#### **INDEX**

References given are to page numbers.

### **ACQUISITIONS**, see also PUBLIC COMPANIES

- agreement structure, 447
- arrangement or amalgamation of public companies, 547
- asset purchase agreement, 444
- asset purchase agreement (example), 478
- basic sale terms, 448
- checklist for asset and purchase share agreements, 473
- conditions, 449
- consents and approvals required in asset purchase, 462
- consents and approvals required in share purchase, 466
- conveyancing documents, 451
- disclosure schedules, 450
- early warning system, 549
- exclusivity agreement, 453
- foreign companies, 467
- general/boilerplate provisions, 450
- hostile acquisitions, 548
- indemnities, 450
- negotiated acquisitions, 547
- non-disclosure (confidentiality) agreement, 453
- other considerations, 469
- pre-closing covenants, 449

- price, 453
- private company acquisitions,
- protection of minority shareholders, 550
- public company acquisitions, 545
- representations and warranties, 448
- risk, 460
- share purchase agreement, 445
- share purchase agreement (example), 505
- takeover bid, 545
- tax issues, 455
- term sheet, 452
- valuation, 459

#### **AMALGAMATION**, see also CHANGES IN CORPORATE STRUCTURE

- articles of amalgamation, 412
- articles of amalgamation (example), 428
- generally, 403
- horizontal short form amalgamation, 407
- long form amalgamation, 411
- short form amalgamation, 408
- statement of director (example), 433

#### AMALGAMATION (cont'd)

- vertical short form amalgamation, 406
- wholly owned subsidiary, 405

#### AMENDMENTS, see also CHANGES IN CORPORATE STRUCTURE

- articles of amendment (example), 425
- generally, 400

#### ANNUAL MEETINGS

- consent of shareholders to exemption from audit (example), 397
- generally, 378
- minutes of meeting of board of directors (example), 392
- minutes of meeting of shareholders (example), 394

# **ARRANGEMENT AND REORGANIZATION**, 416, *see also* CHANGES IN CORPORATE STRUCTURE

### ARTICLES OF INCORPORATION

- common shares (example), 192
- checklist (federal), 165
- checklist (Ontario), 156
- federal, 164
- minute books and, 298
- multiple classes of shares (example), 180
- Ontario, 154

#### ASSET PURCHASE AGREEMENT, see ACQUISITIONS

#### AUDITORS, 383

**BONDS**, 290, see also FINANCING

#### **BUSINESS IN ONTARIO. 8**

#### BUSINESS NAME REGISTRATION, see also SOLE PROPRIETORSHIPS

- authorized service providers, 23
- Business Names Act (general regulation), 45
- Business Names Act (statute), 29
- Business Names Act, under, 17
- by email or mail, 24
- Certificate of Registration and other documents, 25
- Ontario Business Registry, 22
- other issues, 26
- restrictions on business name,

### BUSINESS ORGANIZATION, FORMS OF

- business trusts, 87
- co-ownership, 87
- franchises, 85
- general partnerships, see GENERAL PARTNERSHIPS
- joint ventures, 84
- licence, 86
- limited liability partnerships, see LIMITED LIABILITY PARTNERSHIPS
- limited partnerships, *see* LIMITED PARTNERSHIPS
- not-for-profit organizations, 87

BUSINESS TRUSTS, 87, see also BUSINESS ORGANIZATION, FORMS OF

### **BY-LAWS**, see also MINUTE BOOKS

- example, 309, 329
- generally, 299

#### CANADA BUSINESS CORPORATIONS ACT

- finding, 4
- generally, 6

### CHANGES IN CORPORATE STRUCTURE

- amalgamation, see AMALGAMATION
- amendments, *see* AMENDMENTS
- arrangement and reorganization, see ARRANGEMENT AND REORGANIZATION
- continuance, *see* CONTINUANCE
- dissolution and winding up, see DISSOLUTION AND WINDING UP
- generally, 400
- sale of business, *see* SALE OF BUSINESS

#### CLIENTS, 9

CONTINUANCE, 414, see also CHANGES IN CORPORATE STRUCTURE

**CO-OWNERSHIP**, 87, see also BUSINESS ORGANIZATION, FORMS OF

#### CORPORATE BANK ACCOUNT, 372

#### **CORPORATE LAW**

- generally, 2, 114
- need for, 7

**CORPORATE NAME**, 122, see also CORPORATIONS

#### **CORPORATE PLAYERS**

- directors, see DIRECTORS
- generally, 196
- officers, see OFFICERS
- shareholders, see SHAREHOLDERS

#### **CORPORATE TAX**

- generally, 376
- T2 corporation income tax return, 377

#### **CORPORATIONS**

- advantages of incorporation,
   121
- Business Corporations Act, 114
- corporate law generally, 114
- corporate name, 122
- disadvantages of incorporation, 121
- extra-provincial corporations,
   135
- federal corporations, 127
- incorporation questionnaire, 139
- non-offering corporations, 130
- not-for profit corporations, 137
- numbered company, 125
- offering corporations, 130
- private corporations, 130
- professional corporations, 132

#### CORPORATIONS (cont'd)

- provincial corporations, 127
- separate legal entity, 115

#### CORPORATIONS CANADA,

143, 577, see also DUE DILIGENCE; INCORPORATION PROCESS — FEDERAL

### CORPORATIONS INFORMATION ACT

- annual return, 376
- initial return, 373

### **DERIVATIVE ACTIONS**, see also SHAREHOLDERS

- compared to oppression remedy, 259
- generally, 254

#### **DIRECTORS**, see also CORPORATE PLAYERS; MINUTE BOOKS

- change in directors, 353
- conflicts of interest, 215
- diversity, 230
- duties and liability, 203
- indoor management rule, 223
- insider liability, 229
- letter of consent (example), 368
- letter of resignation (example), 367
- resolutions regarding resignation of director (example), 366
- role and powers, 197

#### DISSOLUTION AND WINDING

**UP**, see also CHANGES IN CORPORATE STRUCTURE

- articles of dissolution (example), 434
- cancellation by Director of *BCA*, 423
- generally, 417
- voluntary dissolution, 421
- voluntary winding up, 417
- winding up by court order, 418

### **DIVERSITY**, 230, see also DIRECTORS; OFFICERS

#### **DUE DILIGENCE**

- acquisition transaction, 557
- Bank Act security (example), 600
- bankruptcy and insolvency records search (*BIA*) (example), 599
- business due diligence checklist, 560
- Certificate of Incorporation (example), 588
- Certificate of Status (example), 587
- checklist to summarize material agreements, 583
- checklist to summarize real property leases, 585
- corporate profile report,
   Corporations Canada (example),
   602
- corporate searches, 569
- corporation profile report, Ontario Business Registry (example), 589

#### DUE DILIGENCE (cont'd)

- Corporations Canada, 577
- defined, 555
- ecore (Dye & Durham), 574
- ESC Corporate Services Ltd., 575
- legal due diligence checklist, 563
- litigation pre-search report (example), 601
- memorandum, 580
- Ontario Business Registry (ServiceOntario), 576
- Personal Property Security Act (PPSA), 578
- *PPSA* search report (example), 596
- securities transaction, 558
- support, 574
- writs of execution (example), 598

#### ECORE (DYE & DURHAM),

574, *see also* DUE DILIGENCE

**EQUITY FINANCING**, 273, see also FINANCING

## EXTRA-PROVINCIAL CORPORATIONS, 135, see also CORPORATIONS

#### FEDERAL CORPORATIONS,

127, see also CORPORATIONS

#### **FINANCING**

- bonds, 290
- equity financing, 273
- generally, 270

- loans, 271
- securities, 290
- shares, see SHARES

#### **FRANCHISES**, 85, see also BUSINESS ORGANIZATION, FORMS OF

#### GENERAL PARTNERSHIPS,

see also BUSINESS ORGANIZATION, FORMS OF

- advantages, 65, 121
- disadvantages, 65, 121
- dissolution, 72
- generally, 61
- nature of, 61
- other considerations, 84
- partnership agreement checklist,
   70, 105
- Partnerships Act (statute), 89
- relationship between partners and others, 66
- relationship of partners to one another, 70

#### **GROWTH STRATEGIES**

- acquisition of under-priced business, 440
- financial sellers, 441
- generally, 439
- synergy, 440
- tax efficiencies, 441

#### INCORPORATION PROCESS — FEDERAL

- after filing articles of incorporation, 149
- articles of incorporation, generally, 164
- by email or mail, 149

### INCORPORATION PROCESS — FEDERAL (cont'd)

- Certificate of Incorporation, 149
- Corporations Canada (federal), 143
- Form 2, CBCA, 168
- NUANS report, 152
- NUANS search, 149
- online, 147
- other registrations, 170
- trademark report (example), 177

#### INCORPORATION PROCESS — ONTARIO

- after filing articles of incorporation, 146
- articles of incorporation, common shares (example), 192
- articles of incorporation, generally, 154
- articles of incorporation, multiple classes of shares (example), 180
- by email or mail, 145
- Certificate of Incorporation, Ontario Business Registry (example), 194
- NUANS report, 150
- NUANS search, 149
- online, 145
- Ontario Business Registry, 142
- Ontario Corporation Number, 146
- Ontario Reservation Report, NUANS (example), 173

#### INDOOR MANAGEMENT

**RULE**, 223, see also DIRECTORS; OFFICERS

### INSIDER LIABILITY, 229, see also DIRECTORS; OFFICERS

**JOINT VENTURES**, 84, see also BUSINESS ORGANIZATION, FORMS OF

### **LEDGERS**, see also MINUTE BOOKS

- generally, 351
- shareholders' ledger (example), 361, 362

#### LEGAL PROFESSIONALS, 9

LICENCE, 86, see also BUSINESS ORGANIZATION, FORMS OF

#### LIMITED LIABILITY

**PARTNERSHIPS**, see also BUSINESS ORGANIZATION, FORMS OF

- generally, 73
- other considerations, 84
- Partnerships Act (statute), 89

### **LIMITED PARTNERSHIPS**, see also BUSINESS

organization, forms of

- extra-provincial limited partnerships, 81
- filing declaration, 80
- generally, 75
- other considerations, 84

**LOANS**, 271, see also FINANCING

#### **MINUTE BOOKS**

- articles of incorporation, 298
- by-laws, 299
- by-laws (example), 309, 329

#### MINUTE BOOKS (cont'd)

- change in directors, 353
- common share certificate (example), 364
- director's letter of consent (example), 368
- director's letter of resignation (example), 367
- directors' organizational resolutions, 304
- directors' register (example), 355
- ledgers, 351
- minutes and resolutions, generally, 303
- officers' register (example), 356
- preferred share certificate (example), 365
- recent changes to written shareholders' resolutions, 306
- register of individuals with significant control, 346
- register of individuals with significant control (example), 360
- register of ownership interests in land, 344
- register of ownership interests in land (example), 359
- registers, 348
- resolution of directors (example), 331
- resolution of shareholders (example), 336, 339, 341
- share certificates, 352
- share subscription form (example), 363

- share subscriptions, 352
- share transfer register (example), 358
- shareholders' ledger (example),
   361
- shareholders' organizational resolutions, 306
- shareholders' register (example), 357
- shareholders' resolutions regarding resignation of director (example), 366
- special resolution (example),
- statutory requirements, 296, 344

### **MERGERS**, see ACQUISITIONS; PUBLIC COMPANIES

### MINUTES AND PESOLUTIONS

**RESOLUTIONS**, see also MINUTE BOOKS

- directors' organizational resolutions, 304
- generally, 303
- minutes of meeting of board of directors (example), 392
- minutes of meeting of shareholders (example), 394
- resolution of directors (example), 331
- resolution of shareholders (example), 336, 339, 341
- shareholders' organizational resolutions, 306
- shareholders' resolutions regarding resignation of director (example), 366
- special resolution (example), 337

- NEWLY UPGRADED
  AUTOMATED NAME
  SEARCH (NUANS), 149, 150,
  152, see also
  INCORPORATION PROCESS
- NON-OFFERING CORPORATIONS, 130, see also CORPORATIONS
- NOT-FOR-PROFIT ORGANIZATIONS, 87, 137, see also BUSINESS ORGANIZATION, FORMS OF; CORPORATIONS
- **NUMBERED COMPANY**, 125, see also CORPORATIONS
- **OFFERING CORPORATIONS**, 130, see also CORPORATIONS
- **OFFICERS**, see also CORPORATE PLAYERS
- diversity, 230
- duties and liability, 221
- indoor management rule, 223
- insider liability, 229
- roles and responsibilities, 219

#### ONTARIO BUSINESS CORPORATIONS ACT

- finding, 3
- generally, 5, 114
- **OPPRESSION REMEDY**, 245, see also SHAREHOLDERS
- **PARTNERSHIPS**, see also BUSINESS ORGANIZATION, FORMS OF
- general partnerships, see GENERAL PARTNERSHIPS

- limited liability partnerships, see LIMITED LIABILITY PARTNERSHIPS
- limited partnerships, *see* LIMITED PARTNERSHIPS
- partnership agreement checklist,
   105
- Partnerships Act (statute), 89
- PERSONAL PROPERTY SECURITY ACT, 578, see also DUE DILIGENCE
- PRIVATE CORPORATIONS, 130, see also CORPORATIONS
- PROFESSIONAL
  CORPORATIONS, 132, see
  also CORPORATIONS
- PROVINCIAL
  CORPORATIONS, 127, see
  also CORPORATIONS
- **PUBLIC COMPANIES**, see also ACQUISITIONS; SECURITIES LAW
- accredited investor exemption,
   531
- arrangement or amalgamation,
   547
- Canadian Securities Administrators, 520
- capital markets, 522
- continuous disclosure, 535
- crowdfunding exemption, 534
- early warning system, 549
- employee, executive officer, director and consultant exemption, 531
- enforcement, 541

#### PUBLIC COMPANIES (cont'd)

- family, friends and business associates exemption, 532
- fundamental principles of securities regulation in Ontario, 520
- general framework of securities legislation in Ontario, 524
- hostile acquisitions, 548
- mergers and acquisitions, 545
- negotiated acquisitions, 547
- offering memorandum exemption, 533
- Ontario Securities Commission,
   518
- private issuer exemption, 530
- protection of minority shareholders, 550
- securities law, 517
- substantial purchase exemption (minimum investment of \$150,000), 532
- takeover bid, 545
- timely disclosure, 539

### RAISING MONEY, 270, see also FINANCING

### **REGISTERS**, see also MINUTE BOOKS

- directors' register (example), 355
- generally, 348
- officers' register (example), 356
- share transfer register (example), 358
- shareholders' register (example), 357

#### REORGANIZATION, see ARRANGEMENT AND REORGANIZATION

#### **REPORTS**

- reporting letter to accountant, 371
- reporting letter to client, 370, 385

### **RESOLUTIONS**, see MINUTES AND RESOLUTIONS

### **RIGHT OF DISSENT**, 261, see also SHAREHOLDERS

### **SALE OF BUSINESS**, 443, see also ACQUISITIONS; CHANGES IN CORPORATE STRUCTURE

- asset purchase agreement, 444
- generally, 443
- share purchase agreement, 445

### **SECURITIES**, 290, see also FINANCING

### **SECURITIES LAW**, 517, *see also* PUBLIC COMPANIES

- accredited investor exemption, 531
- Canadian Securities Administrators, 520
- capital markets, 522
- continuous disclosure, 535
- crowdfunding exemption, 534
- employee, executive officer, director and consultant exemption, 531
- enforcement, 541
- family, friends and business associates exemption, 532

#### SECURITIES LAW (cont'd)

- fundamental principles of securities regulation in Ontario,
   520
- general framework of securities legislation in Ontario, 524
- offering memorandum exemption, 533
- Ontario Securities Commission, 518
- private issuer exemption, 530
- substantial purchase exemption (minimum investment of \$150,000), 532
- timely disclosure, 539

#### SEPARATE LEGAL ENTITY,

115, see also CORPORATIONS

#### SHARE PURCHASE, see ACQUISITIONS

#### SHAREHOLDER AGREEMENTS

- checklist, 267
- generally, 266

### **SHAREHOLDERS**, see also CORPORATE PLAYERS

- checklist for comprehensive shareholder agreement, 267
- derivative actions, 254
- duties, 237
- general powers, 237
- generally, 236
- insider liability, 229
- liabilities, 237
- oppression remedy, 245

- protection of minority shareholders, 550
- right of dissent, 261
- shareholder agreements, 266
- unanimous shareholder agreement, 241

### **SHARES**, see also FINANCING; MINUTE BOOKS

- additional rights, 285
- common share certificate (example), 364
- common shares, 280
- · dividends, 282
- generally, 274
- lien on shares, 289
- preferred share certificate (example), 365
- preferred shares, 280
- share certificates, 352
- share subscription, 290, 352
- share subscription form (example), 363
- subscription for shares, 290
- types, 279

#### **SOLE PROPRIETORSHIPS**

- advantages, 12, 121
- business name registration, see BUSINESS NAME REGISTRATION
- defined, 12
- disadvantages, 12, 121
- "unlimited, personal liability",

#### UNANIMOUS SHAREHOLDER AGREEMENT, 241, see also SHAREHOLDERS

WINDING UP, see DISSOLUTION AND WINDING UP