



ISSN 1180-4319

Legislative Assembly
of Ontario

First Session, 39th Parliament

Assemblée législative
de l'Ontario

Première session, 39^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 9 April 2008

**Journal
des débats
(Hansard)**

Mercredi 9 avril 2008

**Standing committee on
regulations and private bills**

**Comité permanent des
règlements et des projets
de loi d'intérêt privé**

Chair: Michael Prue
Clerk: Sylwia Przedziecki

Président : Michael Prue
Greffière : Sylwia Przedziecki

Hansard on the Internet

Hansard and other documents of the Legislative Assembly can be on your personal computer within hours after each sitting. The address is:

<http://www.ontla.on.ca/>

Index inquiries

Reference to a cumulative index of previous issues may be obtained by calling the Hansard Reporting Service indexing staff at 416-325-7410 or 325-3708.

Le Journal des débats sur Internet

L'adresse pour faire paraître sur votre ordinateur personnel le Journal et d'autres documents de l'Assemblée législative en quelques heures seulement après la séance est :

Renseignements sur l'index

Adressez vos questions portant sur des numéros précédents du Journal des débats au personnel de l'index, qui vous fourniront des références aux pages dans l'index cumulatif, en composant le 416-325-7410 ou le 325-3708.

Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
111 Wellesley Street West, Queen's Park
Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE
ON REGULATIONS
AND PRIVATE BILLS**

Wednesday 9 April 2008

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**COMITÉ PERMANENT DES
RÈGLEMENTS ET DES PROJETS DE LOI
D'INTÉRÊT PRIVÉ**

Mercredi 9 avril 2008

The committee met at 1003 in committee room 1.

GRAND AVENUE HOLDINGS LTD. ACT,
2008

Consideration of Bill Pr2, An Act to revive Grand Avenue Holdings Ltd.

The Chair (Mr. Michael Prue): I'd like to call the meeting to order.

The first item of business is Bill Pr2, An Act to revive Grand Avenue Holdings Ltd. The sponsor here is Mr. Ruprecht. I take it the applicant is with you as well. Could she please identify herself for the purposes of Hansard?

Ms. Cathryn Sawicki: Sure. Cathryn Sawicki, legal counsel.

Mr. Tony Ruprecht: Cathryn Sawicki works for Green and Spiegel, but in this case she's acting on behalf of Grand Avenue Holdings. I'm delighted to introduce her.

Let me just make a few comments. Grand Avenue is being sued as a result of an environmental issue on land they once owned. In order to properly defend the action, Grand has been resurrected. It would therefore be unfair to the plaintiff in the action and the former shareholders of Grand Avenue Holdings if this company was not resurrected.

I'll ask you, Chair, and the members to direct any further questions to Ms. Sawicki.

The Chair (Mr. Michael Prue): To the applicant: Any statements you may have on this, or did Mr. Ruprecht cover it all?

Ms. Cathryn Sawicki: I think he covered it all.

The Chair (Mr. Michael Prue): Are there any interested parties present who wish to make a deputation on this? Seeing no interested parties, any comments from the parliamentary assistant?

Mr. Bas Balkissoon: The government has no concerns with this application and is happy to support it.

The Chair (Mr. Michael Prue): Are there any questions from committee members to the applicant or the parliamentary assistant? Seeing none, are the members ready to vote? It looks that way. The following motions have to be voted on:

Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3, the short title, carry? Carried.

Shall the preamble carry? Carried.

Shall the title carry? Carried.

Shall the bill carry? Carried.

Shall I report the bill to the House? Carried.

Thank you very much. That was one of the fastest ones in history.

Mr. Tony Ruprecht: Ms. Sawicki came here and didn't say a word.

Mr. Bas Balkissoon: When you're effective like that—

Mr. Tony Ruprecht: Wait till the next one.

MADRESA ASHRAFUL ULOOM ACT, 2008

Consideration of Bill Pr5, An Act respecting Madresa Ashraful Uloom.

The Chair (Mr. Michael Prue): The next item is Bill Pr5, An Act respecting Madresa Ashraful Uloom. Do I take it, Mr. Ruprecht, that you are putting forward the bill?

Mr. Tony Ruprecht: Yes. I have been asked by Dr. Qaadri to say just a few words and make some introductory remarks. As you know, Dr. Qaadri represents Etobicoke North. I'd like to welcome Mr. Phillip Sanford and Mr. David Fleet, with whom all of us are familiar, as representing Madresa Ashraful Uloom. These two gentlemen will be presenting today on behalf of Bill Pr5, An Act respecting Madresa Ashraful Uloom, 2008. Welcome to the committee. I just want to make one more comment that the madresa is located in Dr. Qaadri's riding and I want you to know that Dr. Qaadri supports this bill.

The Chair (Mr. Michael Prue): I understand from discussion that the applicants have a request to make at this point.

Mr. Phillip Sanford: Yes, sir. My name is Phillip Sanford. Unlike my friend, Mr. Fleet, I'm not known to the committee. It is apparent, as a result of discussions which have occurred over the last few days, that the bill would be advantaged if there were some additional discussions with the city of Toronto. In an ideal world, one would hope to have a city representative here.

At this point, I think it would be helpful if the committee would grant us an indulgence and perhaps put the matter over to another meeting, so long as that meeting is not too many weeks away. We will diligently

work with the city as best we can and see if we can answer some of the questions that have been raised.

The Chair (Mr. Michael Prue): Any questions of the deputant?

Mr. Gerry Martiniuk: I move that we adjourn this matter to our next meeting.

The Chair (Mr. Michael Prue): Any discussion on the motion?

Mr. Bas Balkissoon: The government's position is, we would support that motion to adjourn this particular hearing to the next meeting.

The Chair (Mr. Michael Prue): Any other discussion on the motion? No other discussion. All those in favour of adjourning this and putting it on the next meeting agenda? Carried.

Thank you very much. We'll see you at the next meeting.

1010

CORPORATE REVIVAL PRIVATE ACTS

Mr. Michael Prue: The third and only other item on the agenda was a request that was made the last time for some discussion. A memorandum has been prepared by Susan Klein, legislative counsel, concerning corporate revival private acts. I believe all members have that. Ms. Klein, anything you'd like to start us off on?

Ms. Susan Klein: I guess the basic principle of private acts is that if the desired legal effect can be obtained under general legislation, then it should be obtained under general legislation. You'll only see a private bill application if what is wanted can't be got under the general law.

There are a number of situations in which a dissolved corporation can be revived under the general law. I've listed subsection 241(5) of the Business Corporations Act. It sets out a number of kinds of dissolutions that can be revived under the Business Corporations Act: for default with a number of tax statutes, for failing to file under the Corporations Information Act, for failure to pay a fee under the Business Corporations Act. I think these kinds of dissolutions happen with some frequency, and they're revived under the Business Corporations Act. They don't require private legislation; they don't come to this committee.

What can't be revived administratively under the Business Corporations Act are dissolutions not described in subsection 241(5). One is expressly disallowed, and that's dissolutions from more than 20 years ago. Corporations that are voluntarily dissolved can't be revived under the legislation. There's a list of dissolutions for sufficient cause. The most common types of these that we see in the committee are dissolutions for failure to comply with subsection 115(2) of the Business Corporations Act, which requires you to have a certain number of directors, or dissolution under subsection 118(3) of the Business Corporations Act, which requires you to have a certain number of resident Canadian

directors. In all those cases you see private act applications.

There have been amendments in the last 20 years or so to the corporate legislation that has reduced the number of corporate revival private bill applications that the committee has seen. Until 1994, in both the Business Corporations Act and the Corporations Act, only dissolutions from the previous five years could be revived administratively under the legislation. So this committee was seeing a large number of private bill applications for any corporation dissolved for any reason more than five years ago. In 1994, both the Business Corporations Act and Corporations Act were amended to remove that five-year limitation. There's been a pretty significant drop in the number of private bill applications that have come before this committee since then as a result of that.

I don't know if you want to do anything further, to make any kind of recommendation to the Ministry of Government and Consumer Services to make further amendments to their legislation to reduce the number of private bill corporate revival applications that you see. I can't speak for the ministry to know what their policy or operational concerns would be, but certainly, just from the point of view of looking at the legislation and seeing what would reduce the private-bill necessity, you could ask for something like allowing voluntary dissolutions to be revived administratively under the legislation or the dissolutions under sections 115 and 118 of the Business Corporations Act. We haven't seen any dissolutions under the Corporations Act since 1994, since that five-year limitation was taken away.

So there seem to be basically three areas of private bills that are still coming before this committee: the sections 115 and 118 dissolutions and voluntary dissolutions. There has been a large drop. Most years we see one or two at most; there have been a few years with more. This year seems to be a banner year. We've got a lot coming forward, and I think that's in part because of the election in 2007. You've just got a backlog of some bills.

That's my presentation. I'll be happy to answer questions.

The Chair (Mr. Michael Prue): Any questions?

Mr. Gerry Martiniuk: It seems to me that these matters have no business before a committee of this Legislature. Why are these people being put to the cost of a private bill—the printing costs. The whole thing is obviously ridiculous. It's an administrative matter that should be dealt with by ministerial order. This committee shouldn't be bothered with this very individual matter. It's not a matter of public policy. It's an individual problem. It's administrative. It's not legislative, in my opinion.

I suggest to the committee that I think we can do a service to the Legislature and the government by recommending that these matters, relating to the revival of corporations, be dealt with by ministerial order rather than a private act.

The Chair (Mr. Michael Prue): Just so I have it clear, you're talking specifically about number 2 on page 2, where it talks about corporations that were voluntarily dissolved being able to come back? That's the only one?

Mr. Gerry Martiniuk: No, any of the dissolutions.

The Chair (Mr. Michael Prue): Okay.

Mr. Mike Colle: I think MPP Martiniuk has an interesting point and a valid point. I just wonder what the cost of the alternatives are. If they would have to go through the courts or through other processes, it might even be more expensive and more time-consuming for the applicant. Maybe even going through the bureaucracy of a minister—it probably would be the Minister of Finance, which has got such a huge mandate. Like you, I'm just thinking about whether this is the least of all evils. I was on this committee before, and it seemed that most cases were dealt with pretty quickly and fairly by the committee without too much pomp and ceremony, so it might be a good outlet for the applicants.

This is quite a niche area, so I don't claim to be an expert. I'm just following your line of thinking on how to expedite this or make it easier, but I also have those thoughts that maybe this is something that does work reasonably well, and if you push it all off onto the bureaucracy, it might have even less accountability or there might be more time delay involved in it. That's all I'd like everyone to consider.

The Chair (Mr. Michael Prue): I think some of the points you're making are well taken.

We have the expert here. Allen Doppelt is here. He was the person who wrote all of this in the first place, so he can explain to us why it was written the way it was, and then we can have some more questions.

Mr. Doppelt, some of us are finding this a little arcane and wondering why the whole process of reviving the corporation has to come before committee and could not simply be done by ministerial order.

Mr. Allen Doppelt: In fact, most corporations that are dissolved don't come before this committee; they are allowed to revive administratively. The vast majority of corporations—and I have the statistics—are dissolved for failure to comply with the tax statutes. For example, in the last three fiscal years, over 137,000 such corporations were dissolved. They can revive administratively under the Business Corporations Act by complying with the tax statutes and getting the consent of the Ministry of Finance.

The second major reason corporations are dissolved is for failure to comply with corporate information filing requirements, and in the last three fiscal years, there were about 3,000 of those.

The remaining category, where there is no administrative revival under the act, is where corporations are dissolved for sufficient cause. The two primary reasons are the failure to have any directors and the failure to have the minimum number of resident Canadian directors.

1020

Sometimes they're also cancelled for other reasons, where the articles are invalid. That doesn't happen all that often.

Our experience has been that the only way to get compliance is to dissolve for cause in these cases. The actual numbers that are dissolved for those reasons—for failure to have any directors or failure to have the number of resident Canadian directors—are very small. We've also taken some measures to reduce that number, because it used to be the case where we'd simply look at the last information filing, and if it didn't show that there were any directors, we went ahead and started the dissolution process.

I should mention: We don't just go ahead and dissolve quickly. A number of notices are sent out, and in these cases there is a right to a hearing. In fact, I held two such hearings myself within the last year. In one case, it was an administrative revival, where the corporation is dissolved for failure to comply with the tax statutes, and by mistake they were allowed to revive without complying. The other case was one where there were no directors, but a hearing was requested. It was rather extraordinary because it doesn't happen very often.

As I mentioned, the numbers are quite small. Historically, the vast majority of such corporations usually are insolvent if they don't have any directors. We took steps to deal with the one situation, where the latest information notice didn't show any directors. We then would go back and see if directors have previously been shown on the public record and not ceased to be directors. If we were going to dissolve in that case, it would be for failure to file up-to-date information, in which case there would be an administrative revival.

That has significantly reduced the number of such dissolutions that require a private bill to revive.

Mr. Gerry Martiniuk: That's all very nice and interesting. You've reduced the number; why haven't you eliminated the number that come before this committee, and let the minister make the decision? That's what we're asking.

I'm concerned—for instance, in this case, that there was a lawsuit going on. There was a voluntary dissolution, I take it, and now they're reviving it in order to defend the lawsuit, which is reasonable. This Legislature, on occasion, doesn't sit for a considerable length of time, so there are considerable delays.

Can you give me a good reason why any of these matters that are presently not permitted to be revived administratively by the minister should be before this committee?

Mr. Allen Doppelt: It's something that we could certainly review and consider. It has never been considered in the past in such extreme cases.

I should mention, in cases of voluntary dissolution, which is the one you're talking about—in fact, in many cases we are able to deal with it administratively. The most common situation is that a corporation voluntarily dissolves and doesn't realize that it still has property that

it hasn't distributed to its shareholders. In that case, we can administratively cancel the certificate of dissolution and there's no need for a private bill.

In this case, there may well not have been grounds. But as I said, in terms of amending the act so that all dissolved corporations can administratively revive, it's something that I'd have to take back to my ministry. Certainly we can give it very serious consideration.

Mr. Gerry Martiniuk: That was the intent of the original inquiry, I believe.

Mr. Allen Doppelt: Yes.

The Chair (Mr. Michael Prue): Further questions?

Mr. Tony Ruprecht: I'm surprised that this issue hadn't been raised before, because I remember Mr. Martiniuk making the very same point under the Red Tape Commission, I think it was. I raised it a couple of times before this very committee; this is now some years ago. So this isn't new; this is old.

A case in point today: Ms. Sawicki came here, didn't say a word, or even if she would've, she would've said two words and would've gone home.

However we can work this out, even if these corporations have to be revived or not revived, whatever the case may be, the point being, if we can't do them all, then why don't we use some of them and say to the people who are supposed to come here, "You don't necessarily have to come; we can resolve this without your attendance"? At least we will spare them the expense, and perhaps we'll spare ourselves the discussion in this matter.

But my final recommendation is simply this: If the Red Tape Commission made some recommendations, then why not look at some of these recommendations and see where we're at today?

Mr. Mike Colle: No matter how we try, those of us who have been in government—the city, Metro—know that there's no perfect system of shutting down every possible scenario. I just think that it's worth looking at whether there is a reasonable way. But I don't see any harm with this being done in a public forum. The rationale given here, the fact that most of them are dealt with by the thousands already—and you're never going to have a fool-proof system. I've never seen one in any area, no matter how high. The lawyers and the people involved with drafting legislation—there's always the human factor. I think that's what we're dealing with here. I think it seems to be companies that have gone defunct. The board of directors are gone, they've made a mistake, they didn't file etc.

I'm not that adamant about finding a perfect shutdown here. If the committee has to deal with them, as I've said, it's at least a very expeditious way of dealing with them. It's not too onerous, considering what people go through in the courts and other processes etc. There's at least a semblance of fairness here and reasonableness, which I don't find too onerous. But if there is a perfect way of doing it, go ahead. I'm not against it if you're going to try it.

Mr. Yasir Naqvi: In order for corporations to be revived through a private act, there has to be a compelling public policy rationale. I'm just looking at the circumstances under which corporations can be revived through a private act on page 2 of the memorandum presented by Ms. Klein. Some of the circumstances seem to be quite egregious; for example, offences under the Criminal Code or the Provincial Offences Act, and "conduct that is oppressive or unfairly prejudicial." So I'm assuming, and I'm just purely speculating, that those were the public policy reasons why this system was put in place: so that members of the Legislature can keenly look at these revival requests to ensure that these egregious public policy rationales are met.

In practice, if that's happening or not is of question. In my very limited experience at the Legislature, it seems like these become quite a routine sort of approval. Perhaps we might just have to consider going back to why this is being done. If this has become routine, then an administrative process is the way and only very few circumstances are kept at this particular process, which requires more in-depth analysis by the members to ensure that public policy reasons are fully met with.

Mr. Mike Colle: I think a good example here was the previous applicant. My understanding of it is that, because of coming before this committee, the applicant found out that there was some conflict between the City of Toronto Act and the Municipal Act. As a result of coming to this committee, we've indicated to the applicant that they have to have discussions with the city of Toronto, which I think is good. There is this ability to direct the applicants in a way that all affected parties, in an informal way, have input. It's not the perfect system, but at least it's an open public forum—what this place is all about.

Mr. Bas Balkissoon: If we look at the first application today—and we had similar ones at the last meeting—the ministry staff are saying that they're willing to take a look at those and probably look at the history of, say, a year or two ago, and how many of these have come here where the hearing lasted two minutes or less, and try to look at a way of dealing with those internally. I think the staff is offering that they're willing to do that and bring it to the minister's attention. Maybe we should take up that particular offer and proceed with those only at this time.

1030

The Chair (Mr. Michael Prue): We don't have any motion before us. Is somebody willing to put a motion forward of exactly what you're requesting?

Mr. Gerry Martiniuk: Very simply, I'd move that this committee recommends that the minister review the present state of notices of revival coming before this committee to determine whether or not they should be dealt with administratively.

This is a recommendation of this committee. It's not binding, but at least it's on record. I think it's here because of historical reasons, and they just haven't gotten around to getting them all. Every year they do a little bit, which is typical of government. We do a little bit and a

little bit, but we never take that full step and do away with all of them. Let's see what the minister has to say. I'd be interested.

Mr. Tony Ruprecht: I second the motion.

The Chair (Mr. Michael Prue): We have a seconder. Discussion? Mr. Tabuns?

Mr. Peter Tabuns: I have no comment. I think it's a reasonable suggestion.

The Chair (Mr. Michael Prue): We have a motion moved and seconded. Any discussion?

Mr. Allen Doppelt: Can I just add one additional comment? One area where there is a concern about doing revival administratively is where a corporation delays for a very long time in order to revive. Last year, we had an amendment to the Business Corporations Act that imposed a 20-year time limit. Many years ago, it was a five-year time limit. The problem is, if a corporation is dissolved for that lengthy period of time, it does create problems. It creates problems administratively for us, and it creates problems for the Office of the Public Guardian and Trustee if they're in any way going to deal with the property, because it becomes escheated to the crown upon dissolution. That's something we'd have to consider, that the only limitation might be, if a very lengthy period of time has elapsed since dissolution, whether administrative revival is appropriate.

Mr. Gerry Martiniuk: That's exactly what the motion says, that you're going to look at it. It's not binding that you have to do something. The minister is going to look at it. I assume he or she will tell us their decision somewhere along the line.

Mr. Allen Doppelt: Okay. I just wanted to draw to the committee's attention that that's one area that has been a troublesome area, where there's been a very lengthy lapse between dissolution and an application for revival.

Mr. Gerry Martiniuk: Yes. Excuse me, I don't want to—but you went from five years to 20 years?

Mr. Allen Doppelt: Yes.

Mr. Gerry Martiniuk: You made that hop. What's the difference between going to five years to infinity?

Mr. Allen Doppelt: Actually, there was no time limit for a number of years and then we were pressured by the public guardian and trustee's office to put a time limit. Every other province has a time limit. In fact, Alberta recently imposed a five-year time limit, but they have many fewer dissolutions that we do.

In fact, the reason we eliminated the five-year period was a concern that in the mid-1990s we dissolved a lot of

corporations for failing to do information filings. There was a concern that, after five years, there might be dozens of bills before this committee. So that's why we eliminated the time limit at that time, but then there were concerns about what happens if corporations are dissolved for a very lengthy period of time. That's one of the factors we'll take into consideration in doing a review.

The Chair (Mr. Michael Prue): The parliamentary assistant on the motion?

Mr. Bas Balkissoon: I'll support the motion, but staff may want to consider our request that the minister take a look, and in our request also that the minister look at, if there is denial, there is a formal appeal process of some type—and it could be anything.

Mr. Allen Doppelt: If I could just comment on that, the way our administrative process works, the only reason why we would refuse to allow administrative revival is a case where the reason for which the corporation was dissolved in the first place hasn't been cured. In other words, if a corporation is dissolved for failure to comply with the tax statutes and they still haven't complied, then obviously they're not entitled to revival; or if they haven't done their information filings for many years, then we're not going to allow them to revive and continue to be in breach of the Corporations Information Act. But the process is that if you do comply, then administratively one is allowed to revive.

The Chair (Mr. Michael Prue): The parliamentary assistant, I believe, has made an amendment to the main motion. That's what you were attempting to do?

Mr. Bas Balkissoon: That in his review of the ones that are coming here, if there is an administrative denial, there also be an appeal process for the applicant.

Mr. Mike Colle: And then they'd come here again.

Mr. Gerry Martiniuk: They could be back here.

Mr. Bas Balkissoon: Yes, and that's fair, because the minister is one person and this is a committee.

The Chair (Mr. Michael Prue): All right. Any discussion on the amendment? Seeing no discussion, all those in favour of the amendment? All those opposed? None. That's carried.

The motion, as amended: All those in favour? That's carried.

Any other items of business that anyone has before the committee? There's nothing else scheduled. Seeing none, the committee is adjourned.

The committee adjourned at 1035.

CONTENTS

Wednesday 9 April 2008

Grand Avenue Holdings Ltd. Act, 2008 , Bill Pr2, <i>Mr. Ruprecht</i>	T-9
Mr. Tony Ruprecht, MPP	
Ms. Cathryn Sawicki	
Madresa Ashraful Uloom Act, 2008 , Bill Pr5, <i>Mr. Qaadri</i>	T-9
Mr. Tony Ruprecht, MPP	
Mr. Phillip Sanford	
Corporate Revival Private Acts	T-10
Ms. Susan Klein, legislative counsel	
Mr. Allen Doppelt, senior counsel, Ministry of Government and Consumer Services	

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Chair / Président

Mr. Michael Prue (Beaches–East York ND)

Vice-Chair / Vice-Président

Mr. Paul Miller (Hamilton East–Stoney Creek / Hamilton-Est–Stoney Creek ND)

Mr. Bas Balkissoon (Scarborough–Rouge River L)

Mr. Mike Colle (Eglinton–Lawrence L)

Mr. Kim Craitor (Niagara Falls L)

Mr. Gerry Martiniuk (Cambridge PC)

Mr. Paul Miller (Hamilton East–Stoney Creek / Hamilton-Est–Stoney Creek ND)

Mr. Bill Murdoch (Bruce–Grey–Owen Sound PC)

Mr. Michael Prue (Beaches–East York ND)

Mr. Tony Ruprecht (Davenport L)

Mr. Mario Sergio (York West / York-Ouest L)

Substitutions / Membres remplaçants

Mr. Bas Baskissoon (Scarborough–Rouge River L)

Mr. Bruce Crozier (Essex L)

Mr. Yasir Naqvi (Ottawa Centre L)

Mr. Peter Tabuns (Toronto–Danforth ND)

Clerk / Greffière

Ms. Sylwia Przedziecki

Staff / Personnel

Ms. Susan Klein,
Ms. Catherine Oh,
legislative counsel