2019 (copy enclosed).

Mr. Cheng acknowledged the overspending, but claimed it would be paid back from future donations. Those donations did not materialize, so Mr. Cheng said he repaid the excess out of his own pocket.

However, the Act limits a candidate's donation to \$25,000. There is no provision in the Act for overspending then repaying the excess after the election.

This is a clear violation of the Act. Mr. Cheng ought to be held accountable and should bear the consequences of his actions.

issues. Jan Richardson, city hall's homeless prevention manager, called those cuts "the catalyst."

"It's not about just sleeping in the bed," Steve Cordes, head of Youth Opportunities Unlimited, of many local agencies offering shelter that's part of the new effort.

"Rest could mean water, rest could be engagement, rest could be a number of elements that's not physically rest. How do you keep them engaged in that moment when they can be quite disruptive, and then help them progress out of that state?"

The pilot project, running April 1 to Oct. 31, aims to gauge whether more flexible supports offered 24-7, rather than just a bed for the night, can better help people with addictions or mental health issues.

London Cares will be at the core of the program, with a new co-ordinator matching people in need to the best local agency for their situation from 3 to 11 p.m.

"There's a misconception that you need to deal with addiction first . . . but first, they need to be welcomed, they need to have safety," Linda Sibley, executive director of Addiction Services Thames Valley, said of people in crisis. "This is a way of changing it up, so that there are . . . many locations, where over the course of the day (you can get help)."

There's no new money for the pilot, but provincial funds that flow through city hall will be shifted from scrapped crash beds to pay for the London Cares co-ordinator.

And it will include a large expansion at At'lohssa Native Family Healing Services, which will keep its Richmond Street doors open "from sundown to sun-up." The Salvation Army's Centre of Hope will offer more supports for women.

Indigenous Londoners are vastly overrepresented among the city's homeless, about 30 per cent at last count, despite making up less than five per cent of the city's population.

Given those stark numbers, "it's about time there was a response," said Raymond Deleary, At'lohssa's executive director. "It just makes the point that a service like this is a long time coming. We're pleased to be able to offer it."

Some services his agency offers will be infused with Indigenous culture, but Deleary said they won't turn anyone away.

"The overnight resting space will include an opportunity to be in a safe place, to receive compassionate care, to be hydrated with water and other teas and medicine, and be offered food. That's how we take care of people."

mstacey@postmedia.com

Cheng blew past personal campaign spending limit

By covering mayoral bid's deficit himself, candidate went nearly \$20,000 over cap

MEGAN STACEY

Two-time failed mayoral candidate Paul Cheng ran a deficit of nearly \$20,000 in the last municipal election campaign, a gap he admits to filling with his own cash despite the fact it pushed him far over the personal spending limit for candidates.

Contributions from a candidate and their spouse are capped at \$25,000, a rule instituted after the 2014 election, when Cheng self-financed his first mayoral bid with more than \$125,000 of his own money.

But Cheng's financial statements, made public Friday — the deadline for 2018 candidates to file their documents — show he contributed the full \$25,000 in his campaign and a \$19,999 deficit in overall campaign spending.

"I paid the excess," Cheng said by phone Friday. "And I'll take whatever consequence that comes along . . . I gave it my best, I lost, so I'll take the slings and arrows and whatever comes along."

Cheng attributed his overspending to promised donations that didn't materialize. Last fall, during the campaign, he told The Free Press he'd overspent by about \$10,000, but planned to recoup that through future donations.

"There was money promised, but thanks to articles the last week of the election, money promised evaporated or became very hesitant. Anyway, after the election was over, none of the promised money came through. That's my money," he said of the deficit.

Under the provincial Municipal Elections Act, penalties for overspending include forfeiting office, a fine of up to \$25,000, a restriction against running in the next municipal election and the potential for up to six months in jail if an offence was "knowingly committed."

City clerk Cathy Saunders said she is required to report any candidates whose financials indicate overspending.

Western University political scientist Andrew Sancton said Cheng's flouting of election laws "certainly raises questions



Paul Cheng has not requested extension for fundraising to cover deficit. FILES

about the fiscal prudence of the campaign."

"Given that he wanted to bring a businessperson's approach to city government, it casts doubt on his ability to have done that," he said.

But Sancton also noted Cheng is not the only candidate who's been left with a big campaign deficit.

"There's been lots of candidates at all levels who think they have a good chance of winning and spend freely at the end, because they think one more dollar will put them over the top, and then they end up with a deficit," he said.

"People get optimistic, and they think the important thing is to get the advertising out there, do this and do that, and you kind of hope that the money will come in eventually. At the end, you kind of have a big headache, because especially if you didn't win, it's hard to get that money back."

As Cheng pointed out Friday, former mayor Matt Brown overspent on his 2014 election campaign. Brown asked supporters to pony up more cash after he won. By the time he was done fundraising, he'd smashed local records with more than \$200,000 in donations.

Mayor Ed Holder came close in the 2018 election, spending roughly \$197,000.

Candidates are able to extend their campaigns until June 30 to continue raising money if they end in a deficit. But Cheng said he chose not to file for an extension because "none of the calls (to donors) so far has been returned."

"When you are the loser, that's the way it is. I understand."

mstacey@postmedia.com

THE OTHER TOP FINISHERS

Tanya Park spent just shy of \$32,000 on her campaign, and runner-up Paul Paolatto doled out more than \$93,600, less than half of Holder's tally. Paolatto said his team's cost-effective approach, utilizing social media, helped to bridge the difference.

THE FRUGAL CAMPAIGNER

Michael van Holst, who reclaimed his Ward 1 seat by a large margin in the first round of the ranked balloting system, was the lowest spender on council, with \$6,220 going to his campaign. He had just four donors, two of whom were his parents, and investing \$2,764 himself. In the 2014 election, he ran an even lower-budget campaign, spending just \$3,300 to knock off incumbent Bud Polhill. Only three other winners spent less than \$10,000: incumbents Anna Hopkins and Stephen Turner and rookie councillor Arielle Kayabaga.

THE BIG SPENDER(S)

Two councillors who overthrew incumbents launched big-ticket campaigns, with Ward 2's Shawn Lewis spending \$21,281 to overthrow 24-year incumbent Bill Armstrong. Paul Van Meerbergen knocked off Virginia Ridley, putting \$21,155 toward his bid in Ward 10.

COMPLAINTS

The deadline to file financial documents also launches the citizen complaint window, allowing Londoners to file their concerns with a local municipal compliance audit committee, which investigates potential violations of election finance laws. London's committee is made up of three members: lawyer Andrew Wright, accountant Christene Scrimgeour and retired lawyer Dan Ross. Voters who believe a candidate or third party advertiser broke finance rules can file an application with the city clerk. The form is available on the city's website.

London police raid illegal pot vendor

DALE CARRUTHERS

Local police have raided an illegal marijuana shop in London, just days before regulated cannabis retail outlets are set to open across Ontario.

The OPP and London police raided the Wellington Wellness Collective at 219 Wellington St. Thursday, seizing \$2,200 worth of cannabis products and \$100 in cash, the OPP said.

The Free Press viewed surveillance footage from a nearby business showing five uniformed officers approaching the one-storey building, a block south of Horton Street, shortly after 1 p.m.

One officer held a battering ram, a police tool used to break down doors, while another carried a crowbar. A London police cruiser can be seen driving the wrong way on Wellington as it pulls up to the store.

A London woman, 32, is charged with possessing cannabis for the purpose of selling and disobeying a court order.

The woman previously was charged with three counts of possessing drugs for the purpose of trafficking following a March 2, 2017, raid on the Tasty Budd's dispensary on Wharncliffe Road.

The charges were later withdrawn through a peace bond, a non-plea order requiring the person to be of good behaviour for a set period.

The OPP and local police forces are teaming up to stamp out Ontario pot dispensaries still operating in defiance of the law. The illegal businesses once numbered in the hundreds, including six in London.

The task force has carried out seven raids on London pot shops, charging 27 people and two landlords, since Canada legalized recreational cannabis on Oct. 17, 2018.

In total, the squad has launched 40 raids across the province, OPP Const. Chad Murray said.

Adults can buy recreational cannabis legally only from the Ontario Cannabis Store government-run delivery service, until brick-and-mortar stores open Monday. London is getting three of the first 25 stores.

dcarruthers@postmedia.com



SPECIALS THIS WEEK!

 <p>SWEET SEEDLESS ORANGES</p> <p style="font-size: 2em; font-weight: bold;">2/500</p> <p>3 lb Bag product of Spain or \$2.50 per bag</p>	 <p>ORANGE, RED OR YELLOW SWEET BELL PEPPERS</p> <p style="font-size: 2em; font-weight: bold;">2.99</p> <p>product of Mexico /lb 6.59/kg</p>	 <p>EXTRA LEAN GROUND BEEF</p> <p style="font-size: 2em; font-weight: bold;">3.99</p> <p><small>GREAT DEAL!</small> Ground fresh in store daily. Specials always apply to all pack sizes. /lb 8.80/kg</p>
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View our Fresh Flyer online at farmboy.ca

Prices valid Thursday, March 28 to Wednesday, April 3, 2019. We reserve the right to limit quantities, while supplies last.

1415 Beaverbrook Avenue • 109 Fanshawe Park Road East • 1045 Wellington Road South

From: Alan McQuillan [mailto:alan.j.mcquillan@gmail.com]
Sent: Monday, April 22, 2019 10:30 AM
To: Saunders, Cathy <csaunder@london.ca>
Subject: [EXTERNAL] Audit Committee meeting, April 25, 2019, Paul Cheng compliance audit

Cathy:

I am in receipt of the notice of meeting. I would like the following added to the agenda:

With regard to the spending rule enumerated in the Municipal Elections Act, it should be noted that such a rule does two things. (1) it places a limitation on what may be done, and (2) it prohibits anything beyond the limitation.

A fundamental principle of parliamentary law is that before there is cause for interpretation, there must first be an ambiguity. The spending rule is specific, not ambiguous. Thus, it is not subject to interpretation other than the specific meaning as written in the text.

Respectfully Yours,

Alan J. McQuillan
16-875 Thistledown Way
London, Ontario, N6G 5G5
Tel: (519) 870-2684
email: alan.j.mcquillan@gmail.com



Application for a Compliance Audit
Section 88.33 and 88.35 Municipal Elections Act, S.O. 1996, c. 32
The Corporation of the City of London
Municipal Election Compliance Audit Committee

Affidavit of Applicant

I, John Lincoln McCardle *LMC* of the City of London in the Province of Ontario,
Full legal name

DO SOLEMNLY DECLARE:

I am an eligible elector in the City of London by virtue of the fact that:

- I am a Canadian Citizen;
- I am at least 18 years of age as of October 22, 2018;
- I am a resident, owner or tenant of land, or the spouse of such owner or tenant of land in the City of London; and
- I am not prohibited from voting under Section 17 (3) of the Municipal Elections Act, 1996 or otherwise prohibited by law.

I have reasonable grounds to believe that Paul Paolatto a Candidate or
Name of candidate or registered third party

Registered Third Party in relation to the October 22, 2018 Municipal Election for the City of London has contravened the following provision(s) of the *Municipal Elections Act*, S.O. 1996, c. 32 (Act)

88.24 & 88.22

(list specific section(s) of the Act)

The particulars of this belief are outlined in the attached Schedule A *(please outline reasons for your belief on the page labeled "Schedule A" and attach any supporting documents)*.

This affidavit is made for the purpose of requesting that this matter be reviewed and for no other purpose.

SWORN [or DECLARED] before me at the City of London in the Province of Ontario on

2019-04-03

Date (YYYY-MM-DD)

Signature of applicant

Squallner
Signature of a Commissioner for taking affidavits, etc.

Sarah Cojman, a Commissioner for taking Affidavits and Oaths, Middlesex County, while a deputized Clerk of The Corporation of the City of London.

Please see attached **Schedule A**

Applicant's address: 31 Cartwright St, London ON, N6B2W5

Applicant's telephone number: 519-878-3849

Applicant's e-mail address: lincoln@twittens.ca

This application and supporting documents will be placed on a public agenda and shared with the Compliance Audit Committee, the Auditor chosen to investigate this application (if applicable) and the Council of the City of London. The personal information collected on this form is collected under the authority of the *Municipal Act, 2001* and the *Municipal Elections Act, 1996* for the purpose of applying for a compliance audit of a candidate's election campaign finances. Pursuant to the *Municipal Elections Act, 1996* this completed document is a public record, despite anything in the *Municipal Freedom of Information and Protection of Privacy Act, 1990* and, until its destruction may be inspected by any person at the City Clerk's Office at a time when the office is open. Questions about this collection can be directed to the City Clerk, 300 Dufferin Avenue, London ON (519) 661-2489 (CITY) Ext. 4937.

Deadline for making the application:

In accordance with section 88.33 (3) and 88.35 (3) of the Act the application must be made within 90 days after the latest of the following dates:

1. The candidate or registered third party's filing date under section 88.30.
2. The date the candidate or registered third party filed a financial statement, if the statement was filed within 30 days after the applicable filing date under section 88.30.
3. The candidate or registered third party's supplementary filing date, if any, under section 88.30.
4. The date on which the candidate or registered third party's extension, if any, under subsection 88.23 (6) or 88.27 (3) expires.

Application to be filed in person, with the City Clerk at 308-300 Dufferin Avenue, London, Ontario.

John

Lincoln McCardle

Paul

Schedule "A"

Full legal name

Paul Paolatto had a lengthy and expensive 'pre-campaign campaign' prior to filing his nomination papers that included, but was not limited to: billboards, a website, social media and bus shelter ads. While the filings do not include the date the expenses were incurred I believe it possible that some expenses may have been included. Similarly, if not - I believe they should have been as this pre-May 1, 2018 period looked the same as the official campaign -- despite that he had not yet filed his nomination period. This is of course only my humble opinion but I do hope you come to share it. I have sent additional documentation to elections@london.ca.

Please feel free to contact me anytime with any questions or for additional information.

Paolatto Complaint

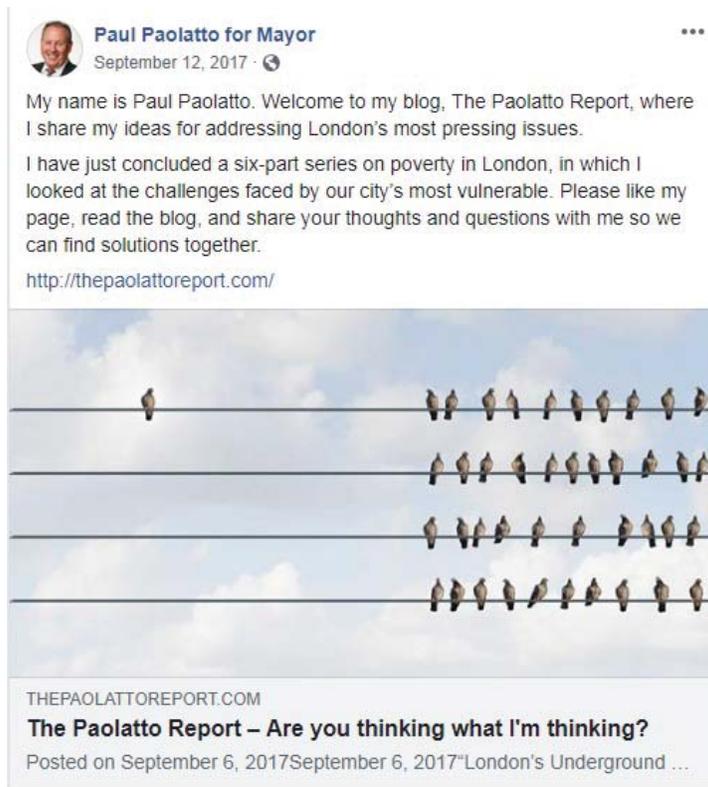
Paul Paolatto (<http://thepaolattoreport.com/> & official campaign site <http://paolattoformayor.com/>) announced he would be taking part in the Mayoral race in October of last year officially, although many appeared to have been aware months before... Not only was the website launched, but also the city was treated to billboards, bus shelter ads and various other forms of advertising - including TV commercials which starting running shortly thereafter. While his team is made up mostly of local political heavyweights, who should know better than to be seen as flagrantly thumbing their nose at the rules the concern perhaps should be that he has a team in place since last October at all. Paolatto, former police board budget chair, said just last week (early May 2018) that he's ready to start campaigning in earnest, however some (myself included) believe that Paolatto has been at the very least violating the spirit of election laws by advertising his civic affairs blog on billboards and on social media since last fall. "I've been very focused on just getting ideas out there and exchanging them with Londoners. You're going to notice a material change now in campaigning," he is recently quoted as saying.

"Leadership is about setting a direction, building a good team, and then leadership is about being a servant to that team, so they're able to be successful." - Paul Paolatto, October 16, 2017

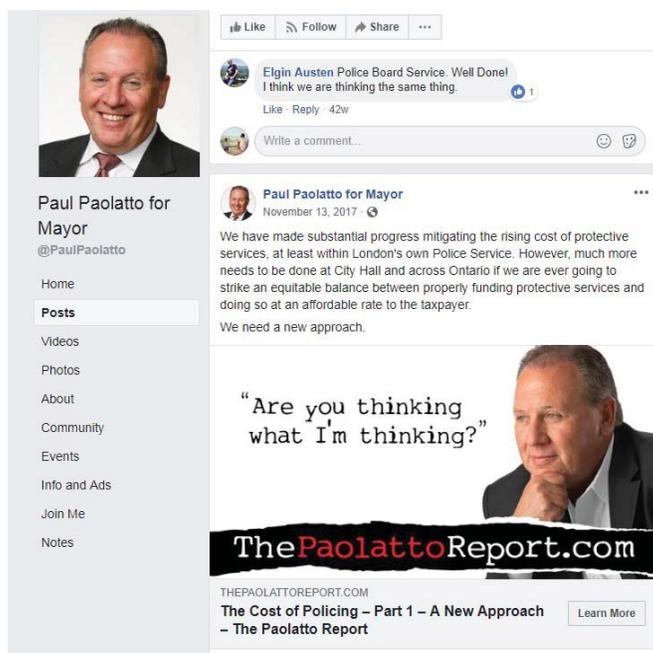
That is what it's boiling down to for this wannabe London mayor, like Paul Cheng, Paul Paolatto, has also made the unfortunate decision to jump the gun by launching an expensive and prolonged pre-campaign campaign since October 2017. Essentially campaigning in all but name earlier than allowed by law —, which appears obvious to me by the TV ads, billboards and social media posts, both sponsored, and otherwise that have pointed people to his website where he weighed in on municipal affairs and outlined his eventual platform. Paolatto ran advertisements for his civic affairs blog on billboards and in city transit shelters. Moreover, in January 2018, Paolatto unveiled a platform-plank-like case against the BRT plan — the alternative transit plan he has promised to outline is pretty much guaranteed to be a pillar of a future campaign. We have also seen TV commercials that smack of two-minute mayoral pitches, with Mr. Paolatto taking aim at London's leadership, amongst other things. I think serious contemplation needs to be given to the question if and how these moves differ from his official campaign.

Paolatto himself estimated he had spent \$9,000 of his own money to promote his blog, on three billboards and seventeen bus stops in the October – December 2017 timeframe alone. While your on record as saying his "advertising doesn't break any laws" there is little doubt it pushes the limits. (<http://www.lfpress.com/2017/12/07/would-be-mayors-signs-push-election-law-limits-expert-says>) And while I agree with you that, the ads do not directly ask people to vote for him the website itself clearly outlines a platform and does ask citizens for their support. I question your assertion that "it does not appear to indicate that the individual is a candidate in the upcoming municipal election." (<https://london.ctvnews.ca/paul-paolatto-to-run-for-mayor-next-year-1.3634586>) The first line of the previously linked article seems to suggest that the media agrees with my assertion: "It's official. Paul Paolatto will run for mayor of London in 2018."

While I suspect the name was changed at some point, It is worth nothing that the current "Paul Paolatto for Mayor" Facebook page (<https://www.facebook.com/pg/PaulPaolatto/>) was started on September 12, 2017 with the following post ...



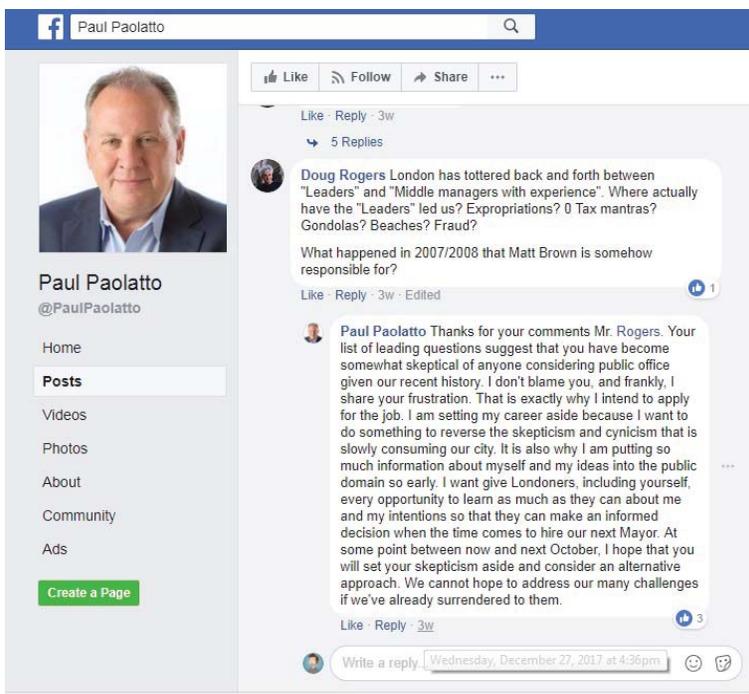
Maybe it was simply for his blog, as he is certain to suggest, this mid-November post certainly seems to suggest otherwise ...



As of November 2017 his team appears to include, but was not limited to Cheryl Miller, Nathan Caranci, Mike Sloan and Sarah Browning. While I am willing to concede that these political insiders, who are almost certainly known to your office, are doing it out of the goodness of their heart, I am increasingly

skeptical. If your concern with this is whether or not it incurred any type of expense, you might as well ignore it. The more important question to me is why there was any type of team in place at all?

The argument appears to be that what we saw prior to May 1, 2018 was not in fact a campaign. Unless I am reading, something into this that is not there this social media post from December 27, 2017 by Mr. Paolatto himself seems to contradict this:



Then January 18th the following (sponsored) ad came up in my social media, as well as countless of other Londoners. If you can tell me how this differs from a campaign ad, I would be quite interested in your explanation:

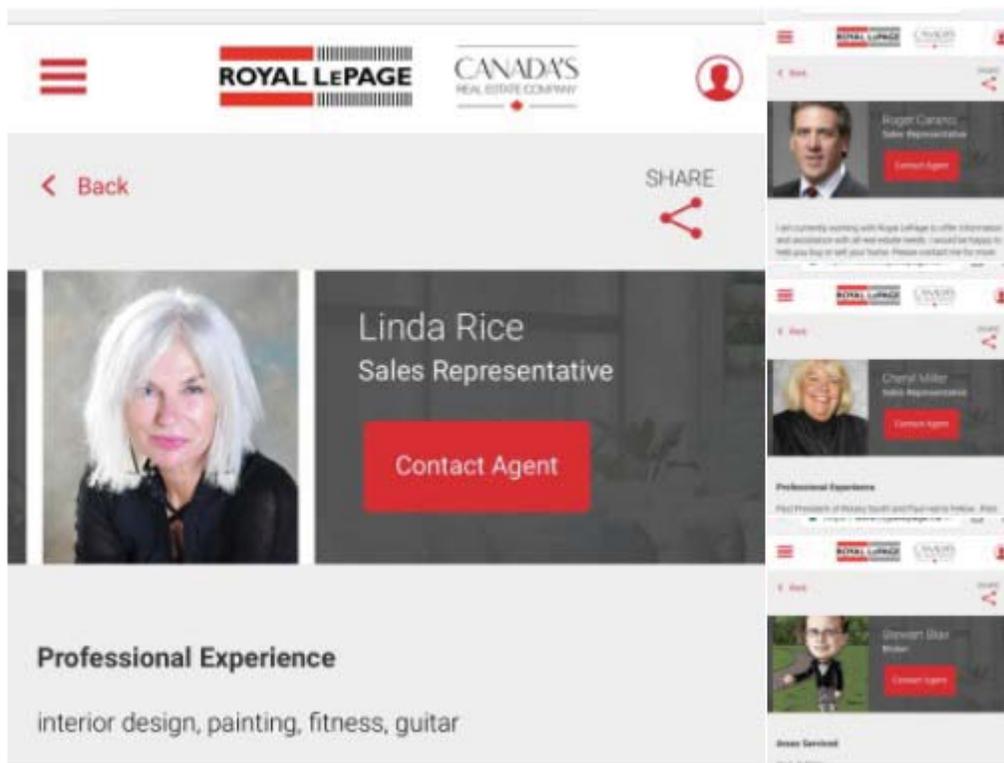


It was actually Jan 19th, 2018 when the first poll came out (<http://www.iheartradio.ca/newstalk-1290-cjbc/new-poll-cheng-leading-over-other-mayoral-candidates-but-most-undecided-1.3565712>) with Cheng leading the way and Paolatto showing poorly. Regardless, to remind you, we are to believe that he will not actually be a candidate for almost three months at this point. I will also mention here that this poll was done at the request of the London Institute, a “nonprofit think-and-do tank” whose executive director is Amir Farahi, a vocal critic of our current council and Paolatto supporter. I suspect there is nothing in violation of the Municipal Election Act in this act per se, but certainly would have both incurred some expense and seems related to third party advertising in some regards.

“The truncated campaign period is an extreme challenge. I can’t even start to raise money, let alone spend money, until the campaign period begins. And a chunk of that period is tied up with the summer vacations — when I have messaging to bring to the public, they’re busy with other commitments.”

— Expected mayoral candidate Paul Paolatto, on the Municipal Elections Act changes. (Feb 2, 2018)

January 22, 2018: A number of trees are wrapped in yellow caution tape in protest to London’s BRT plan. The groups responsible is called 'Up Shift's Creek' and Linda Rice is interviewed by a number of local media outlets, specifically Linda Rice – the group’s organizer. Genuinely curious if any of her coworkers at Royal LePage are associated with the Paolatto campaign? Again, these coincidences do indeed happen but I felt it was at least worth mentioning.



SOURCE: Royal LePage. Pictured: Linda Rice, Roger Caranci, Cheryl Miller & Stewart Blair.)

The costs of Mr. Paolatto’s pre-campaign campaign are substantial. I think the citizens of Londoners need some insurance that the significant costs of advertising, writing, hosting, video production costs

and other associated with the campaign incurred prior to the nomination papers being filed are not somehow included in the expenses. My argument here is actually that these costs SHOULD be included as part of the campaign, but if it is decided that is not the case than lets at least ensure that the decision is universal in how it is applied.

Paul Paolatto has been referred to as “Mayoral Candidates” by local media for some time now and I can hardly blame them for their confusion. He is frequently asked to provide comments for stories regarding municipal politics. While his intentions have long been known, it should be obvious to everyone that until May 1, 2018 that is not the case and is clearly causing voter confusing I hate to think that London is giving the impression that pre campaign campaigns are allowed to exist because even if you report it, it is not dealt with until after elections. Should we not change that? It seems akin to disqualifying a goal once the hockey game has been won, no?

January 23, 2018 - a “reminder” from the city clerk’s office to Mr. Paolatto about the Municipal Elections Act. He publicly states he will discontinue advertising and explains his decision this way: “I don’t apologize for advertising my blog, but I’m not interested in making Londoners uncomfortable,” he said. “The fact that someone has formally complained, I want to respect the fact they’re uncomfortable with it.”

There seemed to be further evidence of a campaign team in place when Paul Paolatto discussed his BRT plans on January 30th 2018 when it was reported, “Numbers aside, Paolatto tells 980 CFPL he’s working on his own alternative plan to bus rapid transit which he says is “much more honest, a little bit more measured, something that reflects all of the transportation modes.” And he is not working on it alone. “This is not just Paul Paolatto off on the side of his desk working on this plan. I’ve brought in some expertise that I think makes better sense.” (<https://globalnews.ca/news/3996473/bus-rapid-transit-operating-cost-breakdown-by-mayoral-hopeful-draws-councillors-criticism/>)

January 31, 2018: I see the following ad on my Facebook feed:



Feb 7th This ad:



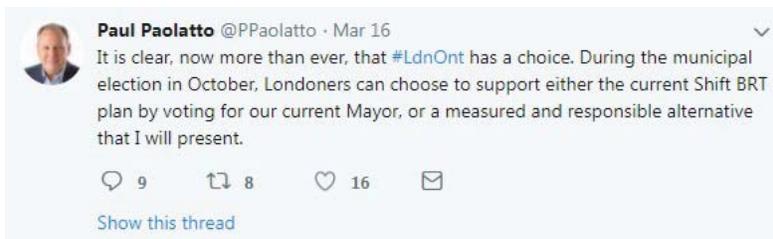
March 6, 2018 – It is hard to imagine any other context for this except as part of a focussed and intentional campaigning. While he may not explicitly ask for votes, the whole thing is clearly meant to encourage exactly that. I would draw your attention specifically to the phrase, "... a gap in leadership and that's why I'm trying to change the story ..."

<https://twitter.com/PPaolatto/status/970992737678848000>

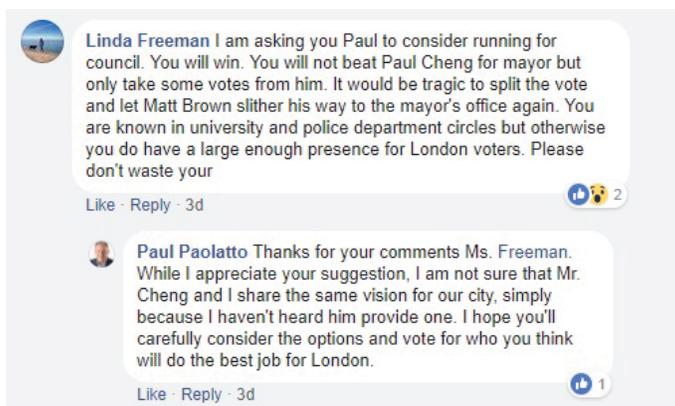
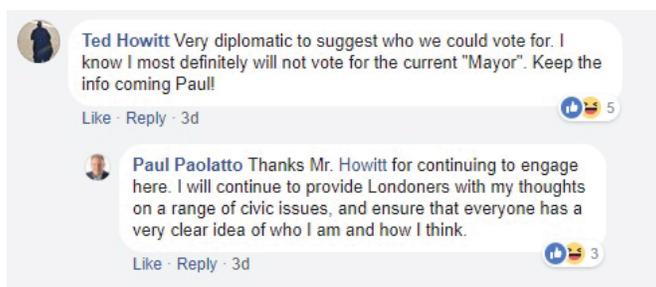
March 16, 2018 – Can we infer from the following tweet that Paolatto is inferring actions he will undertake as Mayor? I am of the opinion that we can and this can only be considered part of an ongoing campaign.

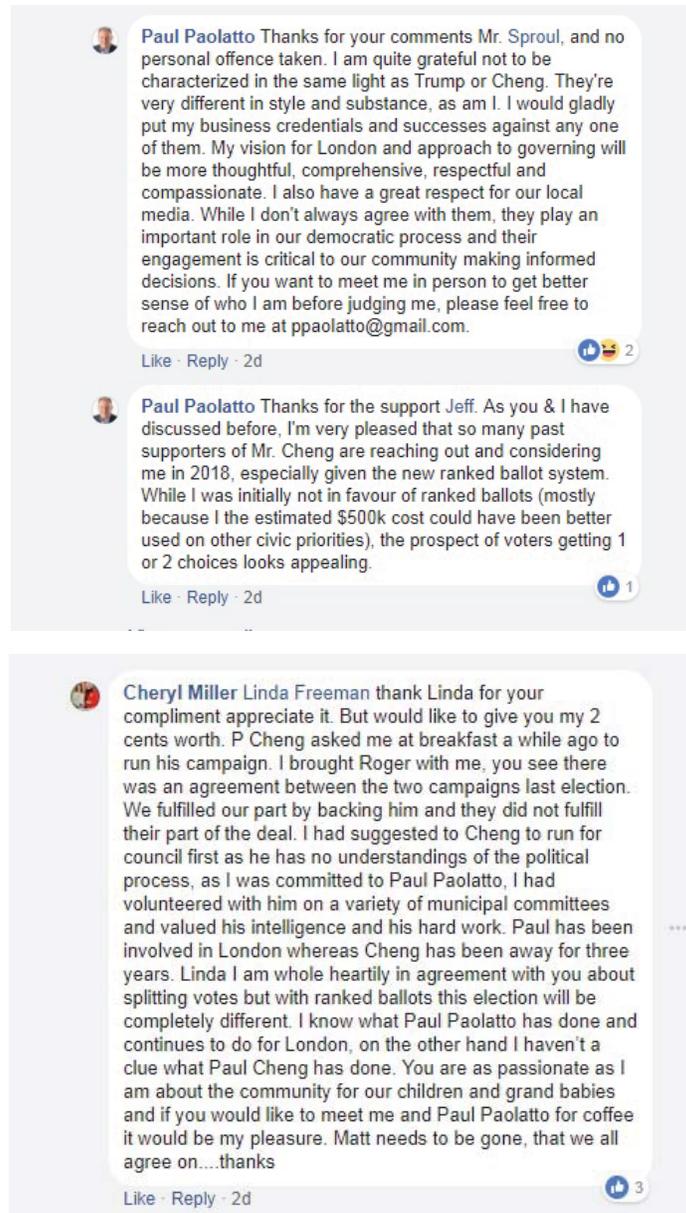


... an opinion that is further clarified by the following.



March 21, 2018 – To say the line between campaign and discussion became a little murky in the discussion around this Facebook post (<https://www.facebook.com/PaulPaolatto/posts/2057053954506090>) over the last few days would be a bit of an understatement ...





Also, a perhaps relevant note is that Cheryl Miller appears to confirm for the first time publicly that she is, as many already knew, working on the campaign. In addition, this entire “unfulfilled agreement” thing leaves a bad taste in m mouth.

March 22, 2018 – This tweet (<https://twitter.com/PPaolatto/status/973741444765696002>) is almost certainly asking for votes. Notice the phrase, “The Mayor needs to 'own' this plan and drive growth in London. Clearly Matt doesn't want to do it. I do!”

 **Paul Paolatto**
@PPaolatto Follow

City Manager Martin Hayward rightly points out that #LdnOnt's Economic Road Map is struggling to find a leader, focus, and identity. The plan also lacks an 'owner'. The Mayor needs to 'own' this plan and drive growth in London. Clearly Matt doesn't want to do it. I do!

What is missing?

- There is concern that the Road Map lacks leadership, focus and identity.
- When discussing leadership, concerns were voiced that there does not seem to be a clear 'owner' or leader of the Community Economic Road Map. While it is a community plan, the Advisory Panel is chaired by the City Manager and all reporting goes through the City of London and then to City Council. However, despite this, there is not agreement that the City of London should 'own' the Road Map.
- The Road Map lacks focus in that the priorities and initiatives are too broad and require the Action Teams to focus on too many things. As well, the success of many of the action items are difficult to measure.
- The perceived lack of leadership and focus makes it difficult to articulate and define both the purpose and identity of the Road Map.

1:20 PM - 22 Mar 2018

SEE ALSO:

 **Paul Paolatto**
Sponsored ·  Like Page

Fixing London's economy requires leadership, focus, an identity, and teamwork.



PAUL PAOLATTO

Paul Paolatto:
We have a chance to make a difference. Somebody better take ownership.
If the Mayor doesn't want the job, I do.

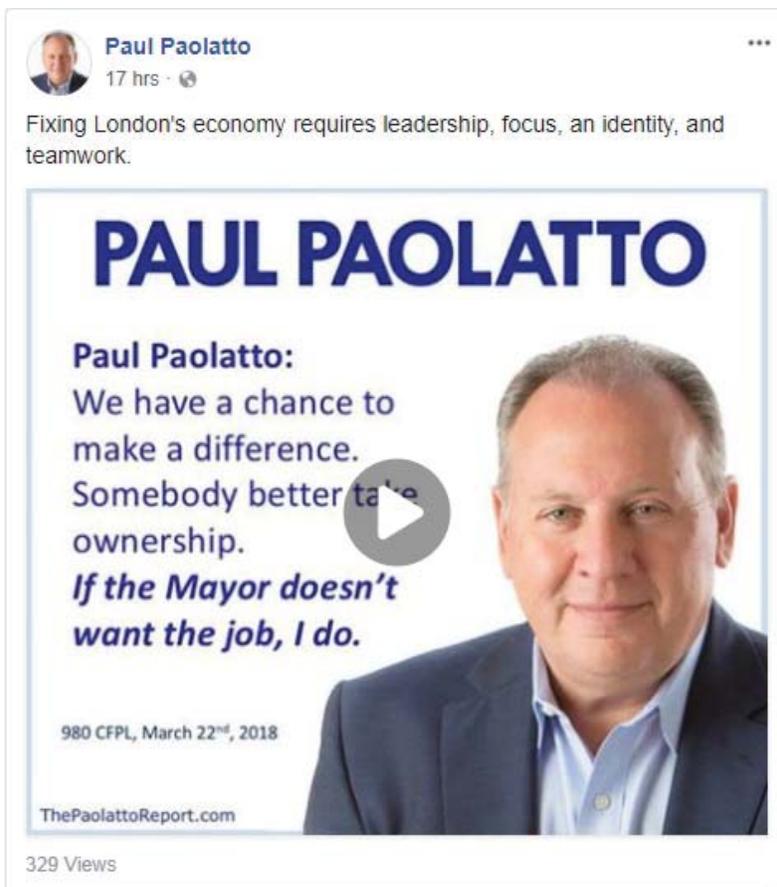
980 CFPL, March 22nd, 2018

ThePaolattoReport.com

   79 19 Comments 21 Shares 6K Views

March 25, 2018 – a 2:45 minute video posted to Facebook in essence making the case why he should be voted Mayor. (<https://www.facebook.com/PaulPaolatto/videos/2061732410704911/>)

(SEE ALSO TWITTER: <https://twitter.com/PPaolatto/status/978227146240901130>)



March 26, 2018 – Facebook advertising, if it indeed ever ceased has restarted:



April 3rd, 2018 – In my opinion Mr. Paolatto continues laying out his platform as his started-but-not-really-started mayoral campaign continues ...



April 15, 2018 – A video posted (<https://www.facebook.com/PaulPaolatto/videos/2072027056342113/>) to discuss “issues facing London” with Shawn Lewis, who has already publicly slated his intention to run in Ward 2 here in London. I have heard rumours or a slate being run and this appears to be the first confirmation that this will be the case. Again, while he never states his intention to fix them as Mayor – it is certainly implied. These are NOT actions he intends to take as a concerned citizen. ENOUGH!



April 19, 2018 – Once again, under what authority would he making these changes? Perhaps as Mayor? If so, we need to look at this as part of a platform And thus, part of a campaign. And as a sponsored post also incurred costs associated with it.

**Paul Paolatto**

44 mins · 🌐



There aren't many issues more frustrating to Londoners than the railroads running through the middle of our city. We can either build overpasses or underpasses at key crossings, or do what it takes to remove the tracks entirely.

It's time to address this once and for all. I believe there's a way we can get the CP tracks out of London. If we can't, then we need to build infrastructure to move around them.

Let's just make a decision and get it done.



THEPAOLATTOREPORT.COM

London Moves – Part 5 – Rail – The Paolatto Report

Posted on April 17, 2018April 18, 2018 by ppaolattoLondon...

April 22, 2018 – I'm sorry, this addendum to the end of today's blog post (<http://thepaolattoreport.com/london-moves-part-6-computers-on-wheels/>) are not typical of a concerned citizen and specifically address postponing council's action until AFTER the next municipal election. Clearly ... once again ... campaigning.

An Open Letter to City Council

Upon review of the latest report to Council regarding the Shift BRT Environmental Assessment, no one has yet quantified and clearly conveyed the aggregate capital and operating costs of this project to both Shift BRT and the London Transit Commission.

Moreover, no one has yet to quantify with any specificity or certainty the mix of revenue streams and funding sources that will cover the cost of this system both now and in the future.

Considering that this is the largest investment of its kind in London, will City Council motion that a Councillors be given: (i) more time to review the massive amount of data presented, and (ii) request that a complete revenue and cost appraisal be completed and shared with the public for comment **before** approving this project?

Paul Paolatto

April 27th, 2018 – the website address paolattoformayor.com (his campaign website) is registered. Just a reminder that this is not free and would have incurred an expense prior to him filing on May 1, 2018:

WHOIS search results

Domain Name: PAOLATTOFORMAYOR.COM
 Registry Domain ID: 2257452500_DOMAIN_COM-VRSN
 Registrar WHOIS Server: whois.godaddy.com
 Registrar URL: http://www.godaddy.com
 Update Date: 2018-04-27T17:40:16Z
 Creation Date: 2018-04-27T17:40:16Z
 Registrar Registration Expiration Date: 2019-04-27T17:40:16Z

April 28, 2018 – Mr. Paolatto sits with another soon-to-be Ward 13 candidate to discuss “downtown London and unity within our city.” Again, I would suggest this aligns with campaigning and part of a mayoral platform. However, I will let you decide for yourself:
<https://twitter.com/fyfemillar/status/990398831429746688>

May 1, 2018 – (<https://twitter.com/MeganatLFPress/status/991302665102651392>)

Website launched May 1, 2018 with a professional looking video. Also, did anyone else notice all the signs at his campaign kickoff event? How about the numerous and professional t-shirts in the crowd?
 Seems like short notice.

SHIRTS?

Paul Paolatto @PPaolatto Follow

Yesterday, I gathered with friends and shared my vision statement for our Mayoral campaign and the City of #LdnOnt. Thanks to everyone who attended. Let's get this campaign started!



1:22 464 views

9:15 AM - 3 May 2018

Signs?

Paul Paolatto Retweeted

Paul Paolatto @PPaolatto · May 3

Yesterday, I gathered with friends and shared my vision statement for our Mayoral campaign and the City of #LdnOnt. Thanks to everyone who attended. Let's get this campaign started!



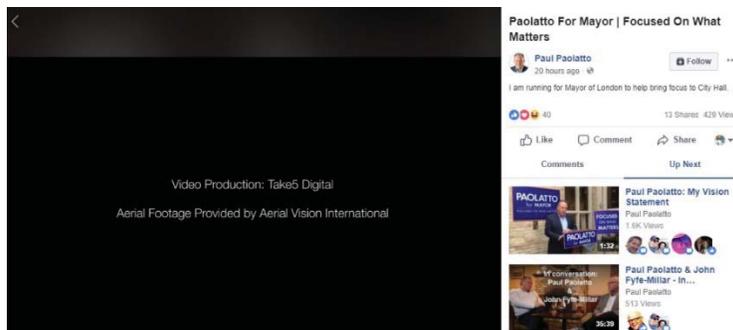
PAUL PAOLATTO
Running for Mayor London
1:19 463 views

4 6 25

<https://twitter.com/PPaolatto/status/992029970586193920>

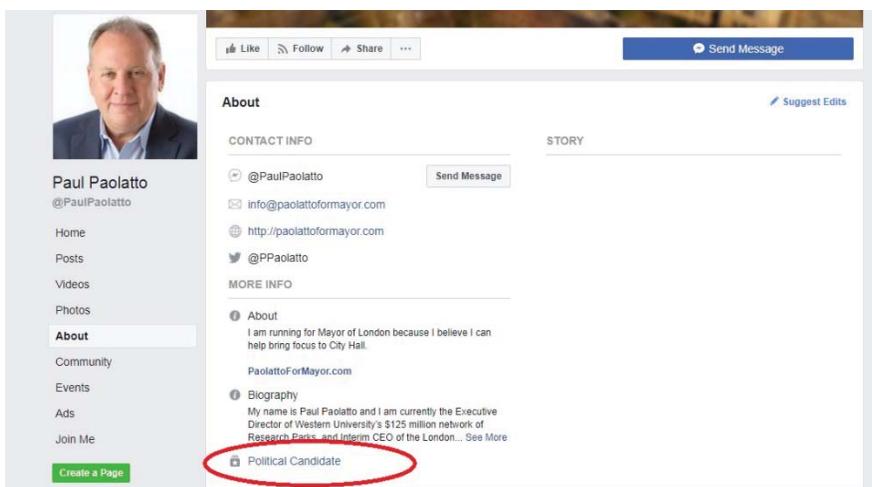
Pretty nice looking video you have there. Would be a shame if it was shot and edited prior to May 1st ...

<https://twitter.com/PPaolatto/status/991301722252308481>



While filing his nomination papers at City Hall Paolatto is quoted by LFP reporter Megan Stacy: Paul Paolatto says voters will see a difference between the “exchanging of ideas” he’s done so far and the campaigning that is about to begin.

That being said, the fact Mr. Paolatto has maintained the same social media accounts and simply changes the website information to his mayoral campaign accounts does seem to suggest quite the opposite – that both are part of a sustained and continued campaign ...



May 3, 2018 – the following email received from a ‘Concerned Londoner who chose to remain anonymous:

Concerned Londoner wrote:

Am I to assume you will be filing a complaint to the Election Compliance Audit Committee against Mr. Paolatto for pulling the same stunts as (and to a greater extent than) Mr. Cheng? Specifically and prior to nomination day: spending of money, production of commercials, billboard election campaigning (but really it was just a blog), production of campaign signage, production of campaign t-shirts, use of City logo in campaign advertisements, etc.

Asking for a friend !!!

I did no further investigation into these allegations and simply cite it here to make it clear that I am not the only Londoner that feels this way. Which I suspect you were likely already aware.

May 7, 2018 – Pretty confused this morning. If the previous website wasn’t part of the campaign then why is he promoting part 7 in a series now that the campaign has officially started?

<http://thepaolattoreport.com/london-moves-part-7-active-mobility/>



Next up – part 8? Is it possible that this has been laying out his platform for Mayor all along?

And that is EXACTLY what I am challenging and asking you to decide.

A Facebook discussion from Sept. 20th, 2018 I think best lays out the argument that Mr. Paolatto himself has made all along. Which I believe is wrong and a blatant attempt to work the existing system and make early campaigning the new normal. Which I’m trying obviously to prevent. I ask you to decide for yourself.

Jim Black Londoners have an opportunity to have the smartest Mayor in Canada. What other candidate in history has taken the time to research each individual challenge our city faces, compose a plan, and publish it? No one else can touch him. It's like Paolatto is RUNNING for Mayor and all the others are WALKING. This guy is ready to hit the ground running. He understands all these issues better than anyone on council. Focused. Compassionate. Dedicated. Accountable.

Like · Reply · 1h



Lincoln McCardle Well, in fairness to the others he did give himself a pretty impressive head start. 😊

Like · Reply · 1h

Jim Black Lincoln McCardle Gave HIMSELF!? You seem to suggest that he somehow cheated. Is doing research in advance of running for office CHEATING!???

Like · Reply · 1h

Bob Cater I think the point here is ,we have someone who has analyzed what has happened to our city, studied these problems and methodically come up with positive reasonable solutions to put us back on track for a better London without overlooking the little problems. He had the foresight to do this long ago and dedicated himself to a better way; a better London for every citizen. When the election was called HE was prepared. That in itself should tell you what you can expect from Paul and all those that support his effort.

Like · Reply · 27m · Edited



John Scott-Pearse Lincoln McCardle You are probably referring to Mr Paolatto's billboards, advertising his Blog. My point at the time was that Peter Fragiskatos and Kate Young's faces were passing me on the side of numerous buses. I was also noticing billboards everywhere with the same faces and an accompanying text "Cares & Concerns". These Members of Parliament were allegedly advertising their constituency offices, and their willingness to "help". But, who is kidding who, those are campaign signs. In municipal elections unelected candidates are asked to sit quiet before the campaign period allotted to them. But, elected councilor are free to do radio and TV spots. They pretend to be discussing city issues, but there are actually raising their visibility, creating name awareness and campaigning. Apparently that is the way the game is played. Anyone wanting to play the game better understand that. your comments about Mr Paolatto's Blog seem a little naive.

Like · Reply · 30m



PAUL PAOLATTO

Municipal Election Compliance Audit Committee
c/o City Clerk's Office
300 Dufferin Avenue
London Ontario N6A 4L9
(sent via email)

April 18, 2019

Re: Application by Lincoln McCardle for Compliance Audit of Paul Paolatto

Dear Audit Committee Members,

Further to the above application, please accept this response to the complaint contained therein on behalf of myself and my campaign team. I am also writing to respectfully request that the Committee reject the above application on the basis that neither I nor my campaign knowingly violated any provisions contained in the Municipal Elections Act (MEA). My reasons for this request are as follows:

1. In June 2017, I met with the Clerk's Office to proactively seek clarity to specific provisions contained in MEA, and share my intentions to initiate and advertise an online blog entitled ThePaolattoReport.com. The Clerk's Office advised me that advertising a blog or any other digital property is not a violation of the Act itself, provided that the ads did not make any reference to my candidacy for Mayor.

This counsel was later confirmed by a CTV news story dated October 16th, 2017 (also referenced in the Applicant's complaint) where the reporter approached the Clerk's Office regarding the billboard advertising of my blog and this potential violation of the MEA. While the email response from the Clerk's Office appears quickly on the screen, it reads as follows:

"Based on the picture you have attached to your email, it appears that the billboard is promoting 'The Paolatto Report', which I understand is 'A Commentary on Civic Matters'. It does not appear to indicate that the individual is a candidate in the upcoming Municipal Election. The Municipal Elections Act (MEA) does define a candidate as "a person who has been nominated under section 33" (of the MEA). The nomination period runs from May 1, 2018 to July 27, 2018. Therefore, a person cannot become a candidate prior to being nominated during the nomination period."

2. In addition to the above inquiry, I sought a legal opinion on the use of my blog and any other digital property prior to start of the election on May 1st, 2018. Per the attached letter, is the opinion of this Counsellor, and former London City Council member, *"that expenditures related to the promotion of the Paolatto Report are not election expenses as contemplated under the Act"*.

The opinion later continues: *"The purpose of the Act is not to make discussion or debate about matters of public interest the exclusive domain of candidates or to prohibit such discussions from taking place outside of the campaign period"*. I have attached a copy of this opinion for the Committee's review and consideration.

1

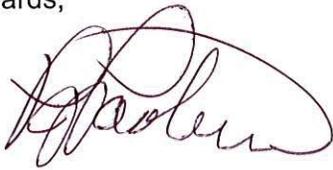
PAUL PAOLATTO

3. All expenses related to the advertising of my digital properties have been and will continue to be covered by me personally, as it is my intention to continue to write blogs and utilize these digital properties in the future. Moreover, per the Auditor's Report Form 4 regarding my campaign expenses, please note that all funds raised from contributors other than the candidate were necessary and exhausted to cover campaign-related expenditures. Therefore, there were no funds available to cover any other expenses other than those directly attributable to the campaign.

Once again, based on the information provided above and the substantial conjecture contained in the Applicant's complaint, I respectfully request that the Committee reject the application.

I wish the Committee success in their deliberation and welcome any further inquiries or requests for the information if so required.

Regards,

A handwritten signature in dark ink, appearing to read 'Paul Paolatto', with a large, stylized flourish at the end.

Paul Paolatto



Lerners LLP
88 Dufferin Avenue
P.O. Box 2335
London, Ontario N6A 4G4
Telephone: 519.672.4510
Fax: 519.675.9949
www.lerners.ca

Fred W. Tranquilli
Direct Line: 519.640.6353
Direct Fax: 519.932.3353
ftranquilli@lerners.ca

April 25, 2018

FILE NUMBER 110820-00001

Privileged and Confidential
Delivered Via E-Mail (ppaolatto@gmail.com)

Dear Mr. Paolatto:

Re: *Municipal Elections Act, 1996, S.O. 1996, c. 32 (the "Act")*

You retained this firm to provide legal advice with respect to the campaign financing provisions of the *Act* in connection with the 2018 Municipal Election in London. In particular, you asked us to review expenditures related to the promotion of the Paolotto Report, a personal blog.

It is our opinion that expenditures related to the promotion of the Paolotto Report are not election expenses as contemplated by the *Act*.

Our Work

We have reviewed the *Act*, Hansard and relevant case law along with communications from London's City Clerk. A municipality's Compliance Audit Committee (CAC) retains jurisdiction to consider campaign financing issues. The CAC assesses applications from electors who allege violations of campaign financing rules.

The CAC decisions that have been judicially reviewed are not relevant to the areas for which our assistance has been sought. As a result, our advice is based on a plain-language interpretation of the *Act* itself.

Statutory Interpretation

The Supreme Court of Canada adopted the following principle when interpreting legislation:

... Even if the ordinary meaning is plain, courts must consider the purpose and scheme of the legislation, and relevant legal norms. They must consider the entire context. ...

The court may adopt an interpretation that modifies or departs from the ordinary meaning, provided the interpretation adopted is plausible and the reasons for adopting it are sufficient to justify the departure from ordinary meaning.

LERNERS

LAWYERS

Page 2

The purpose of the *Act* is to regulate activities related to municipal elections, including campaign activities. The intention of the *Act* is to provide guidance to members of the public who wish to seek municipal office, and to ensure a fair and transparent process. The *Act* contemplates the registration of candidates, the expenditure of funds and the period within which election activities may occur.

A candidate is a person nominated in a fashion consistent with the *Act*.

Campaign expenses are costs incurred for goods or services by or under the direction of a person wholly or partly for use in his or her election campaign.

Application of the Legislation

You are not a candidate. Your blog is unrelated to an election campaign. Expenditures promoting your blog are not campaign expenses.

Expenses associated with the promotion of the Paolotto Report do not represent costs incurred wholly or partly for the purpose of an election campaign. Your intention for the blog is to share with the public your views on matters of public interest and to stimulate discussion.

The purpose of the *Act* is not to make discussion or debate about matters of public interest the exclusive domain of candidates or to prohibit such discussions from taking place outside the campaign period.

Please do not hesitate to contact us if you have any questions or require further advice. It has been our pleasure working with you.

Yours truly,



Fred W. Tranquilli
FWT/js

cc. Jane Scholes (Lerners LLP)
Sarah Browning (by e-mail)
Nathan Caranci (by e-mail)

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