

Legislative
Assembly
of Ontario



Assemblée
législative
de l'Ontario

**Official Report
of Debates
(Hansard)**

T-23

**Journal
des débats
(Hansard)**

T-23

**Standing Committee on
Regulations and Private Bills**

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

2nd Session
41st Parliament

Wednesday 13 December 2017

2^e session
41^e législature

Mercredi 13 décembre 2017

Chair: Ted McMeekin
Clerk: Christopher Tyrell

Président : Ted McMeekin
Greffier : Christopher Tyrell

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 416-325-7400.

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 416-325-7400.

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



ISSN 1180-4319

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

CONTENTS

Wednesday 13 December 2017

J. Van Elsen Holdings Limited Act, 2017, Bill Pr76, Mrs. Mangat	T-127
Mr. Lou Rinaldi, MPP	
Mr. John Valvano	
Streetwise Holdings Limited Act, 2017, Bill Pr77, Mr. Rinaldi.....	T-128
Mr. Lou Rinaldi, MPP	
Ms. Natasha Milne	
608524 Ontario Inc. Act, 2017, Bill Pr78, Mr. Crack	T-129
Mr. Grant Crack, MPP	
Mr. Randy Lee	

LEGISLATIVE ASSEMBLY OF ONTARIO

**STANDING COMMITTEE
ON REGULATIONS
AND PRIVATE BILLS**

Wednesday 13 December 2017

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

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

Mercredi 13 décembre 2017

The committee met at 0900 in committee room 1.

The Chair (Mr. Ted McMeekin): Good morning, everybody. The Standing Committee on Regulations and Private Bills will now come to order. There are three private bills on the agenda for consideration this morning.

**J. VAN ELSEN HOLDINGS
LIMITED ACT, 2017**

Consideration of the following bill:

Bill Pr76, An Act to revive J. Van Elsen Holdings Limited.

The Chair (Mr. Ted McMeekin): Amrit is going to present the first one. I don't know if she's here. That's a good start.

Interjection.

The Chair (Mr. Ted McMeekin): Yes. Lou Rinaldi has the second one, so we'll move to that.

Interjection.

The Chair (Mr. Ted McMeekin): Lou, if you'd introduce the representative—

Mr. Lou Rinaldi: Thank you, Chair. Good morning. It's good to be here. I'm here on behalf of MPP Mangat, who is not here. This is to present Bill Pr76, An Act to revive J. Van Elsen Holdings Limited. We invite Mr. John Valvano. Welcome.

The Chair (Mr. Ted McMeekin): Welcome, Mr. Valvano.

Mr. John Valvano: Thank you.

The Chair (Mr. Ted McMeekin): If you could share with us a little bit of the background, that would be helpful.

Mr. John Valvano: Sure. Mr. Van Elsen has been a client of mine for about three years. He is 82 years of age. He has been a client of our firm for a number of years.

The Chair (Mr. Ted McMeekin): You're a lawyer, I assume?

Mr. John Valvano: I'm an accountant.

Each year, when he comes in—he has two holding companies, and being 82 years of age, he wants to simplify his life—he asks, "How can we get rid of some of these companies?" In January we had a meeting, and we said, "We have to plan this out properly. We can't just get rid of companies." We talked about amalgamating the two companies, and I said, "Let's defer this to August 2017"—August/September. It's a September year-end.

Around August, one of my staff came up to me and said, "I've got the articles to dissolve the company." That was the first time I'd ever heard of it, so I asked, "Why are we dissolving this company? We talked about amalgamating it." She paused, and I said, "We don't want to dissolve the company." She said, "Well, I've already done it."

Obviously, this is very serious. We called Mr. Van Elsen in. We researched it ahead of time and realized that this was getting more complicated than we could handle, so we enlisted a law firm of ours in the area to help us. I explained to Mr. Van Elsen that we have to revive the company. He's a very nice man. He said, "Okay, we'll revive the company." I said, "Well, I think you need to understand the severity of it. We made a mistake. We shouldn't have done this. There are times when companies are involuntarily dissolved and we can revive them. In this case, we said to the government, 'We don't want the company anymore.' Now we realize we made a mistake and we need to correct it, so we've enlisted a law firm to help us with this." The company has taxes that have to be paid into corporate tax filings and has assets that weren't distributed.

I then sat down with our staff member and said, "I'm going to ask you a question that you don't know the answer to, but I need to ask: Why did you do it?" She said, "Well, I thought that's what we talked about in January." I said, "We talked about amalgamating, but you would never do something without coming to me, as a partner." Nothing in our firm ever goes out the door without a partner approving it. I then asked her another question: "Was I aware of this?" She said, "No, you weren't aware of it."

We have a very small office, so we always communicate. This is the first time something like this has ever happened in our firm.

Subsequently to that, we've brought everyone together and said that any time there is talk of a dissolution, we can't take the lead. We need to have a law firm take the lead, and partners have to be involved in everything that goes out the door—not just dissolutions, but anything that goes to a client needs to be reviewed by a partner and approved by a partner before release. This was not.

What I'm trying to do, at our cost, is to rectify the situation for my client and revive the company.

The Chair (Mr. Ted McMeekin): Thank you. Is there any other interested party here who wants to make a comment? No? If not, I'll ask if there are any comments from the government. Ms. Vernile?

Ms. Daiene Vernile: Thank you, Chair, and good morning. Thank you for being here this morning. Where does your client live? Where are his businesses situated?

Mr. John Valvano: He lives in Mississauga.

Ms. Daiene Vernile: Mississauga; okay.

Mr. John Valvano: And the corporation held a rental property that he sold during the year.

Ms. Daiene Vernile: So that's the nature of his two companies? They were rental properties?

Mr. John Valvano: Yes.

Ms. Daiene Vernile: Once you revive, are you still going to move toward amalgamating the two companies?

Mr. John Valvano: Yes, that's the plan.

Ms. Daiene Vernile: Okay. Is he in good health?

Mr. John Valvano: Well, he gets into the office well. He's got a good memory. He's a very nice man. He doesn't struggle to get by, but he's 82 years of age.

Ms. Daiene Vernile: Okay. Thank you very much.

The Chair (Mr. Ted McMeekin): Yes? Other comments? Okay. Are we ready for the vote?

Mr. Grant Crack: Yes.

The Chair (Mr. Ted McMeekin): 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, sir.

Mr. John Valvano: Thank you very much.

Ms. Jennifer K. French: It's not the first accidental dissolution.

The Chair (Mr. Ted McMeekin): When you mess up, fess up, right?

Mr. John Valvano: Well it's hard to make it right, and that's what I was trying to do for the client. So thank you very much.

The Chair (Mr. Ted McMeekin): I think it was Bobby Kennedy who said that good judgment is based on experience and experience invariably on bad judgment. Or my mom would say, "Learn from your mistakes."

Mr. John Valvano: Thanks very much.

STREETWISE HOLDINGS LIMITED ACT, 2017

Consideration of the following bill:

Bill Pr77, An Act to revive Streetwise Holdings Limited.

The Chair (Mr. Ted McMeekin): The second bill is being presented by Lou Rinaldi.

Mr. Lou Rinaldi: I don't see the proponent.

The Chair (Mr. Ted McMeekin): There's a surrogate here.

Mr. Lou Rinaldi: Oh, is there? All right. Let's try it again.

I'm presenting Bill Pr77, An Act to revive Streetwise Holdings Limited. I'd like to call a substitute for Sophia, and it's Natasha—I can't remember the last name.

Ms. Natasha Milne: Milne.

Mr. Lou Rinaldi: Natasha Milne.

The Chair (Mr. Ted McMeekin): Welcome, Ms. Milne.

Ms. Natasha Milne: Thank you, and thank you for that introduction. I'm here on behalf of James McBane. He owned Northway Bus Lines, a school bus transportation company, and upon sale of this company in 1993, any remaining assets of Streetwise Holdings Ltd. were to be transferred to a separate corporation called Streetwise Holdings Inc. before Streetwise Holdings Ltd. was dissolved. Due to an error of the applicant's lawyer at the time, Streetwise Holdings Ltd. was voluntarily wound up with three different properties still in its name.

This error went unnoticed until April 24, 2017, when the applicant signed an agreement of purchase and sale for one of these properties and the purchaser's lawyer noticed that the corporation was voluntarily wound up, and so the applicant would like to revive the corporation in order to dispose of the properties still in its name and then will thereafter dissolve the corporation. It was just due to the error of the lawyer at the time that the properties were still kept under the name.

The Chair (Mr. Ted McMeekin): Okay. Anybody else in the audience want to comment? No? Okay.

Are there comments from the government side? Ms. Vernile.

Ms. Daiene Vernile: I just have a quick question. I'm curious: What were the three other properties? What can you tell us about them?

Ms. Natasha Milne: I believe they were for Northway Bus Lines, so they're just vacant properties that are on Government Road in Coniston, Ontario. I believe they were for the business of Northway Bus Lines. I believe they're still vacant. I just have their PIN numbers if you want their PIN numbers—

Ms. Daiene Vernile: No, no, no.

Ms. Natasha Milne: Okay.

Ms. Daiene Vernile: So this was a legal error? I hope, in lieu of this, that they're going to throw in the legal fees at this point. They're not going to charge, you; right?

Ms. Natasha Milne: He has since sought out a new lawyer. I don't think he's going after his old lawyer. I think he just wants to deal with the properties so that they're not left vacant and unused.

0910

Ms. Daiene Vernile: Thank you.

The Chair (Mr. Ted McMeekin): Anyone else?

Mr. Jack MacLaren: So it was a lawyer's error in 1993?

Ms. Natasha Milne: Yes.

Mr. Jack MacLaren: This was vacant land?

Ms. Natasha Milne: Yes.

Mr. Jack MacLaren: Where was the community you say it's near?

Ms. Natasha Milne: Coniston, Ontario.

Mr. Jack MacLaren: Where is that?

Ms. Natasha Milne: I believe it's out—I could Google it, but I believe it's in a northern part of Ontario.

Mr. Mike Colle: That's near Sudbury

Ms. Natasha Milne: It's near Sudbury.

Interjections.

Mr. Jack MacLaren: Somebody obviously continued to pay the property taxes. Was it the owner?

Ms. Natasha Milne: I do not—

Mr. Jack MacLaren: I guess I just wonder how come it has been 24 years, and now they discover there's a problem. I'm sure the municipality wanted their pound of flesh.

Ms. Natasha Milne: I'm not sure. I know they're in the process of submitting the tax returns from 1993 to 2008. The accountants are preparing that because that was requested by the Ministry of Finance. I believe that it was just a closed corporation, and because the assets were transferred to Streetwise Holding Ltd.—all the other assets except for these three properties—I don't know if he continued to pay for these properties because he didn't know that they were not transferred. I cannot speak to that because I don't know for sure.

Mr. Jack MacLaren: All right. It probably doesn't matter for what we're doing today.

Ms. Natasha Milne: Okay. I just assume that he was under the impression that these three properties remained in his possession. I don't know if he was paying for them or what, but they're just technically under the other name.

The Chair (Mr. Ted McMeekin): It would be a bit like going to sell your house, then discovering that somebody has put a lien on your property for some alleged debt. He wants to dispose of the properties, and discovered that technically he doesn't own them.

Mr. Jack MacLaren: Yes, but usually municipalities don't wait 24 years.

The Chair (Mr. Ted McMeekin): No, that's true.

Mr. Jack MacLaren: Anyway, it probably doesn't matter.

The Chair (Mr. Ted McMeekin): Are we ready for the vote? All those in favour of section 1? 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.

Okay, Ms. Milne, it looks like you're okay. Thank you.

Ms. Natasha Milne: Thank you very much.

608524 ONTARIO INC. ACT, 2017

Consideration of the following bill:

Pr78, An Act to revive 608524 Ontario Inc.

The Chair (Mr. Ted McMeekin): The final private bill is Pr78, An Act to revive 608524 Ontario Inc. Mr. Crack.

Mr. Grant Crack: This is my first time sitting at this table. I'm honoured to be able to sponsor this bill, Pr78, An Act to revive 608524 Ontario Inc.

Mr. Chair, there was an issue with a property down in Florida and Mr. Randall—Randy—Lee has requested to come before committee and speak, so I would invite him, or if you would like to—

The Chair (Mr. Ted McMeekin): Mr. Randall—Randy—Blake Lee please come forward.

Mr. Grant Crack: Thank you. I will leave it up to Mr. Lee to explain.

The Chair (Mr. Ted McMeekin): Very good. Welcome, Mr. Lee.

Mr. Randy Lee: Thank you. In 1978, my parents bought a nice little retirement property in Florida for \$42,500. Their financial guy at that time said that they should put it in a corporation for tax reasons. They did that and incorporated it in February 1985. They realized there was no purpose for this—it wasn't worth enough—so they dissolved the corporation in January 2003. At that time, the lawyer handling the file passed away, so they just dissolved the corporation.

My mother wanted to keep the property in the family, so I bought it off her in 2016. At that time, we realized—when we did the deed, the lawyer in Florida said it's held by a dissolved corporation. My mother didn't even know what that meant. We did the research, and, through these people, they helped me figure out how to revive a dissolved corporation. All we're trying to do is revive the corporation, extract the property, get an insured deed and then just dissolve the corporation again.

The Chair (Mr. Ted McMeekin): Okay. Any comments from the government?

Ms. Daiene Vernile: So they bought—

The Chair (Mr. Ted McMeekin): Sorry, I have to ask: Are there people here who want to speak to this important item? Seeing none—okay.

Ms. Daiene Vernile: So they bought the property, you said, for—

Mr. Randy Lee: It was \$42,500.

Ms. Daiene Vernile: What's it worth today?

Mr. Randy Lee: About \$175,000, depending on what Donald Trump does with taxing.

Ms. Daiene Vernile: Don't you wish you had bought it back then too—right?

The Chair (Mr. Ted McMeekin): Yes, foreign property is tricky. Any other questions? We're ready for the vote—

Ms. Jennifer K. French: Sorry, just a question.

The Chair (Mr. Ted McMeekin): Yes, go ahead.

Ms. Jennifer K. French: So the property itself is in Florida, but the corporation obviously is here.

Mr. Randy Lee: Yes.

Ms. Jennifer K. French: So this has nothing to do with anything. There's no American process involved here.

Mr. Randy Lee: No. An American process—just to get the deed. When we did the sale of it, they did the research—

Ms. Jennifer K. French: So I was curious because the deed would be—

Mr. Randy Lee: It said, “Sold by a Charlotte Lee and 608524, a dissolved Ontario corp.” In Florida state law, they can do it; it’s just not an insured deed. They said, “You can’t rent it, you can’t sell it, and you have to keep it until you can get the deed insured.” The lawyers in Florida just said that as soon as you get it revived and extracted from the corporation, then they just reissue the deed.

Ms. Jennifer K. French: I was just curious because I haven’t seen it with an American—

Mr. Randy Lee: It doesn’t do any business. They don’t rent it. They don’t make money off it. My mother has paid all the taxes.

Ms. Jennifer K. French: So it was bad advice to do the incorporation, as it turns out.

Mr. Randy Lee: Yes, at that point.

The Chair (Mr. Ted McMeekin): You would have to pay taxes on transactions like this?

Mr. Randy Lee: There are, yes, and they paid it all. They paid all of it, absolutely.

The Chair (Mr. Ted McMeekin): Okay. Are we ready for the vote?

Mr. Grant Crack: Yes.

The Chair (Mr. Ted McMeekin): I thought you handled your responsibilities in an awesome manner, Mr. Grant Crack.

Mr. Grant Crack: Thank you very much, Chair.

The Chair (Mr. Ted McMeekin): 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? Okay. Carried.

Thank you, sir.

Mr. Randy Lee: Thank you for your time.

The Chair (Mr. Ted McMeekin): Good luck. That appears to complete our business.

Mr. Mike Colle: No, really?

The Chair (Mr. Ted McMeekin): It does. Unless you, Mr. Colle, have some urgency that you want to bring to the—

Mr. Mike Colle: No. I just wanted to wish everybody a merry Christmas. This committee won’t meet again—so merry Christmas, everyone.

The Chair (Mr. Ted McMeekin): Let me echo those remarks as well. Happy Hanukkah, merry Christmas and Kwanza and whatever else. We stand adjourned.

The committee adjourned at 0918.

STANDING COMMITTEE ON REGULATIONS AND PRIVATE BILLS

Chair / Président

Mr. Ted McMeekin (Ancaster–Dundas–Flamborough–Westdale L)

Vice-Chair / Vice-Président

Mr. Lou Rinaldi (Northumberland–Quinte West L)

Mr. Granville Anderson (Durham L)

Mr. James J. Bradley (St. Catharines L)

Mr. Grant Crack (Glengarry–Prescott–Russell L)

Ms. Jennifer K. French (Oshawa ND)

Mr. Jack MacLaren (Carleton–Mississippi Mills IND)

Mr. Ted McMeekin (Ancaster–Dundas–Flamborough–Westdale L)

Mr. Lou Rinaldi (Northumberland–Quinte West L)

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

Ms. Daiene Vernile (Kitchener Centre / Kitchener-Centre L)

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

Mr. Jeff Yurek (Elgin–Middlesex–London PC)

Substitutions / Membres remplaçants

Mr. Mike Colle (Eglinton–Lawrence L)

Clerk / Greffier

Mr. Christopher Tyrell

Staff / Personnel

Ms. Catherine Oh, legislative counsel