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Mercredi 3 juin 2009

**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

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LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE
ON REGULATIONS
AND PRIVATE BILLS**

Wednesday 3 June 2009

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Mercredi 3 juin 2009

The committee met at 0901 in room 151.

The Chair (Mr. Michael Prue): If members would take their seats, we will call the meeting to order.

Before we get on to the business of the day, just for the members' edification, there was a subcommittee report prepared for Mr. Ramsay's bill. Mr. Ramsay has asked that his bill be withdrawn, in light of what the government is doing around that. He made a statement in the House. It has been withdrawn, and subsequently the subcommittee report will not be put before the full committee.

**DEEP RIVER MANAGEMENT
SERVICES INC. ACT, 2009**

Consideration of Bill Pr16, An Act to revive Deep River Management Services Inc.

The Chair (Mr. Michael Prue): I'd like to call the first consideration, which is Bill Pr16, An Act to revive Deep River Management Services Inc. Sponsor: John Yakabuski. Could Mr. Yakabuski and the applicant please come forward.

In my notes here, the applicant is Michael Stern, legal counsel. Is that correct?

Mr. Michael Stern: That's correct.

The Chair (Mr. Michael Prue): Excellent. Mr. Yakabuski, the floor is yours.

Mr. John Yakabuski: The floor is Mr. Stern's.

Mr. Michael Stern: Good morning, members. I'm here with respect to An Act to revive Deep River Management Services Inc. On July 15, 2005, the company was voluntarily dissolved. At the time, it was overlooked that they held a second mortgage in an amount in excess of \$100,000. Recently, the first mortgagee started preparing power-of-sale documents, and in order to be able to act on their rights, Deep River Management Services wish to reincorporate.

The Chair (Mr. Michael Prue): That's pretty succinct.

Mr. Michael Stern: That's why we're here.

The Chair (Mr. Michael Prue): Are there any interested parties present in this matter?

Parliamentary Assistant, any comments from the government?

Mr. Mario Sergio: I'd like to compliment Mr. Yakabuski for all the hard work that he has put into bringing forth and assisting his clients in bringing the bill through.

The various ministries that had an interest in the bill have shown no concern with the bill. Therefore, I move approval.

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

Mr. Paul Miller: I was very impressed with the compliment from the Liberal government towards you.

Mr. John Yakabuski: So was I. I owe you, Mario.

Mr. Mario Sergio: I'll do the same thing for you, Mr. Miller.

Mr. Paul Miller: I'll be waiting.

The Chair (Mr. Michael Prue): I think we've had enough debate on this. Are the members ready to vote?

Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 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? Agreed.

Thank you very much.

Mr. John Yakabuski: Thank you very much to all members of the committee. I appreciate that.

Mr. Bill Murdoch: Just put it in the notes that that's the quietest I've ever seen Yakabuski in my life.

**NEW HERMES LIMITED/NEW HERMES
LIMITÉE ACT, 2009**

Consideration of Bill Pr24, An Act to revive a corporation named New Hermes Limited in English and New Hermes Limitée in French.

The Chair (Mr. Michael Prue): That brings us to the second item on the agenda, which is Bill Pr24, An Act to revive a corporation named New Hermes Limited in English and New Hermes Limitée en français. The sponsor is Bas Balkissoon and the applicant I have down is Aron Halpern, legal counsel. Is that correct?

Mr. Aron Halpern: That is correct.

The Chair (Mr. Michael Prue): Mr. Balkissoon, the floor is yours.

Mr. Bas Balkissoon: I'm just here on behalf of my colleague Amrit Mangat, who can't be here this morning, to introduce Mr. Aron Halpern, who's going to go through the application with you.

Mr. Aron Halpern: Thank you, Mr. Balkissoon, for your introduction, and thank you to the members of the committee for your time and consideration of this matter today. As mentioned, my name is Aron Halpern. I'm a lawyer with the law firm of Fraser Milner Casgrain LLP, and we're legal counsel to New Hermes Limited in connection with the matter before the committee today.

The purpose of Bill Pr24 is to revive New Hermes Limited, which is known as New Hermes Limitée in French. The corporation was involuntarily dissolved for failure to meet the director residency requirements imposed under subsection 118(3) of the Ontario Business Corporations Act, which requires that the corporation have a board of directors of four or more directors and that at least 25% of those directors must be resident Canadians. Further, the act requires that where a corporation has less than four directors, as was the case with the corporation at the time of dissolution, then at least one of those directors must be a resident Canadian. At the time of dissolution, the corporation had a single director, and that director was a resident of the United States.

By way of background, the corporation was originally incorporated on August 30, 1962, under the Canada Business Corporations Act, and was continued from federal jurisdiction to Ontario's jurisdiction and became a corporation under Ontario's Business Corporations Act on September 20, 1985. The corporation is a wholly owned subsidiary of Gravograph Inc., a corporation that is located in Duluth, Georgia. The corporation is a leading provider of engraving equipment and software and engraving materials as well as related services and technical support, and the failure by the corporation to meet the director residency requirements came to light when it filed its corporate income tax return in Ontario last year.

As the members of the committee may be aware, a corporation's annual corporate return may be filed when a corporation files its income tax return by simply completing a specific schedule to the tax return. This system is convenient, as it allows a corporation to cut down on the number of separate filings it must make annually in Ontario. However, this process also means that often annual corporate returns are completed by in-house staff for a corporation or by accountants, without the assistance of legal counsel. In this case, in the case of our client, the corporation filed its return; such return did not indicate that there was a resident Canadian director.

Due to this fact, the filing was not accepted by the companies and personal property security branch at the Ministry of Government Services. Our client was not aware of the residency requirements and did not appreciate the nature of the problem, and due to a further breakdown of communication was unable to rectify the situation within the time frame suitable to the companies branch. As a result, the corporation was involuntarily dissolved on February 25 of this year. After the corporation was dissolved, our client approached us for assistance in correcting the situation. The introduction of Bill Pr24 is the only option available when wanting to revive a corporation under these types of circumstances.

Upon revival, Kristin Taylor, a partner of Fraser Milner, will be elected to serve on the corporation's board of directors, and as such, the corporation will meet the residency requirements set out in the act going forward. Our client is eager to have the corporation revived so that it can continue to carry on its business here in Ontario and elsewhere in Canada. Additionally, if we are fortunate enough to have the bill pass during the current session it will be able to meet its obligation to file its tax returns later on this month.

This concludes my submission. Thank you very much.

The Chair (Mr. Michael Prue): Are there any interested parties in the room to speak to this item? Any interested parties? Seeing none, the parliamentary assistant.

Mr. Mario Sergio: On this particular bill, all the ministries—the Attorney General, the Ministry of Government and Consumer Services, the Ministry of Finance, the Ministry of Municipal Affairs and Housing and, as well, the Ministry of Aboriginal Affairs—have shown no concern with the bill.

I compliment the applicant for being here this morning and Mr. Balkissoon for filling in for the sponsor, Ms. Mangat. I know that she has done quite a bit of work on this particular bill. As you know, members are only assisting and facilitating to bring bills forward to this committee. Other than that, they have no responsibility to see if the bill goes through or not, so I want to compliment the members for assisting the applicant in bringing the bill here.

Since we have no concern with the bill as the government ministries, I move approval of the bill.

0910

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

Mr. Paul Miller: Once again, this happens on a regular basis. I don't know if some of these firms don't hire solicitors or the solicitors sometimes go out of business or they don't communicate with the client. There's a breakdown in communication on a regular basis. We get these all the time. I've put forward to the committee that we should address this, that the ministries should put out the rules and any changes to the rules on a regular basis so that the solicitors who work closely with the government and their clients are up on this, because obviously it takes time and money to do this and come here. I'm not pleased with the communication levels between the solicitor, the client and the government. That has to be cleaned up. Other than that, I don't have a problem with this.

The Chair (Mr. Michael Prue): I take it that that was not a question but a statement.

Mr. Paul Miller: That was a statement.

The Chair (Mr. Michael Prue): All right. Any additional statements or questions? Seeing none, are the members ready to vote?

Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 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, item concluded.

SISTERS OF ST. JOSEPH
 OF THE DIOCESE OF LONDON,
 IN ONTARIO ACT (TAX RELIEF), 2009

Consideration of Bill Pr26, An Act respecting The Sisters of St. Joseph of the Diocese of London, in Ontario.

The Chair (Mr. Michael Prue): This brings us to consideration of the last item on the agenda, Bill Pr26, An Act respecting The Sisters of St. Joseph of the Diocese of London, in Ontario. The sponsor is Khalil Ramal, and the applicants I have listed here are: Sister Margo Ritchie of the Sisters of St. Joseph; Mr. Kenneth West, legal counsel; Mr. David Fleet, legal counsel; and Mr. Daniel McNamara, legal counsel. Would that be correct?

Mr. Khalil Ramal: That's correct.

The Chair (Mr. Michael Prue): All right. Mr. Ramal, the floor is yours.

Mr. Khalil Ramal: Thank you for allowing me to be the sponsor of Bill Pr26, An Act respecting The Sisters of St. Joseph of the Diocese of London, in Ontario.

I have with me all the people you mentioned, so I'm not going to repeat the names again. If you have any questions or concerns from both sides of the table, don't hesitate to ask. I would leave the floor to the legal counsel and Sister Margo, if she has any comment.

Sister Margo Ritchie: We're very happy that you're willing to consider this for us. Of course, as an organization, we are a little hesitant—it's not our usual practice to lay out what we do. Our usual practice is to simply do what we do and carry on. But we knew that we were on the right track when we met with the person in charge of taxation at the city of London to begin discussing this matter and his response to us immediately was, "Why are you here?" Really, what we're wanting is to maintain the status quo, which is that we have not been paying property tax on our mother house.

We have a very long history in the city of London. We arrived 140 years ago in 1868. At that time our first work was an orphanage, and also, very soon after, building up the health care system. We have St. Mary's Hospital, St. Joseph's Hospital and Marian Villa, which has recently been handed over, in London; also in the education system.

Part of our spirit as a congregation has been to move into areas where needs are not being met and do something about them. To that end, in the 1970s we began homes for women who were homeless, and also for refugees in the 1980s. In 1985, we also opened a soup kitchen in London, which is still going, unfortunately. Over 300 people go there daily. All of this is done without any government support. In the beginning, when we

began these works, it never occurred to us to get government support; it was just, this is what we do.

I think one of the more compelling reasons for us coming to ask for this exemption has to do with the care of our senior sisters. We have a care centre at our mother house which is, in effect, a long-term-care facility that we operate ourselves with no government support. The annual cost is about \$2 million. So we do not take places in long-term-care centres run by the province or the municipality, and we run this quite independently. That seemed to be a pretty compelling reason for us to come forward to you and say, would you please consider a tax exemption on our property where this centre is?

The other thing about our relationship with the city: I think we have, because of our many years of collaborating—and I think that's the best word to use—with the city, a very good relationship. This, in truth, was a no-brainer to them. We had to go back a second time and ask them for a little rewording. We didn't get the wording quite right—no problem at all. We feel quite confident that the city is pleased with our level of contribution, and we will be continuing to contribute in whatever ways we can to provide for our city. So we ask you to consider this.

The Chair (Mr. Michael Prue): Do any of the other applicants wish to speak to this matter? Is there anyone present in the room who would like to speak to this matter? Seeing none, the parliamentary assistant.

Mr. Mario Sergio: Thank you, Mr. Chair. This particular bill has been in front of our committee for some time. It has been here before. I know the sisters have been very persistent in pursuing their goal in seeing that this indeed would come to a head. I have to compliment the member from London-Fanshawe for sponsoring and assisting the sisters in bringing the bill to this stage.

Both ministries that have an interest in this particular bill, the Ministry of Finance and the Ministry of Municipal Affairs and Housing, have delved into the content of the bill and have shown no opposition or concern with the bill, as it has arrived to this stage. So I move approval.

The Chair (Mr. Michael Prue): Questions from committee members?

Mr. Paul Miller: Another small statement, not really a question: I wish you all the best. You do great work, and we're blessed to have people like you in our communities. I have no problem with this whatsoever.

The Chair (Mr. Michael Prue): If I could use the Chair's prerogative, it was I who raised this in the Legislature. I understand that may have caused some embarrassment, but it was not intended to. It was intended to bring to the fore the problem that you were having and resulted, I guess, in what is happening here today. I am confident—

Mr. Mario Sergio: Is that a mea culpa?

The Chair (Mr. Michael Prue): No, not a mea culpa. I thought it was necessary to bring it forward because I was worried that if it was not resolved, it could bring an end to your organization, which we did not want to see.

Sister Margo Ritchie: Our concern was not that it would bring an end to our organization, but that it would jeopardize our ability to be able to give to groups who share our values. So thank you.

The Chair (Mr. Michael Prue): Having made that statement, does anybody else wish to speak or ask questions? Seeing none, are the members ready to vote?

Shall section 1 carry? Carried.

Shall section 2 carry? Carried.

Shall section 3 carry? Carried.

Shall section 4 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.

Sister Margo Ritchie: Thank you very much.

Mr. Khalil Ramal: Thank you, Mr. Chair, and thank you to all the members for your support. Congratulations.

Sister Margo Ritchie: Thanks.

The Chair (Mr. Michael Prue): That brings us to the conclusion of business for today. Is there any other business from members? Seeing no other business, this meeting is adjourned.

The committee adjourned at 0919.

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