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(Hansard)**

**Wednesday 5 November 2014**

**Journal  
des débats  
(Hansard)**

**Mercredi 5 novembre 2014**

**Standing Committee on  
Regulations and Private Bills**

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

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE  
ON REGULATIONS  
AND PRIVATE BILLS**

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

Wednesday 5 November 2014

Mercredi 5 novembre 2014

*The committee met at 0905 in committee room 1.*

**The Vice-Chair (Mrs. Kathryn McGarry):** Good morning, committee members. The Standing Committee on Regulations and Private Bills will now come to order. We have a total of five private bills to consider this morning, so we'll just get under way.

**LORETTO LADIES' COLLEGES  
AND SCHOOLS ACT, 2014**

Consideration of the following bill:

Bill Pr1, An Act respecting The Loretto Ladies' Colleges and Schools.

**The Vice-Chair (Mrs. Kathryn McGarry):** Mr. Colle is sponsoring this bill. Would Mr. Colle and the applicant please come forward? It's one of our youngest applicants, I think. Would the applicant please introduce himself for the purposes of Hansard.

**Mr. Russell Gibson:** Good morning. My name is Russell Gibson, and I'm here on behalf of the Sisters of Loretto.

Do you want to introduce yourself? Speak into the mike.

**The Vice-Chair (Mrs. Kathryn McGarry):** Just tell me your name.

**Mr. Jack Gibson:** Hi, my name is Jack Gibson.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you for coming today.

Mr. Colle, do you have any comments to start?

**Mr. Mike Colle:** Yes. Good morning, members of the committee and Chair. I'm here in support of Bill Pr1, An Act respecting The Loretto Ladies' Colleges and Schools, a private bill. I totally support this bill.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you, Mr. Colle. Does the applicant have some comments?

**Mr. Russell Gibson:** Just maybe some general comments, if it would be helpful. The Sisters of Loretto are a wonderful religious community of Catholic religious who have operated in Ontario for many, many years. They were established in 1857 by the statute that we're asking for an amendment to, and have operated for many years with this particular statute and carried on their charitable works as a registered charity. The sisters had one amendment to their corporation in 1898 to change the name slightly.

The activities of the Sisters of Loretto have always been carried on in the context of the international reli-

gious community to which they belong. Increasingly, as their numbers decline, they have sisters who come to Canada and they also have mission activities which occur abroad. We're essentially asking that in their statute—the powers of the corporation prescribed by the statute are very narrow. It refers to the sisters having property for their actual use and occupation. Essentially, without going into more detail regarding the materials we provided, the sisters would like to have expanded powers under their statute to bring it up to date, essentially. Thank you.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you. Are there any other interested parties that want to speak to the bill?

Seeing none, are there any comments from the government? Ms. Vernile.

**Ms. Daiene Vernile:** When you say “expanded powers,” what exactly do you mean?

**Mr. Russell Gibson:** The statute says that the sisters can own property for their actual use and occupation. It's not entirely clear, for example—they have a residence just a few blocks from Queen's Park here. The sisters are not the individuals primarily occupying the building. It's used as a residence, essentially, for young women who are attending the University of Toronto, for instance. It's to clarify what is meant by those words relating to the actual use and occupation, and dealing with their lands lying and being situated within the city of Toronto.

It's just my personal professional view that when this statute was created in 1857, they probably contemplated a different reality than exists today, so these words are not as clear as they could be. The sisters want to make sure that they are operating entirely consistently within the four corners of their statutes.

**0910**

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you. Any further comments from government or from committee members? 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? All right. Thank you very much.

Thank you for coming, Mr. Gibson and Mr. Gibson.

Seeing that the sponsor is not here for our second item, Bill Pr3, An Act to revive Bensfort Wood Inc., we're going to just skip that for now and come back to it when the sponsor is here.

#### BRUNO'S ALIGNMENT LIMITED ACT, 2014

Consideration of the following bill:

Bill Pr4, An Act to revive Bruno's Alignment Limited.

**The Vice-Chair (Mrs. Kathryn McGarry):** We'll move on, committee members, to Bill Pr4, An Act to revive Bruno's Alignment Ltd. Would Madame Gélinas and the applicants please come forward?

Would the applicants please introduce themselves for the purposes of Hansard?

**Mr. Brad Pagnutti:** Brad Pagnutti.

**Ms. Janie Pagnutti:** I'm Janie Pagnutti.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you. Good morning.

Does the sponsor, Madame Gélinas, have any comments?

**M<sup>me</sup> France Gélinas:** Absolutely. The applicant made the long road all the way down from Sudbury to be here with us today because they need to revive a corporation.

What happened is that they used to own Bruno's Alignment. After the passing of Mr. Pagnutti, they thought that they had sold the corporation of Bruno's Alignment; unfortunately, the buyer defaulted on their payment, so Bruno's Alignment came back to them. The minutes of the corporation were not kept by the other owners, so now they're stuck with this mess, trying to sell the corporation.

They have a buyer. They have approached the Legislative Assembly, and by passing this bill to revive Bruno's Alignment, they will finally be able to sell the corporations to a legitimate buyer.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you. Does the applicant have some comments?

**Ms. Janie Pagnutti:** I was just going to say that this has been a hardship for my family. As long as this has been prolonged, we've lost a lot of income through this, and I would urge that this be put through as quickly as possible to help me and my family get through this.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you. I appreciate that, and I think we can all appreciate that.

Are there further comments? Are there any interested parties in the room who want to speak to the bill? Seeing none, are there any comments from government? Ms. Vernile.

**Ms. Daiene Vernile:** Janie, would you share with us what happened to the first buyer?

**Ms. Janie Pagnutti:** What happened was that they had come into the agreement with us, but then after about a year, they started defaulting on their payments, and then they just abandoned the business. In the process, the legal side, with the minutes and the lawyers and transfers

of everything, never got completed. So then our name was still on the books as being the owners.

The lawyer that actually was working for the purchasers at that time is no longer a lawyer; he was disbarred.

**Ms. Daiene Vernile:** What a mess.

**Ms. Janie Pagnutti:** It was a real mess. And then my husband passed away.

**Ms. Daiene Vernile:** I'm sorry to hear that.

**Ms. Janie Pagnutti:** Thank you.

**The Vice-Chair (Mrs. Kathryn McGarry):** Any further comment from government? Mrs. Mangat.

**Mrs. Amrit Mangat:** Janie, you said that the lawyer was disbarred, right?

**Ms. Janie Pagnutti:** Yes.

**Mrs. Amrit Mangat:** When the lawyer is disbarred, my understanding is that the law society transfers all the books to another lawyer. Did you approach the law society?

**Ms. Janie Pagnutti:** Yes, we did.

**Mrs. Amrit Mangat:** Okay. Then what happened? Can you share with us?

**Ms. Janie Pagnutti:** From what I understood—and my husband took care of that, so I'm only telling you what I know—we ended up paying to have that third party opinion. They came back and said that there was nothing that we could do.

**Mrs. Amrit Mangat:** Okay. Thank you.

**The Vice-Chair (Mrs. Kathryn McGarry):** Any further comments from government?

**M<sup>me</sup> France Gélinas:** Just to clarify Mrs. Mangat's question: It was the law society that recommended that we go the way of a private member's bill, which is what we're doing right now.

**Mrs. Amrit Mangat:** Thank you so much for sharing that. I was just curious. There is a regulatory body, right? If lawyers are disbarred or they don't do their job properly, they assign their office work to somebody else. I was just curious. I just wanted to know what happened afterward. Thank you for sharing with us.

**Ms. Janie Pagnutti:** We were hoping that would happen, but nothing came out of it.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you. Are there any comments from committee members? Seeing none, are 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. Great.

Thank you for coming. That will pass. Thank you for coming all that way.

#### ART GALLERY OF GUELPH ACT, 2014

Consideration of the following bill:

Bill Pr6, An Act respecting The Macdonald Stewart Community Art Centre.

**The Vice-Chair (Mrs. Kathryn McGarry):** We will move on to Bill Pr6, An Act respecting The Macdonald Stewart Community Art Centre. Mr. Arnott is sponsoring this bill. Would Mr. Arnott and the applicants please come forward? Would the applicants please introduce themselves for the purposes of Hansard?

**Mr. Ted Arnott:** Thank you, Chair. Good morning, members of the committee. We're very pleased to be here today to discuss private Bill Pr6, An Act respecting The Macdonald Stewart Community Art Centre.

I'm very pleased to be joined today by Nicola Melchers of SmithValeriot, a law firm in Guelph, as well as Dawn Owen, the acting director and curator of contemporary art at the Macdonald Stewart Community Art Centre.

I was approached a few months ago by SmithValeriot, actually, to see if I would be willing to introduce this private bill. I was very pleased and honoured to be approached, having had the opportunity to discuss the bill with representatives of the county of Wellington as well as with Liz Sandals, who is the member of provincial parliament for Guelph and currently the Minister of Education. I think Liz would have wanted to introduce the bill, but unfortunately, as a cabinet minister, she's precluded from doing so by the standing orders. Being the representative of Wellington-Halton Hills, the riding next door, I was very pleased to be able to help the applicant facilitate this important process.

I know that Ms. Melchers is going to give a brief overview of the bill. I think all of you will have the information in front of you, but just to put it in some context, I think it would be helpful.

0920

Ms. Melchers, if you could explain the purpose of the bill and why it's being brought forward, we'd appreciate that.

**Ms. Nicola Melchers:** The Macdonald Stewart Community Art Centre was initially incorporated on November 30, 1978. Probably about a year or 18 months ago, the county of Wellington decided that it wanted to remove itself as one of the organization's sponsoring bodies. That necessitated a look at the legislation, the act that it was incorporated under, and we realized that there was no mechanism by which a sponsoring body could remove itself or indeed to add new sponsoring bodies to the organization, so we looked at the possibility of amending the bill. With assistance from Ms. Klein, it was decided instead to apply for a new act.

The purposes of this act are to remove the county of Wellington as a sponsoring body, to change the name of the Macdonald Stewart Community Art Centre to the Art Gallery of Guelph and also to provide flexibility for the organization in the future to add and remove sponsoring bodies and to make bylaws reflecting its day-to-day management and operations.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you. Any further comments?

Seeing none, are there any interested parties in the room who want to speak to this bill?

Seeing none, are there any comments from the government?

Seeing none, are there any comments from committee members?

Seeing none, are there any questions from anybody else?

Are members ready to vote?

Since there are no amendments, is it the will of the committee to vote on sections 1 through 21 as one? Is that okay? All right.

Shall sections 1 through 21 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, and thank you for coming.

**Mr. Ted Arnott:** Thank you, Chair, and thanks to the committee members as well.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you, Mr. Arnott.

#### 1807041 ONTARIO INC. ACT, 2014

Consideration of the following bill:

Bill Pr9, An Act to revive 1807041 Ontario Inc.

**The Vice-Chair (Mrs. Kathryn McGarry):** We will move forward with Bill Pr9, An Act to revive 1807041 Ontario Inc. Mr. Bailey will present the bill, and would the applicants please come forward along with Mr. Bailey?

Would the applicant please introduce himself for the purposes of Hansard?

**Mr. Mark Brown:** Mark Brown.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you.

Mr. Bailey, do you have any comments?

**Mr. Robert Bailey:** I just want to introduce this bill on behalf of Mr. Vic Fedeli, MPP for North Bay. Mr. Brown is here representing the corporation, and he is going to explain the background of why they're making this request for 1807041 Ontario Inc. this morning.

**The Vice-Chair (Mrs. Kathryn McGarry):** Mr. Brown, I understand you have some comments.

**Mr. Mark Brown:** Just to give you the background and the history of this, first of all, Mr. Amyotte, who is the sole shareholder, was unable to attend today, and he apologizes for that.

This corporation was formed in September 2009 for the sole purpose of Mr. Amyotte receiving dividends from his employer. These dividends were going to be held in the corporation, and then he was going to draw them out of the corporation upon his retirement and then take them out of his corporation as a dividend.

Mr. Amyotte came to me approximately two years ago and asked me to prepare all the tax returns, financial statements and so forth that were related to the corporation. He was totally unaware of what his responsibilities were in doing that, so that was taken care of. I presented Mr. Amyotte with his bill.

A short time later he came into my office and indicated he didn't want to maintain the corporation and have to incur those types of costs. He asked if I would proceed and dissolve the corporation. I had a brief discussion with him as to what the implications would be. He seemed to understand at that time what they were. There is definitely a minor language barrier. Mr. Amyotte has a very strong French background and communication can sometimes be difficult. However, I proceeded and the corporation was dissolved in September 2013.

Approximately two to three months later, Mr. Amyotte came back into my office. I assume he had met with his employer and their accountant and advised me that he had made an error in dissolving the corporation, that he wanted to revive it in order to continue to receive his dividends from his employer.

**The Vice-Chair (Mrs. Kathryn McGarry):** Are there any comments from interested parties in the room? Seeing none, are there any comments from government? Ms. Vernile.

**Ms. Daiene Vernile:** By reviving the corporation, does anyone stand to be injured by this?

**Mr. Mark Brown:** No, nobody whatsoever.

**Ms. Daiene Vernile:** Okay.

**The Vice-Chair (Mrs. Kathryn McGarry):** Any further comments from government? Seeing none, any comments from the committee members? Are 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, Mr. Brown, for coming.

#### BENSFORT WOOD INC. ACT, 2014

Consideration of the following bill:

Bill Pr3, An Act to revive Bensfort Wood Inc.

**The Vice-Chair (Mrs. Kathryn McGarry):** Now we will move back to Bill Pr3, and Mr. Bailey will be stepping in to sponsor. Mr. Bailey is there. Would the applicant please come forward and introduce himself for the purposes of Hansard?

**Mr. John McGarrity:** My name is John McGarrity. I'm the lawyer for the applicant, John Campbell.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you.

**Mr. Robert Bailey:** I'm representing Ms. Scott this morning, who has been unavoidably detained, who was originally here to sponsor this bill on behalf of Bensfort Wood, and of course, Mr. McGarrity is representing them. It's my pleasure to introduce him today and to sponsor this bill and let the committee do its work.

**The Vice-Chair (Mrs. Kathryn McGarry):** Does the applicant have some comments?

**Mr. John McGarrity:** Yes. I'll just give you some background. Bensfort Wood Inc. was incorporated on March 3, 1981, and ultimately dissolved on February 11, 1991, for failure to comply with the Corporations Tax Act. The business was created for the purpose of manufacturing and selling lumber and so on. It acquired a parcel of land in South Monaghan, which is in the county of Peterborough, and the business just didn't take off. It largely just sat inactive, so the owners and shareholders discontinued filing tax returns, in large part because there was no activity. Ultimately, as indicated, the corporation was dissolved.

Now we are 30 years or so later and the land that it acquired back in 1981, which was part of the overall operation, sat vacant all these years, and at this stage the plan was to sell the land. On meeting with my clients and reviewing the situation, I indicated to them that the land, because of the dissolution, is now escheated to the crown. So here we are to try to rectify the situation.

The Campbells, on behalf of Bensfort Wood, have filed all necessary tax returns. There were some small amount of taxes that were due; they have all been paid. I believe the Minister of Finance has consented to the revival of the corporation. So, subject to any comments—

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you, Mr. McGarrity. Are there any interested parties in the room who want to speak to the bill? Seeing none, are there any comments from the government side? Ms. Vernile.

**Ms. Daiene Vernile:** I didn't hear a certain word you said. You said the land has "blank" to the crown. What was the word?

**Mr. John McGarrity:** Escheated.

**Ms. Daiene Vernile:** Okay.

**Mr. John McGarrity:** E-S-C-H-E-A-T-E-D. Basically, if a corporation loses its charter and is dissolved, any property that it owns vests with the crown. So when we went to sell the property—it's almost a routine search if you're buying land from a corporation that you would check to see that it's still active. You know if it's been dissolved that any property it has is now vested. The idea would be to revive, and then the property would vest back with the company that can carry on with its potential sale.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you. Are there any further comments? Ms. Mangat.

**Mrs. Amrit Mangat:** I'm just curious. By whom was it escheated? Who escheated the land?

**Mr. John McGarrity:** As a result of a failure to file tax returns, the government cancelled its charter. It's a punishment, so to speak, for not complying in terms of filing tax returns. My client, because it wasn't conducting any business and there was no activity—frankly, to get into all of the background, the corporation had a registered address and my clients had moved, so notices were going out but they weren't aware. They're not receiving the notices, so they're not dealing with them. All this time goes by and they think that because they're not

generating any business activity, they don't necessarily have to file tax returns. That's sort of the background to how that unfolded.

**The Vice-Chair (Mrs. Kathryn McGarry):** Thank you, Ms. Vernile.

**Ms. Daiene Vernile:** And by reviving this company, are they going to pay their back taxes?

**Mr. John McGarrity:** They are paid.

**Ms. Daiene Vernile:** Okay.

**Mr. John McGarrity:** I believe that was a condition to getting here today.

**Ms. Daiene Vernile:** Okay.

**The Vice-Chair (Mrs. Kathryn McGarry):** Mr. Kwinter.

**Mr. Monte Kwinter:** I had the same question. Under 7(b)—this is from the Ministry of Government Services and the corporations tax branch—"There are no objections to this bill other than the Ministry of Finance is seeking that all outstanding tax returns be filed and any taxes, interest and penalties be paid."

**Mr. John McGarrity:** Yes, and that has been done. That's been done. I actually retained, on behalf of my client, a chartered accountant months and months ago

and literally filed 22 years of tax returns. There was a very small sum of money owing and it has been paid.

**The Vice-Chair (Mrs. Kathryn McGarry):** Ms. Mangat.

**Mrs. Amrit Mangat:** It has already been paid?

**Mr. John McGarrity:** It has been paid, yes.

**Mrs. Amrit Mangat:** It has been paid. Okay.

**The Vice-Chair (Mrs. Kathryn McGarry):** Any further questions from the government side? Seeing none, are there any comments from the committee members? Seeing none, are members ready to vote? All right.

For Bill Pr3, An Act to revive Bensfort Wood Inc., 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? Good. Thank you very much, Mr. McGarrity, for coming.

Having no further business here at the regulations and private bills committee, this meeting stands adjourned.

*The committee adjourned at 0934.*

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