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**Standing Committee on
Regulations and Private Bills**

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

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42nd Parliament

Wednesday 6 November 2019

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Mercredi 6 novembre 2019

Chair: Deepak Anand
Clerk: Eric Rennie

Président : Deepak Anand
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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 6 November 2019

Mercredi 6 novembre 2019

The committee met at 0902 in committee room 1.

1191650 ONTARIO LIMITED ACT, 2019

Consideration of the following bill:

Bill Pr18, An Act to revive 1191650 Ontario Limited.

The Chair (Mr. Deepak Anand): Thank you so much for coming. The Standing Committee on Regulations and Private Bills will now come to order.

Before we proceed, I just want to welcome somebody. Today is Take Our Kids to Work Day, so today I officially have an extra staffer: my daughter, Suvidhi Anand, in the room. Welcome to Queen's Park.

Applause.

The Chair (Mr. Deepak Anand): If I can ask to make my day more memorable, if we can have a picture after the meeting.

Mr. Paul Miller: We're going to make it memorable for you.

Laughter.

The Chair (Mr. Deepak Anand): I appreciate it. Thank you. That's what I was telling her. I said, "Do you know what? We've got wonderful people in this room."

Interjection.

The Chair (Mr. Deepak Anand): Yes. Perfect.

There's one private bill on the agenda for consideration today: Bill Pr18, An Act to revive 1191650 Ontario Limited—sponsor, MPP Gila Martow; applicant, Fabio Soccol, solicitor.

At this time, I will ask MPP Martow if she has any comments.

Mrs. Gila Martow: I'm just going to pass the microphone to Fabio Soccol—he's a solicitor—to represent the interests of the company. Basically, it's what most private bills are, which is that a corporation got dissolved prematurely, because they need to reinstate it to—he'll explain the issues. It needs to be reinstated so that they can deal with some legal matters of the corporation. I imagine they'll be dissolving it fairly soon afterward. Thanks.

The Chair (Mr. Deepak Anand): Sir, do you have any comments?

Mr. Fabio Soccol: Yes. Good morning, Mr. Chair. It's Fabio—

The Chair (Mr. Deepak Anand): Please introduce yourself.

Mr. Fabio Soccol: Yes, Fabio Soccol. I'm solicitor-counsel for the applicant, which is the numbered company that's before you here today.

This corporation was dissolved due to failure to file the notice of change back in 2011. What had transpired was that there was a change in ownership that took place in 2010. Essentially, one of the shareholders transferred all of his shares to my client. It was based on a handshake deal. Unfortunately, they didn't go to their lawyers to properly document the transaction at that time. As a result, one partner resigned as officer and director, but it looks like the corporate record was never updated with the ministry.

Now, we searched the ministry records and we did find that there were some letters that were sent out, but the address that they were sent out to was an old address. The company had since moved to a new address, so the parties did not receive actual notice of the notice to dissolve.

If I can take a step back, it's very, very important that the client be permitted to revive this corporation. The reason is that this company carried on business as an environmental remediation contractor. It did some work in Kitchener and it was not paid. As a result, I registered a lien. I was actually counsel back in 1999. We registered a lien on title, and we succeeded in recovering a judgment for the money that's owing.

This lien and this judgment are still valid, and they're still registered on title to this property. The issue we have right now is that, obviously, if the company is dissolved, potentially this creditor can walk away with a clean slate, without paying monies that he properly owes. There was a judgment issued by the Superior Court, and we have a lien that's declared by the court to be valid, but all of that may be completely lost if we're not permitted to revive the corporation. There would be a grave injustice and great prejudice to my client, as he would essentially lose the money that's due and owing to him for this lien, which we won. On the other hand, the defendant debtor would walk away scot-free.

So here we are today. We've brought this application for consideration by this committee, seeking your permission and authorization to revive the company. That's it, in a nutshell.

We've since brought everything into compliance. Everything has been brought into compliance. We've updated the corporate records. We've given our law firm

undertaking to file the form 1. I'm told we can't file it now; we have to wait until the company is formally revived. But the paperwork is all ready to go. I understand from the accountant that all of the returns have been brought up to date and I am advised that the ministry has issued the appropriate letter. So my understanding is that all of the appropriate steps have been taken, all of the proper notifications have been sent. There has been no objection received by my office, and here we are today.

The Chair (Mr. Deepak Anand): Thank you. Are there any other interested parties in attendance?

Mr. Fabio Soccol: I don't believe so. I have not been contacted by anybody.

The Chair (Mr. Deepak Anand): That's fine, sir. There's still a procedural requirement. Thank you.

Any comments from the government side?

Yes, Mr. Miller.

Mr. Paul Miller: Hi, how are you doing? Good morning.

Mr. Fabio Soccol: Good morning.

Mr. Paul Miller: This sounds like a real cloak-and-dagger thing here. I'm a little confused—handshakes and secret deals, and lawyers didn't know what was going on at the time. This is really confusing.

So now, you're going to reinstate the company so that you can clean up the mess that was left before, and then you're going to dissolve the company after that?

Mr. Fabio Soccol: No. We intend to prosecute the enforcement of the lien action. We don't plan to dissolve the company, no. We intend to maintain the company in good standing and we intend to enforce our lien.

Mr. Paul Miller: Is the new owner the guy who was one of handshake guys?

Mr. Fabio Soccol: Yes, he was the same individual. He was an owner originally. It was a 50-50 type of arrangement—

Mr. Paul Miller: I guess they didn't put that on paper either, did they? No? They didn't do that either?

Mr. Fabio Soccol: The only thing that we have on paper, dating back to 2010, is a little handwritten note where one guy resigns, and it's signed.

Mr. Paul Miller: Well, all I can say is, "Wow." Okay.

Mr. Fabio Soccol: This may sound a bit unusual, but in my experience, in this case, if we go back to the time that they did the handshake deal—you will remember that the company had a huge receivable and wasn't getting paid. It was running up legal costs. So they were in a position of—

Mr. Paul Miller: Sounds like nobody wanted to take responsibility.

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Mr. Fabio Soccol: Yes. So my client says, "Look, I'll just take over the company and I'll run with it."

Mr. Paul Miller: Wow. Okay, thank you.

The Chair (Mr. Deepak Anand): Any further comments? MPP Bouma.

Mr. Will Bouma: Thank you, Mr. Chair. Through you, to the applicant: I'm just curious. The information here says that the original owner and sole officer is a Barrington Harris.

Mr. Fabio Soccol: Correct.

Mr. Will Bouma: Do you have any documentation that he holds no other further interests in this judgement at all?

Mr. Fabio Soccol: I do, yes. I've spoken to the individual as well and I've confirmed that—

Mr. Will Bouma: Okay, so he's okay—

Mr. Fabio Soccol: He's aware.

Mr. Will Bouma: And he doesn't feel he's owed any of this \$22,000 either?

Mr. Fabio Soccol: Correct. I've personally spoken to the individual as well.

Mr. Will Bouma: Thank you.

The Chair (Mr. Deepak Anand): Comments from MPP Barrett?

Mr. Toby Barrett: When you were giving the history, you indicated that the corporation came into being July 22, 1996. Now, you made mention of the handshake. That was before that?

Mr. Fabio Soccol: No, the handshake was on April 15, 2010.

Mr. Toby Barrett: So much of business is done with a handshake—partnerships, certainly, in farming. I mean, I personally operate that way, and my family has done for decades. So you mentioning the handshake—was that part of the problem that led to this, why we're here today? Because it was a handshake deal? I mean, I have a different view on a handshake deal, where very large deals are made on handshakes and based on trust and it continues to work to this day. Is the handshake a problem here?

Mr. Fabio Soccol: No, there's no problem whatsoever with the handshake. As I've indicated, I've personally spoken with the original shareholder and he has confirmed to me that that was the handshake deal.

In my experience, there is just this old-school way of doing business with handshakes, and it may not be the contemporary way. My generation would tend to document things more properly, but I still have enough clients that do business in what I refer to as an old-school way which is based on handshake deals.

I'm also led to understand that there used to be a time when millions and millions of dollars in transactions were done on handshake deals, but unfortunately this was before my time.

Mr. Toby Barrett: Well, I understand that, in the international oil industry, billions of dollars continue to be done on trust, without all the lawyers, without all of that.

Mr. Fabio Soccol: There's no dispute here in terms of—that was the deal. There's no dispute. I've spoken to the original shareholder as well, whom I know as well. That's just the way that they did their business.

Mr. Toby Barrett: Certainly. So it may not be relevant for the bit of the problem we have here now.

Mr. Fabio Soccol: No, it's not really relevant. That's just part of the background.

Mr. Toby Barrett: Yeah, okay.

The Chair (Mr. Deepak Anand): Thank you so much. Are there any further comments? MPP West.

Mr. Jamie West: More of a comment than a question: I understand the situation your client is in. There's over

\$92,000 finally coming to them after work that was done a long time ago. The concern that I have is that I have no way of validating or knowing the story of what has happened aside from the facts that are illustrated here. In good faith there was a handshake agreement, but I don't know who the people were. I don't have any documents or testimony from the original CEO or whatever the title was. We were just having a caucus on the side; it's hard to make a judgement on what's the right thing to do without feeling like you have all of the facts.

Mr. Fabio Soccol: So—

Mrs. Gila Martow: I'm going to comment on this, okay?

The Chair (Mr. Deepak Anand): MPP Martow.

Mrs. Gila Martow: Thank you very much, Mr. Chair. I'm just going to comment on it that it's actually a discussion that our caucus has had as well about this committee in general. We all feel that it's a big responsibility for us. I want to explain to Mr. Soccol that it's a big responsibility on us. We have to take everybody's testimony at face value, is basically it. We don't have a process, really, to dig a lot deeper—if the Clerk wants to comment on that, perhaps. I think that maybe it's something that you would want to bring up with your House leader, because I have spoken to my House leader about it, and it's just the process of this committee and the way things are done in Ontario. I'm not sure how it's done in other provinces or on the federal level, but I have a feeling that there are differences, and perhaps there's a better way that we could have a little bit more research done prior to meeting.

This isn't an attack on you coming in. This is a new session. You're the first private bill. For a lot of people here, it's their first time on this committee, because we do move around. I've never sat on this committee, but I sure have presented a lot of private bills, and I'm sorry if in my preamble I suggested—because that's how it's been every single time in the past. It has usually been inheritances where they went ahead and dissolved the parents' or uncle's or whoever's corporation and then found out that there was an asset under that corporation, so they had to reinstate the corporation so that they could sell the asset. Then they were, at the end of the day, making sure that there were no other assets before they re-dissolved the corporation. That has been my experience with a lot of private bills coming to this committee—certainly not 100%, probably, but darned close.

I think that everything seems pretty clear, that they need to reinstate the corporation. Originally it was two shareholders, two partners 50-50, and now, based on a handshake, they agreed—they were in debt, the company wasn't very profitable at that time, and one got fed up and said, "Here. If you want to keep running with this company and this business, I'll give you my half. I don't want to go further in debt or sink more investment of my savings into it." So the other guy ran with it, apparently did somewhat better, unfortunately didn't get paid, and now Mr. Soccol is trying to collect on that debt and is unable to because I guess the corporation papers weren't kept up to date.

Maybe if Mr. Soccol has anything to add, but I'll leave that up to the Chair.

Mr. Fabio Soccol: I've done all of my due diligence necessary to bring the corporate papers up to date. I have the form 1 ready to be filed, and subject to the revival of the company I will file the form 1.

The handshake deal is really irrelevant to who the shareholders are. The point is that the company was cancelled, but now we're solicitors of record trying to collect on this debt. There's no dispute regarding the handshake deal. I've phoned Mr. Harris; I've spoken to him personally. I can indicate to the Chair that he has confirmed to me that that was the case, so I did my due diligence and I've organized and updated the company accordingly. I've given my solicitor's undertaking to the committee to file the form 1—which is the real crux of the issue, just filing the form 1—to bring the ministry records up to date. I've given my solicitor's undertaking to do that.

The Chair (Mr. Deepak Anand): I see a comment from MPP Miller.

Mr. Paul Miller: Yes, just a closing comment. Thank you, Gila, for your submission. As you know, when we sit on this committee we're basically in the dark when somebody comes in. I think in most cases we make a judgment call. It's no reflection on you, because you're doing your job as a solicitor, but there just isn't enough information to make me feel comfortable about this. I agree with Gila that there should be a way to look at the process where we can feel more comfortable with our decisions and ongoing procedures. Certainly we will bring it up to our House leader, but right at this point I'm not too comfortable.

The Chair (Mr. Deepak Anand): Any other comments? Having said that, there are no more comments. Are the members ready to vote?

On Bill Pr18, An Act to revive 1191650 Ontario Limited: Shall section 1 carry? All in favour? All those opposed? Carried.

Shall section 2 carry? All in favour? Carried.

Shall section 3 carry? Carried.

Mr. Paul Miller: We'll just abstain on the rest.

The Chair (Mr. Deepak Anand): Okay.

Shall the preamble carry? Carried.

Shall the title carry? Carried.

Shall the bill carry? Carried.

At this time, shall I report the bill to the House? Carried.

Thank you very much. Since there's no other business, the committee stands adjourned. Thank you so much.

COMMITTEE BUSINESS

Mr. Jamie West: Chair.

The Chair (Mr. Deepak Anand): Yes?

Mr. Jamie West: I had a question. We had previous business before about a poet laureate for Ontario. How do we bring that back to the agenda?

The Chair (Mr. Deepak Anand): Can you say that again? My apologies.

Mr. Jamie West: One of the first times we sat—it might have been the first time after we had our first committee meeting about the function of the committee. One

of the earliest meetings we had was about a private member's bill to determine a poet laureate for Ontario. We had moved forward. It seemed like we were basically in agreement, but were unsure how to proceed because we were new as a committee.

Mrs. Gila Martow: I think that's the House leaders.

Mr. Jamie West: How do we determine to get that back on the agenda?

The Chair (Mr. Deepak Anand): Give me one second—

Mrs. Gila Martow: Your House leader has to talk to the government House leader.

Mr. Paul Miller: Jamie, let him finish with this.

Mr. Jamie West: Oh, I'm sorry. I thought he was adjourning the whole meeting.

The Chair (Mr. Deepak Anand): We are still in session, so I will appreciate members coming back.

As to the comment from MPP West, the bill is still being considered, so it is for subcommittee members to come forward and form a subcommittee meeting to have a discussion on this. So we can handle that.

Mrs. Gila Martow: So who is on the subcommittee?

Mr. Jamie West: Through the Chair or through the Clerk or—

The Clerk of the Committee (Mr. Eric Rennie): It would be up to the subcommittee to potentially request a meeting through the Chair. You can contact my office as the Clerk, as well. The subcommittee could meet to discuss the bill and then potentially make a recommendation to the full committee through a subcommittee report.

I did hear, "Who are the current subcommittee members?" The subcommittee members are Mr. Smith, Peterborough-Kawartha, and Mr. West from the NDP, and the Chair as Chair. So historically, for a private member's public bill, it's a request through the subcommittee.

Mr. Jamie West: Okay.

Mrs. Gila Martow: And Mr. Clerk, if I could just ask? On other committees, the subcommittee can meet by conference call. Does this subcommittee have to meet in person, or can they do a conference call to discuss the agenda?

The Clerk of the Committee (Mr. Eric Rennie): Sure. The subcommittee can meet in person or by conference call, as long as the members of the subcommittee are comfortable meeting by conference call.

Mrs. Gila Martow: Okay.

The Chair (Mr. Deepak Anand): Perfect. There's no other business, so we'll adjourn the meeting.

The committee adjourned at 0923.

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