

Index

AMALGAMATIONS

See also FUNDAMENTAL CHANGES
Generally, **49:1**
Amalgamation procedure
 long-form amalgamation, **49:5 to 49:9**
 short-form amalgamation, **49:10 to 49:12**
Appraisal right, **49:9**
Post-amalgamation, **49:20 to 49:22**

AMENDMENTS

See also FUNDAMENTAL CHANGES
Amendments restricting issue, transfer or ownership of shares, **47:14**
Articles of amendment generally, **47:3**
Change of corporate name, **47:15**
Changing restrictions on business, **47:13**
Date of certificate of amendment, **47:10**
Other amendments to articles, **47:15**
Procedure, **47:4**
Separate class or series vote, **47:12**

ARRANGEMENTS

See also FUNDAMENTAL CHANGES
Appraisal rights, extension to shareholders, **50:14**
Approval orders
 BCE framework, **50:21**
 burden of proof, **50:22**
 compliance with statutory procedures (prong 1), **50:23**
 demise of the intelligent businessperson test, **50:27**
 fair balancing of rights (prong 3b), **50:26**
 good faith requirement (prong 2), **50:24**
 valid business purpose (prong 3a), **50:25**
Approval thresholds, setting, **50:11**
Counsel for shareholders, appointing, **50:12**
Fairness hearing, notice, **50:15**
Insolvent corporations, **53:1 et seq.**
 generally, **53:51**

ARRANGEMENTS—Cont'd

Insolvent corporations, **53:1 et seq.**
 —Cont'd
 adjunct or stand-alone arrangement, **53:10**
 appeal of approval, **53:51**
 approving plan of arrangement, **53:23**
 challenging plan, **53:46**
 compromise of debt obligations and other creditor claims, **53:13**
 fairness hearing, **53:39**
 interim order, **53:24**
 key elements, **53:2**
 prerequisites, **53:15**
 reorganizations vs arrangements, **53:8**
 section 186, **53:8**
Interim orders, **50:7 to 50:15**
Introduction, **50:1**
Meaning of arrangement, **50:2, 53:14**
Obtaining certificate of arrangement, **50:28**
Prerequisites, **50:5**
 complying with statutory procedures, **50:23**
 inapplicable CBCA requirements, **50:5**
 OBCA corporate applicant, **50:5**
Rights subject to arrangement, **50:6, 53:18**
 debt obligations, **50:3, 53:18**
 other creditors, **53:18**
 shareholder rights, **50:6, 53:18**
 warrants, **50:3, 53:18**
Stakeholder approval
 generally, **50:16**
 fairness opinion, **50:18**
 management information circular, **50:17**
 separate vote tabulation, **50:20**
Stakeholder meetings
 ordering, **50:13**
 procedure, **50:19**
Steps, overview, **50:4**
Voting
 class identification, **50:9**

ARRANGEMENTS—Cont'd

- Voting—Cont'd
 - right, **50:8**
 - separate vote tabulations, **50:10**
- Whose rights can be arranged, **50:3**

AUDITS

See also AUDITS AND MEETINGS OF SHAREHOLDERS

Audit committees

- composition (corporate law), **57:2**
- composition (securities law), **57:3**
 - independence, **57:6**
 - non-venture issuers, **57:4**
 - venture issuers, **57:5**

overview, **57:1**

- powers and duties (corporate law), **57:7**
- powers and duties (securities law), **57:8**

Auditor

- annual audit process, **56:10**
- appointment, **56:5**
- audit report, **56:11**
- audit restatements, **56:12**
- duties and liabilities, **56:4**
- procedural matters, **57:9**
- qualification, corporate law, **56:2**
- qualification, securities law, **56:3**
- remuneration, **56:8**
- resignation, removal and replacement (corporate law), **56:6**
- resignation and replacement (securities law), **56:7**
- shareholder meetings, attendance at, **56:9**

Audit requirement, exemption from, **56:1**

AUDITS AND MEETINGS OF SHAREHOLDERS

Audits, see AUDITS

Extra-provincial corporate licenses and registrations, see EXTRA-PROVINCIAL CORPORATE LICENSES AND REGISTRATIONS

Filings, see FILINGS

Financial statements, **56:1**

OBCA exemptions, see OBCA EXEMPTIONS

Proxy solicitation, see PROXY SOLICITATION

Records, see RECORDS

Registered office, see REGISTERED OFFICE

AUDITS AND MEETINGS OF SHAREHOLDERS—Cont'd

Shareholder meetings, see SHAREHOLDER MEETINGS

BANKRUPTCY AND INSOLVENCY ACT RESTRUCTURING

See RESTRUCTURING COMPANIES UNDER INSOLVENCY LAW

BOARD FUNCTIONS, COMPOSITION AND PROCESS

See also CORPORATE GOVERNANCE

Background, **28:1**

Board composition, **28:8, 92:6**

election, **28:10, 92:3 to 92:5**

number, **28:8**

qualification and disqualification, **28:9**

quorum, **28:13, 92:28**

removal, **28:12**

termination, **28:11**

Board meetings, **28:14, 92:27**

Committees, **28:16**

General board functions, **28:7**

Governance models, **28:2**

implicit OBCA governance model, **28:2**

OBCA governance pillars, **28:3**

summary, **28:4**

non-offering corporations, **28:5**

offering corporations, **28:6**

Officers, **28:17, 92:6**

chair, **28:18**

controller, **28:23**

general, **28:17**

manager, **28:22**

managing director, **28:19**

president, **28:20**

secretary, **28:23**

treasurer, **28:23**

vice-president, **28:21**

Remuneration, **28:15**

BULK SALES, REPEALED ACT

See also MERGERS AND ACQUISITIONS

Act, repeal of, **92:24**

Repeal, **92:24**

BUSINESS CORPORATIONS

Cooperatives, **8:8**

Financial institutions, **8:8**

INDEX

BUSINESS CORPORATIONS—Cont'd

- Incorporation, other Canadian jurisdictions, **8:5**
- Jurisdiction shopping, **8:5**
 - incorporations, other Canadian jurisdictions, **8:5**
- OBCA vs. CBCA, **8:3**
 - technical differences, **8:3**
- Legal characteristics, **8:1**
- Mutual fund corporations, **8:6**
 - LSIF, **8:7**
 - non-LSIF, **8:6**

BUSINESS NAMES REGISTRATION

- Generally, **2:1**
- Civil remedy, **2:4**
- Corporations
 - generally, **2:16, 2:19**
 - new business name registration, **2:17**
 - personal liability for non-compliance, **2:18**
 - use of business name requirements, **2:18**
- Non-compliance, effect of, **2:2**
- Partnerships
 - generally, **2:10, 2:15**
 - firm name amendment, renewal and cancellation, **2:12**
 - firm name registration, **2:11**
 - partnership record, **2:13**
 - registration other than firm name, **2:14**
- Prohibited and restricted names, **2:3**
- Registration of trademarks vs business names, **2:20**
- Sole proprietorship
 - generally, **2:5**
 - amendment, renewal and cancellation, **2:7**
 - corrections, updates and cancellations, **2:9**
 - new business name registration, **2:6**
 - registration and renewal fees, **2:8**

BUSINESS NAMES REGISTRATION, EXTRA-PROVINCIAL

- Alberta, **67:3 et seq.**
- Northwest Territories, **72:21**
- Nova Scotia, **73:14**
- Nunavut, **72:21**
- Prince Edward Island, **75:12**
- Saskatchewan, **77:24**

BUSINESS NAMES REGISTRATION, EXTRA-PROVINCIAL—Cont'd

- Yukon, **78:20**

CANADA CORPORATIONS OPERATING IN

- Alberta, **67:18**
- British Columbia, **68:17**
- Manitoba, **69:16**
- New Brunswick, **70:11**
- Newfoundland and Labrador, **71:11**
- Northwest Territories, **72:18**
- Nova Scotia, **73:11**
- Nunavut, **72:18**
- Prince Edward Island, **75:10**
- Quebec, **76:11**
- Saskatchewan, **77:17**
- Yukon, **78:18**

CANADA NOT-FOR-PROFIT CORPORATIONS

- Corporate law, modernized framework, **12:8**
 - borrowing, **12:14**
 - by-laws, **12:13**
 - directors and officers, **12:11**
 - fundamental changes, **12:15**
 - incorporation, **12:9**
 - membership, rights and remedies, **12:12**
 - ultra vires doctrine, abolition of, **12:10**
- Federal NFP corporations, types of, **12:2**
 - non-soliciting corporations, **12:3**
 - regulation of, **12:6**
 - religious corporations, **12:5**
 - soliciting corporations, **12:4**
 - regulation of, **12:6**
- Introduction, **12:1**
- Problems and solutions with Act, **12:16**
 - closed memberships, **12:28**
 - ex officio directors, **12:29**
 - liability of directors and officers, **12:30**
- Public accountants and audits, **12:7**
- Soliciting and non-soliciting corporations, regulation of, **12:6**
- Special act corporations, **12:31**

CANADA NOT-FOR-PROFIT CORPORATIONS ACT

- Import continuance
 - outline of steps, **13:2**
 - steps, **13:3**

**CANADA NOT-FOR-PROFIT
CORPORATIONS ACT—Cont'd**

Incorporation
outline of steps, **13:1**
steps, **13:3**

**CIVIL LIABILITY OF DIRECTORS
AND OFFICERS**

See also ENFORCEMENT OF
LIABILITIES OF DIRECTORS
AND OFFICERS, LIABILITY
INSURANCE, PROTECTING
DIRECTORS AND OFFICERS
FROM LIABILITY

Generally, **34:1, 34:83**
board committees, **34:6**
definitions
director, **34:4**
officer, **34:5**
incorporation jurisdiction, significance
of, **34:2**
place of business, **34:3**
Corporation, liability to
duty of care, **34:11**
duty of loyalty, **34:9**
duty to disclose conflicting interests,
34:10
improper indemnification, **34:19**
insider trading and tipping, **30:3, 30:13,**
34:12
issuing shares for inadequate non-cash
consideration, **34:14**
non-compliance with OBCA or constating
documents, **34:13**
oppression, **34:21**
payment of dividends by insolvent
corporation, **34:15**
payments to dissenting or oppressed
shareholder by insolvent corpora-
tion, **34:20**
reacquisition of shares by insolvent
corporation, **34:16**
severance payments, incentive benefits
and other benefits, **34:18**
unreasonable commission, **34:17**
Customers, liability to, **34:45**
Employees, liability to
employee use of corporate law reme-
dies, **31:6**
employment standards legislation,
31:14
OBCA/CBCA, **31:6, 31:12**

**CIVIL LIABILITY OF DIRECTORS
AND OFFICERS—Cont'd**

Employees, liability to—Cont'd
pension remittances, **31:41, 34:36**
Franchisees, liability to, **34:46**
Holders of debt obligations, liability to
duty of care: negligent misstatement,
34:35
insider trading, **34:32**
liability for secondary market
disclosure, **34:34**
misleading prospectus, **34:33**
oppression, **34:31**
Involuntary creditors of corporation,
liability to, **34:47**
Shareholders, liability to
assumption of de facto fiduciary duty or
other special duty, **34:29**
duty of care, **34:30**
insider trading, **34:24**
issuing misleading prospectus, **34:26**
issuing misleading take-over bid
circular, **34:27**
liability for secondary market
disclosure, **34:28**
non-compliance with incorporation
statute or constating documents,
34:25
oppression, **34:23**
Suppliers of goods and services, liability
to
construction trust claims, **34:42**
contractual trust funds, **34:41**
oppression, **34:44**
other statutory trust claims, **34:43**
Tax and other governmental authorities,
liability to
corporate law remedies, **34:39**
distribution of property on dissolution
or winding-up, **34:38**
Trustee in bankruptcy or monitor acting
for corporation under CCAA,
liability to
corporate law remedies, **34:49**
payments to shareholders, directors and
top management within 12 months
before bankruptcy, **34:48**
Who can sue, **34:8**

COLLATERAL

See also SECURED TRANSACTIONS
Accounts, **42:19**

INDEX

COLLATERAL—Cont'd

- Chattel paper, **42:20**
 - electronic chattel paper, **42:22**
 - tangible chattel paper, **42:21**
- Equipment, **42:24**
- Insurance
 - property damage and business risk, **42:29**
 - refunds of unearned premiums, **42:30**
- Intellectual property, **42:31**
- Inventory, **42:23**
- Mobile goods
 - motor vehicles, **42:25**
 - vessels, aircraft and rolling stock, **42:26**
- Real property
 - leasehold, **42:28**
 - owned, **42:27**

COMPANIES' CREDITORS ARRANGEMENT ACT RESTRUCTURING

- See RESTRUCTURING COMPANIES
UNDER INSOLVENCY LAW

COMPLIANCE AND RESTRAINING ORDERS

- See also SHAREHOLDER REMEDIES
- Complainant or creditor initiated, **27:10**
- OSC initiated, **27:11**

CONFIDENTIALITY AGREEMENTS

- See: NON-DISCLOSURE AGREEMENTS; STANDSTILL AGREEMENTS

CONTINUANCES

- See also CANADA NOT-FOR-PROFIT
CORPORATIONS ACT,
FUNDAMENTAL CHANGES
- Continuances as co-operative corporation, **48:16**
- Export continuance, **48:11 to 48:16**
- Import continuance, **48:1 to 48:10**

CORPORATE AND SHAREHOLDER TAXATION

- Buy-sell provisions, **11:38**
 - buyout, selecting parties, **11:38**
 - funding with life insurance, **11:39**
 - negotiating specific buyouts, **11:41**
 - vendor funding, **11:40**

CORPORATE AND SHAREHOLDER TAXATION—Cont'd

- Capitalizing corporation, **11:11**
 - thin capitalization, **11:11**
- Dividends, **11:18**
 - capital, **11:20**
 - deemed, **11:23**
 - issued shares, redemption, repurchase, cancellation, **11:26**
 - PUC increases, **11:24**
 - PUC reductions, **11:25**
 - PUC reductions, public corporation, **11:28**
 - winding-up, distribution, **11:27**
- eligible and non-eligible, **11:19**
- share splits, **11:22**
- stock, **11:21**
- Fiscal year, **11:42**
- Incorporation, advantages and disadvantages, **11:3**
 - Canadian Controlled Private Corporation (CCPC)
 - carrying on active business in Canada, **11:4**
 - passive income, **11:6**
 - Canadian subsidiary of non-resident, **11:8**
- Introduction, **11:1**
- Ownership configuration, **11:10**
- Shareholder agreements, **11:32**
 - corporate control, **11:33**
 - de facto control, **11:35**
 - de jure control, **11:34**
- Shareholder benefits, **11:29**
 - other, **11:31**
 - shareholder indebtedness, **11:29**
 - imputed interest, **11:30**
 - principal, **11:29**
- Tax planning, fundamental tools, **11:2**

CORPORATE GOVERNANCE

- Board functions, composition and process, see BOARD FUNCTIONS, COMPOSITION AND PROCESS
- Duties of directors and officers, see DUTIES OF DIRECTORS AND OFFICERS
- Liabilities of directors and officers, see LIABILITIES OF DIRECTORS AND OFFICERS

CORPORATE GOVERNANCE—Cont'd

Ontario Not-for-Profit Corporations Act, 2010, see **ONTARIO NOT-FOR-PROFIT CORPORATIONS ACT**, 2010

CORPORATE LIABILITY

See **CORPORATE PERSONALITY AND LIABILITY**

CORPORATE NAME DISPUTES

See also **NAMES**

Appeal to Court of Appeal, **20:33**

Corporate name regulation, **20:6**

compulsory name change, **20:7**

Director's Regulatory Roles, **20:6**

judicial review of Director's name decision, **20:8**

Elements of a corporate name, **20:5**

Introduction, **20:1**

rationale for minimizing incidence of corporate name confusion, **20:2**

self-selected corporate names, **20:4**

Likelihood of deception, **20:9**

case law summaries, **20:13**

ordering corporation to change name, **20:14**

refusing to order change, **20:15**

likelihood of deception, **20:12**

parallel to trade-mark confusion analysis, **20:11**

statutory framework, **20:9**

synthesis of principles and factors, **20:16**

actual use, **20:17**

class of persons dealing with corporation and objector, **20:29**

degree of similarity, **20:20**

degree of similarity and inherent distinctiveness, **20:19**

distinctiveness, **20:27**

exercise of discretion, **20:31**

family names, **20:24**

identical arbitrary words, **20:25**

identical coined element, with similar or no descriptive elements, **20:23**

identical geographical elements, **20:26**

identical names, **20:21**

identical suggestive names, **20:24**

CORPORATE NAME DISPUTES

—**Cont'd**

Likelihood of deception, **20:9**—**Cont'd**
synthesis of principles and factors,

20:16—**Cont'd**

length of time objector's name or trade-Mark in use, **20:28**

meaning of "deception," **20:18**

other factors, **20:30**

public v. private interests, **20:16**

similar names, **20:22**

CORPORATE PERSONALITY AND LIABILITY

Constitutional jurisdiction, **7:13**

federal authority, **7:15**

provincial authority, **7:14**

Corporate liability, **7:10**

civil liability, **7:10**

contract, **7:10**

tort, corporate vicarious liability, **7:11**

criminal liability, **7:12**

Corporate personality, **7:3**

corporate identity, separate, **7:3**

equitable subordination, **7:5**

insurable interest, **7:4**

veil piercing, **7:6**

jurisprudence, **7:8**

statutory framework, **7:7**

Corporate veil, piercing, **7:6**

jurisprudence, **7:8**

statutory framework, **7:7**

Corporation

ends of the, **7:2**

juridical nature of, **7:1**

personality, **7:3**

Foss v. Harbottle, rule in, **7:9**

Piercing corporate veil, **7:6**

jurisprudence, **7:8**

statutory framework, **7:7**

CORPORATIONS

Business corporations, see **BUSINESS CORPORATIONS**

Constitutional jurisdiction, see **CONSTITUTIONAL JURISDICTION**

Continuance under Canada Not-for-Profit Corporations Act, see **CONTINUANCE UNDER CANADA NOT-**

CORPORATIONS—Cont'd

- FOR-PROFIT CORPORATIONS ACT
- Corporate liability, see CORPORATE LIABILITY
- Corporate personality, see CORPORATE PERSONALITY
- Non-share capital corporations, see NON-SHARE CAPITAL CORPORATIONS
- Not-for-profit corporations, see NOT-FOR-PROFIT CORPORATIONS
- Unlimited liability companies, see UNLIMITED LIABILITY COMPANIES

CORPORATIONS OPERATING EXTRA-PROVINCIAL IN

- Alberta, **67:3**
- Newfoundland and Labrador, **71:3**
- Northwest Territories, **72:3**
- Nova Scotia, **73:3**
- Nunavut, **72:3**
- Prince Edward Island, **75:3**
- Quebec, **76:3**
- Saskatchewan, **77:3**
- Yukon, **78:3**

CREDIT FACILITIES

See also SECURED TRANSACTIONS

- Operating loan
 - currency, **42:3**
 - financial covenants, **42:5**
 - interest, **42:4**
 - negative pledge, **42:6**
 - overview, **42:2**
- Other credit facilities
 - bankers' acceptances and other commercial paper, **42:14**
 - consignments, **42:17**
 - foreign exchange, **42:15**
 - letters of credit and bank guarantees, **42:12**
 - notes, **42:13**
 - swaps, **42:16**
 - tax-assisted debt obligations and government financial assistance programs, **42:18**
- Term loans
 - capex (capital expenditure) facilities, **42:10**
 - collateral, **42:8**

CREDIT FACILITIES—Cont'd

- Term loans—Cont'd
 - equipment leasing, **42:11**
 - financial, positive, and negative covenants, **42:9**
 - overview, **42:7**

CRIMINAL LIABILITY OF DIRECTORS AND OFFICERS

See also ENFORCEMENT OF LIABILITIES OF DIRECTORS AND OFFICERS, PROTECTING DIRECTORS AND OFFICERS FROM LIABILITY

Federal offences

- Bankruptcy and Insolvency Act, **33:3**
- Canadian Environmental Protection Act, **33:4, 1999**
- Competition Act
 - bid-rigging, **33:7**
 - conspiracy/cartels, **33:6**
 - false or misleading advertising, **33:8**
- Corruption of Foreign Public Officials Act, **33:9**

Criminal Code

- aiding, abetting and conspiracy to commit offence, **33:11**
- defective stores, **33:18**
- false prospectus, **33:17**
- falsification of records, **33:16**
- fraud, **33:12**
- insider trading and tipping, **33:15**
- manipulation of public markets, **33:13**
- money laundering, **33:21**
- secret commissions, **33:20**
- wash trading, **33:14**
- whistleblower protection, **33:19**
- federal fiscal statutes, **33:22**
- other federal statutes, **33:24**
- Proceeds of Crime (Money Laundering) and Terrorist Financing Act, **33:23**

Ontario offences

- environmental offences, **33:28**
- Ontario Business Corporations Act, **33:26**
- other corporate and business statutes, **33:30**
- other statutes, **33:31**
- provincial tax offences, **33:29**

**CRIMINAL LIABILITY OF
DIRECTORS AND OFFICERS
—Cont'd**

Ontario offences—Cont'd
Securities Act, **33:27**
Scope and types of offences, **33:1**

DEBT OBLIGATIONS

Banking resolutions, **41:5**
Borrowing, **41:1**
Borrowing powers, exercise of, **41:4**
Collateral security, **41:2**
Guarantees, **41:3**
Perfection, **41:16**
Purchase-money security
consumer goods, **41:15**
equipment
PMSI creation, **41:11**
PMSI perfection, **41:12**
PMSI status, significance of, **41:13**
introduction, **41:10**
inventory, **41:14**
Searches
Bank Act, **41:22**
BIA and CCAA, **41:23**
corporate searches - CBCA, **41:19**
corporate searches - OBCA, **41:18**
Execution Act, **41:24**
introduction, **41:17**
other searches, **41:26**
partnership name search, **41:20**
PPSA searches, **41:21**
real property, **41:25**
Types of
bonds, debentures, notes, **41:7, 41:8**
registered or bearer form, **41:9**
financial institutions, borrowing from,
41:6

DERIVATIVE ACTION

See also SHAREHOLDER REMEDIES
Complainants, **27:2**
Enforcement of civil liabilities of directors and officers, **34:51**
Leave requirements, **27:3**
Nature of statutory remedy, **27:1**
Specific powers of court, **27:4**

**DIRECTORS, LIABILITIES TO
EMPLOYEE**

See LIABILITIES OF DIRECTORS TO
EMPLOYEES

**DISCLOSURE OBLIGATIONS,
REPORTING ISSUER**

Disclosure documents, **62:5**
annual information form, **62:7**
business acquisition reports, **62:10**
certification requirements, **62:11**
financial statements, **62:6**
industry-specific disclosure requirements, **62:15**
information circular, **62:8**
material change reports, **62:9**
material contracts, **62:12**
news releases, **62:9**
NI 51-102, additional requirements,
62:13
rights of security holders, documents
affecting, **62:12**
stock exchange requirements, **62:14**
Disclosure reviews and staff notices,
62:22
Disclosure rules, standards and principles,
62:18
Diversity disclosure, CBCA distributing
corporations, **62:23**
Early warning disclosure, **62:21**
Introduction, **62:1**
Regulatory framework, **62:2**
reporting issuer, definition, **62:3**
securities laws, **62:2**
stock exchange requirements, **62:4**
Reporting obligations for insiders, **62:20**
Secondary market liability, **62:16**
failure to make timely disclosure, **62:16**
forward looking information, **62:17**
misrepresentation, **62:16**
Venture issuers, **62:19**

DISSENT AND APPRAISAL RIGHTS

See also SHAREHOLDERS
Fair value determination, **24:17**
evidentiary burden of proof, **24:19**
interest and costs, **24:25**
judicial approach to share valuation,
24:20
asset-value approach, **24:22**
combination of approaches, **24:24**
earnings approach, **24:23**
market value approach, **24:21**
partial summary judgment, **24:18**
procedural aspects, **24:17**
Introduction, **24:1**

DISSENT AND APPRAISAL RIGHTS

—Cont'd

- Procedure, **24:14**
 - section 185 of OBCA, **24:14**
 - section 188 of OBCA, **24:15**
 - section 189 of OBCA, **24:16**
- Standing to dissent, **24:2**
 - unregistered shareholders, **24:3**
- Triggering events, **24:4**
 - amalgamation and export continuances, **24:5**
 - articles of amendment, **24:4**
 - compelled acquisitions of minority interests, **24:12**
 - compulsory acquisitions, **24:11**
 - going-private transactions, **24:13**
 - remedy for undisclosed unanimous shareholder agreement, **24:9**
 - sale of substantially all of corporation's property, **24:6**
 - statutory arrangements, **24:7**
 - voluntary extensions, **24:8**

DISSOLUTION

- See also FUNDAMENTAL CHANGES
- Forfeiture of corporate property, **52:37**
- Introduction, **52:33**
- Legislative developments, **92:15**
- Liability of shareholders, **52:35**
- Preservation of actions against corporation, **52:38**
- Property undisposed of at dissolution, **52:36**
- Termination of existence of corporations not incorporated by articles or letters patent, **52:39**
- Voluntary dissolution, **52:34**

DIVIDENDS

- Declaration of, **40:24**
- Director liability, **40:28**
- Double solvency tests, application of, **40:19**
- General, **40:18**
- Payment, **40:26**
- Record date, **40:25**
- Reserves, **40:23**
- Right to compel, **40:27**
- Types of
 - cash, **40:20**
 - in specie dividends, **40:22**
 - stock dividends, **40:21**

DUTIES OF DIRECTORS AND OFFICERS

See also CORPORATE GOVERNANCE

- Business judgment rule, **29:3**
 - lower courts, **29:8**
 - Supreme Court of Canada, **29:3**
 - BCE Inc., Re, **29:6**
 - Kerr v. Danier Leather, **29:5**
 - lessons from S.C.C. trilogy, **29:7**
 - People's Departments Stores (1992) Inc., Re, **29:4**
- Contracts in which directors or officers are interested, **29:2**
- Corporate opportunity doctrine, **29:9**
- Duties generally, **29:1**
- Duty of care, **34:11**
- Duty of loyalty, **34:9**
- Duty to disclose conflicting interests, **34:10**
- Insider reporting, **29:10**
 - exemptions, **29:13**
 - insider reports, **29:10**
 - issuer filings, **29:11**
 - mutual funds, **29:12**
 - penalties, **29:14**

EARN-OUTS

See also ESCROWS; NEGOTIATION OF ASSET OR SHARE PURCHASE AGREEMENTS; PRICE ADJUSTMENTS; PURCHASE AGREEMENTS

- Acceleration, **83:36**
- Advantages, **83:27**
- Avoiding characterization as a security, **83:32**
- Background, **83:25**
- Cash payment terms, **83:31**
- Disadvantages, **83:27**
- Earn-out agreements, **83:28**
- Earn-out periods, **83:30**
- Earn-outs vs. reverse earn-outs, **83:26**
- Payment with shares in purchaser, **83:34**
- Performance targets, measurement, **83:29**
- Prepayment or buyout Option, **83:35**
- Purpose, **83:25**
- Restrictive operating covenants, **83:37**
- Security for earn-out payments, **83:33**

ENFORCEMENT OF LIABILITIES OF DIRECTORS AND OFFICERS

- Class actions, **34:55**
- Compliance and restraining orders, **34:53**
- CRA assessments, **34:57**
- Derivative action, **34:51**
- Employment standards branch orders, **34:56**
- Oppression remedy, **34:52**
- OSC initiatives, **34:54**

EQUITY FINANCING

- Debt obligations and trust indentures, see **DEBT OBLIGATIONS**
- Issue and ownership of shares, see **SECURITIES OFFERINGS, REGULATION**
- Secured transactions, see **SECURED TRANSACTIONS**
- Securities transfers, see **SECURITIES TRANSFERS, PLEDGES AND TRANSMISSIONS**

ESCROWS

- See also **EARN-OUTS; NEGOTIATION OF ASSET OR SHARE PURCHASE AGREEMENTS; PRICE ADJUSTMENTS; PURCHASE AGREEMENTS**
- Agent fees, **83:15**
- Amount, **83:17**
- Distributions, **83:23**
- Duration, **83:22**
- Escrow funds, ownership of, **83:19**
- General terms, **83:16**
- Income Tax Act, s. 116, **83:24**
- Investments, **83:21**
- Purposes, **83:14**
- Security interests, **83:20**
- Selection of agent, **83:15**
- Single vs. Separate Accounts, **83:18**

EXCLUSIVITY AGREEMENTS

- See also **LETTERS OF INTENT; NO-SHOPS**
- Content, **80:23**
- Enforceability, **80:25**
- Nature of, **80:21**
- No-shops, nature and purpose of, **80:26**
- Public M&A considerations, **80:24**
- Reporting issuer disclosure obligations, letters of intent, **80:7**

EXCLUSIVITY AGREEMENTS

—Cont'd

- Why sought, purchaser, **80:22**

EXTRA-PROVINCIAL CORPORATE LICENSES AND REGISTRATIONS

See also AUDITS AND MEETINGS OF SHAREHOLDERS

- Business names registration, extra-provincial
 - Alberta, **67:3 et seq.**
 - Northwest Territories, **72:21**
 - Nova Scotia, **73:14**
 - Nunavut, **72:21**
 - Prince Edward Island, **75:12**
 - Saskatchewan, **77:24**
 - Yukon, **78:20**

Canada Corporations operating in

- Alberta, **67:18**
- British Columbia, **68:17**
- Manitoba, **69:16**
- New Brunswick, **70:11**
- Newfoundland and Labrador, **71:11**
- Northwest Territories, **72:18**
- Nova Scotia, **73:11**
- Nunavut, **72:18**
- Prince Edward Island, **75:10**
- Quebec, **76:11**
- Saskatchewan, **77:17**
- Yukon, **78:18**

Corporations operating extra-provincially in

- Alberta, **67:3**
- British Columbia, **68:3, 68:6**
- Newfoundland and Labrador, **71:3**
- Northwest Territories, **72:3**
- Nova Scotia, **73:3**
- Nunavut, **72:3**
- Prince Edward Island, **75:3**
- Quebec, **76:3**
- Saskatchewan, **77:3**
- Yukon, **78:3**

Corporations other than Canada and

- Ontario corporations operating in
 - Alberta, **67:15 et seq., 67:19 et seq.**
 - New Brunswick, **70:12**
 - Newfoundland and Labrador, **71:12**
 - Northwest Territories, **72:19**
 - Nova Scotia, **73:12**
 - Nunavut, **72:19**
 - Ontario, **74:2**

**EXTRA-PROVINCIAL CORPORATE
LICENSES AND REGISTRATIONS
—Cont'd**

Corporations other than Canada and
Ontario corporations operating in
—Cont'd

Prince Edward Island, **75:11**

Quebec, **76:12**

Saskatchewan, **77:18, 77:19**

Yukon, **78:19**

Jurisdiction for regulating extra-
provincial business entities

Alberta, **67:1**

Manitoba, **69:1**

New Brunswick, **70:1**

Newfoundland and Labrador, **71:1**

Northwest Territories, **72:1**

Nova Scotia, **73:1**

Nunavut, **72:1**

Ontario, **74:1**

Prince Edward Island, **75:1**

Quebec, **76:1**

Saskatchewan, **77:1**

Yukon, **78:1**

Limited Liability Companies operating
extra-provincially

British Columbia, **68:18**

Northwest Territories, **72:19**

Nunavut, **72:19**

Ontario, **74:22**

Yukon, **78:19**

Partnerships operating extra-provincially
in

Alberta, **67:21**

Newfoundland and Labrador, **71:14**

Northwest Territories, **72:22**

Nova Scotia, **73:15**

Nunavut, **72:22**

Prince Edward Island, **75:13**

Quebec, **76:21**

Saskatchewan, **77:31**

Yukon, **78:23**

**EXTRA-PROVINCIAL ENTITIES,
REGULATION OF**

Application use of federal corporate
names in the province, **66:7**

Conclusion, **66:8 to 66:9**
future of extra-provincial registrations,
66:9
present status, **66:8**

**EXTRA-PROVINCIAL ENTITIES,
REGULATION OF—Cont'd**

Extra-provincial capacity, provincial and
territorial corporations, **66:2**

Extra-provincial registrations, **66:3**

Federal corporations, registration require-
ments, **62:5 to 66:6**

constitutional dimensions, **66:5**

current exemptions, **66:6**

Introduction, **66:1**

Provincial laws not having extra-
provincial application, **66:4**

**EXTRA-PROVINCIAL
REGISTRATIONS, ALBERTA**

Jurisdiction, **67:1**

Registration in Alberta, BC, MB, SK
corporations, **67:15 to 67:17**

filing annual returns, **67:17**

initial Registration, **67:16**

NWPTA overarching principles, **67:15**

updating information, **67:17**

Registration in Alberta, extra-provincial
corporations, **67:3 to 67:7**

assumed names, **67:6**

corporate names, **67:5**

failing to register, consequences of,
67:4

initial registration, **67:7**

initial registration, attorney, **67:7**

requirement to register, **67:3**

Registration in Alberta, NB, NL, NW, NS,
NU, ON, PE, QC, YK corporations,
67:8 to 67:14

cancellation, **67:14**

initial registration, **67:8**

charter, **67:10**

forms and registration requirements,
67:8

issue and effective date of registrar's
certificate, **67:11**

NUANS report, **67:9**

ongoing maintenance, **67:12**

annual filings, **67:12**

notifiable changes, **67:13**

reinstatement, **67:14**

revocation, **67:14**

suspension, **67:14**

Registration in Alberta, other, **67:18 to
67:29**

business names, **67:20**

**EXTRA-PROVINCIAL
REGISTRATIONS, ALBERTA
—Cont'd**

Registration in Alberta, other, **67:18 to 67:29**—Cont'd
 Canada corporations, **67:18**
 extra-provincial partnerships, **67:21**
 foreign corporations, **67:19**
 limited liability partnerships, **67:26**
 cancellation of LLP registration, **67:28**
 initial registration, **67:26**
 limited liability companies and other extra-provincial entities, **67:29**
 ongoing compliance requirements, **67:27**
 limited partnerships, **67:23**
 initial registration, **67:23**
 limited partnership certificate, **67:24, 67:25**
 amendment, **67:24**
 cancellation, **67:25**
 ordinary partnerships, **67:22**
 registry fees, **67:30**
 Regulatory framework, **67:2**

**EXTRA-PROVINCIAL
REGISTRATIONS, BRITISH
COLUMBIA**

Extra-provincial regulatory framework, overview, **68:2**
 Fees, **68:31**
 Jurisdiction, **68:1**
 Registration, **68:3, 68:6**
 cancellation, extraprovincial company's Registration, **68:10**
 consequences of failing to register, **68:5**
 corporate name, and assumed name, **68:6**
 appointment of attorney, **68:8**
 name to be displayed, **68:7**
 notification of changes, **68:9**
 ongoing maintenance, **68:9**
 key definitions, BCBCA, **68:3**
 reinstatement, extraprovincial company's registration, **68:10**
 requirement to register, carrying on business in BC, **68:4**
 scope of legislation, BCBCA, **68:3**

**EXTRA-PROVINCIAL
REGISTRATIONS, BRITISH
COLUMBIA—Cont'd**

Registration, AB, MB and SK Corporations, **68:14**
 filing annual returns, **68:16**
 initial registration, **68:15**
 NWTPA overarching principles, **68:14**
 updating information, **68:16**
 Registration, CBCA Corporations, **68:17**
 Registration, extraprovincial partnerships, **68:25**
 general partnerships, **68:26**
 limited liability partnership, **68:28**
 cancellation of LLP registration, **68:30**
 initial registration, **68:28**
 ongoing compliance requirements, **68:29**
 limited partnerships, **68:27**
 Registration, LLCs, **68:18**
 Registration, NB, NL, NT, NS, NU, ON, PE, QC and YK corporations, **68:12**
 annual Reports, **68:12**
 amalgamation, **68:13**
 Registration, NB, NL, NT, NS, NU, ON, PE, QC and YK extraprovincial companies, **68:11**
 procedure for registering, **68:11**
 Registration, non-Canadian entities, **68:18**
 Registration, non-share corporations, **68:19**
 annual report, **68:22**
 applicable legislation, **68:19**
 appointment of attorney, **68:21**
 cancellation of registration, **68:23**
 key definitions, Society Act, **68:19**
 notification of changes, **68:22**
 registration, **68:20**
 Registration, proprietorship business names, **68:24**

**EXTRA-PROVINCIAL
REGISTRATIONS, MANITOBA**

Extra-provincial registration fees, **69:26**
 Extra-provincial regulatory framework, Manitoba, overview, **69:2**
 Jurisdiction, **69:1**
 Other registrations, **69:16 to 69:26**
 federal Corporations, **69:16**
 LLCs, **69:17**

**EXTRA-PROVINCIAL
REGISTRATIONS, MANITOBA
—Cont'd**

- Other registrations, **69:16 to 69:26**
 - Cont'd
 - non-Canadian entities, **69:17**
 - partnerships, extra-provincial registration, **69:20**
 - limited liability partnerships, initial registration, **69:23**
 - cancellation, limited liability partnership registration, **69:25**
 - ongoing compliance requirements, **69:24**
 - limited partnerships, **69:22**
 - ordinary partnerships, **69:21**
 - proprietorship business names, **69:18**
 - regulation, business names, **69:19**
 - regulation, partnership names, **69:19**
- Registration, AB, BC and SK business corporations in Manitoba, **69:13 to 69:15**
 - exemption, filing annual returns, **69:15**
 - initial registration, **69:14**
 - NWTPA overarching principles, **69:13**
 - updating information, **69:15**
- Registration, extra-provincial bodies corporate, **69:3 to 69:7**
 - consequences of failing to register, **69:4**
 - corporate names, **69:5**
 - real property, **69:7**
 - requirement to register if carrying on business in Manitoba, **69:3**
 - service of process, **69:6**
- Registration, extra-provincial bodies corporate other than AB, BC or SK business corporations, **69:8 to 69:12**
 - annual Returns, **69:10**
 - cancellation of rights, **69:12**
 - corporate changes, **69:11**
 - power of attorney, appointment of, Manitoba resident, **69:9**
 - registration requirements, **69:8**
 - restoration of registration, **69:12**

**EXTRA-PROVINCIAL
REGISTRATIONS, NEW
BRUNSWICK**

- Extra-provincial regulatory framework, overview, **70:2**

**EXTRA-PROVINCIAL
REGISTRATIONS, NEW
BRUNSWICK—Cont'd**

- Jurisdiction, **70:1**
- Other registrations, **70:11 to 70:19**
 - extra-provincial registration, federal corporations, **70:11**
 - extra-provincial registration, partnerships, **70:15**
 - limited liability partnerships, **70:18**
 - limited partnerships, **70:17**
 - ordinary partnerships, **70:16**
 - partnership names, **70:14**
 - registration, LLCs, **70:12**
 - registration, non-Canadian entities, **70:12**
 - registration, proprietorship business names, **70:13**
 - regulation of business names, **70:14**
- Registration fees, **70:19**
- Registration of extra-provincial corporations, **70:3 to 70:10**
 - cancellation of registration and reinstatement, **70:10**
 - consequences of failing to register, **70:4**
 - corporate names, **70:5**
 - ongoing maintenance, **70:8**
 - annual returns, **70:8**
 - corporate changes, **70:9**
 - registration, **70:6**
 - attorney for service, **70:7**
 - initial registration requirements, **70:6**
 - requirement to register if carrying on business in New Brunswick, **70:3**

**EXTRA-PROVINCIAL
REGISTRATIONS,
NEWFOUNDLAND AND
LABRADOR**

- Extra-Provincial regulatory framework, overview, **71:2**
- Jurisdiction, **71:1**
- Other registrations, **71:11 to 71:20**
 - business names, registration of, **71:13**
 - federal companies, extra-provincial, **71:11**
 - LLCs, extra-provincial, **71:12**
 - other non-Canadian entities, extra-provincial registration, **71:12**

**EXTRA-PROVINCIAL
REGISTRATIONS,
NEWFOUNDLAND AND
LABRADOR—Cont'd**

Other registrations, **71:11 to 71:20**

—Cont'd

partnerships, extra-provincial, **71:14**

limited liability partnerships, **71:17**

cancellation of registration, **71:19**

initial registration, **71:17**

ongoing compliance requirements,
71:18

limited partnerships, **71:16**

ordinary partnerships, **71:15**

Registration, extra-provincial companies,
71:3 to 71:10

cancellation, registration, **71:10**

corporate names, **71:5**

failing to register, consequences, **71:4**

ongoing maintenance, **71:8**

annual returns, **71:8**

corporate changes, **71:9**

registration, **71:6**

initial registration requirements, **71:6**

power of attorney, **71:7**

requirement to register if carrying on
business in Newfoundland and
Labrador, **71:3**

revival, registration, **71:10**

Registration fees, **71:20**

**EXTRA-PROVINCIAL
REGISTRATIONS, NOVA SCOTIA**

Fees, **73:21**

Framework, **73:2**

Jurisdiction, **73:1**

Registration, corporations, **73:3**

corporate names, **73:5**

failing to register, consequences, **73:4**

registration, **73:6**

annual statement, **73:8**

cancellation or registration, **73:10**

corporate changes, **73:9**

initial registration requirements, **73:6**

recognized agent, **73:7**

requirement to register, **73:3**

Registration, dominion corporations,
73:11

Registration, limited liability companies,
73:13

**EXTRA-PROVINCIAL
REGISTRATIONS, NOVA SCOTIA
—Cont'd**

Registration, other foreign corporations,
73:12

Registration, other non-Canadian entities,
73:13

Registration, partnerships, **73:15**

limited liability partnerships, **73:18**

cancellation, **73:20**

initial registration, **73:18**

ongoing compliance requirements,
73:19

limited partnerships, **73:17**

ordinary partnerships, **73:16**

**EXTRA-PROVINCIAL
REGISTRATIONS, ONTARIO**

Business Names Act, **74:21 to 74:22**

application to non-Ontario corpora-
tions, **74:21**

limited liability companies, **74:22**

Corporations Information Act, **74:3 to
74:10**

administration, **74:9**

annual return, **74:5**

enforcement and restriction on ability
to sue in Ontario, **74:10**

exemptions to filing requirements,
73:A3

filing requirements, **74:3**

initial return, **74:4**

notice of change, **74:6**

notices and access to corporate infor-
mation, **74:7**

public access, **74:9**

special filings, **74:8**

verification of returns, **74:7**

Extra-Provincial Corporations Act, **74:11
to 73:A20**

amended licence, **74:16**

application for licence, **74:16**

foreign corporation interests in land,
74:20

inability of foreign corporation to
maintain an action, **74:19**

licence requirement, **74:13**

agent for service, **74:17**

carrying on business in Ontario,
74:14

exemptions, **74:15**

EXTRA-PROVINCIAL REGISTRATIONS, ONTARIO
—Cont'd
 Extra-Provincial Corporations Act, **74:11**
 to **73:A20**—Cont'd
 name requirements, **74:12**
 overview, **74:11**
 penalty, non-compliance, **74:18**
 termination of licence, **74:16**
 Jurisdiction, **74:1**
 Registration Fees, **74:23**
 Regulatory framework, overview of, **74:2**

EXTRA-PROVINCIAL REGISTRATIONS, PRINCE EDWARD ISLAND
 Business names, registration, **75:12**
 Cancellation, **75:9**
 Fees, **75:22**
 Jurisdiction, **75:1**
 Ongoing maintenance, **75:7**
 annual renewal, **75:7**
 corporate changes, **75:8**
 Overview of framework, **75:2**
 Registration, Canada corporations, **75:10**
 Registration, extra-provincial corporations, **75:3**
 corporate names, **75:5**
 failing to register, consequences, **75:4**
 initial registration requirements, **75:6**
 Registration, limited liability companies, **75:11**
 Registration, other extra-provincial corporations, **75:11**
 Registration, partnerships, **75:13**
 general partnerships, **75:14**
 LLPs, **75:21**
 LPs, **75:15**
 cancellation, **75:19**
 conflict of laws, **75:20**
 failing to file, consequences, **75:16**
 initial filing of declaration, **75:17**
 ongoing compliance requirements, **75:18**
 when filing is required, **75:15**
 Reinstatement, **75:9**

EXTRA-PROVINCIAL REGISTRATIONS, QUEBEC
 Jurisdiction, **76:1**
 Overview, **76:2**

EXTRA-PROVINCIAL REGISTRATIONS, QUEBEC
—Cont'd
 Registration, extra-provincial corporations, **76:3**
 failing to register, consequences, **76:4**
 name requirements, **76:5**
 registration, **76:6**
 annual registration fee, **76:8**
 annual updating declaration, **76:8**
 attorney for service, **76:7**
 changes, **76:9**
 initial registration declaration, **76:6**
 requirement to register, **76:3**
 Registration, federal corporations, **76:11**
 Registration, other extra-provincial corporations, **76:12**
 Registration, partnerships, **76:21**
 failing to register, consequences, **76:22**
 name requirements, **76:23**
 registration, **76:24**
 annual registration fee, **76:26**
 annual updating declaration, **76:26**
 attorney for service, **76:25**
 cancellation of registration and revocation, **76:28**
 changes, **76:27**
 initial registration declaration, **76:24**
 requirement to register, **76:21**
 Registration, sole proprietorships, **76:13**
 failing to register, consequences, **76:14**
 name requirements, **76:15**
 registration, **76:16**
 annual registration fee, **76:18**
 annual updating declaration, **76:18**
 attorney for service, **76:17**
 cancellation of registration and revocation, **76:20**
 changes, **76:19**
 requirement to register, **76:13**

EXTRAPROVINCIAL REGISTRATIONS, SASKATCHEWAN
 Fees, **77:44**
 Jurisdiction, **77:1**
 Overview of framework, **77:2**
 Registration, extraprovincial corporations, **77:3**
 Alberta, British Columbia, Manitoba, Quebec and Canada business

**EXTRAPROVINCIAL
REGISTRATIONS,
SASKATCHEWAN—Cont'd**

- Registration, extraprovincial corporations, **77:3**—Cont'd
 - corporations, **77:14**
 - annual returns, exemption from filing, **77:16**
 - initial registration, **77:15**
 - overarching principles, NWTPA, **77:14**
 - updating information, **77:16**
- alternative names, **77:5**
- corporate names, **77:5**
- failing to register, consequences of, **77:4**
- non-Alberta, British Columbia, Manitoba, Quebec or Canada business corporations, **77:6**
- initial registration, **77:6**
 - application for registration, **77:6**
 - power of attorney, **77:7**
 - registration, **77:8**
- ongoing maintenance, **77:9**
 - annual returns, **77:9**
 - change of attorney, **77:11**
 - change of attorney's address, **77:11**
 - changes to articles, **77:10**
 - notice of change, **77:12**
 - restoration of registration, **77:13**
 - termination of registration, **77:13**
- requirement to register, **77:3**
- Registration, partnerships, **77:31**
 - limited liability partnerships, **77:41**
 - cancellation, **77:43**
 - initial registration, **77:41**
 - ongoing compliance, **77:42**
 - limited partnerships, **77:35**
 - cancellation, **77:40**
 - failing to register, consequences of, **77:36**
 - initial registration, **77:37**
 - notice of change, **77:39**
 - power of attorney, **77:38**
 - registration requirement, **77:35**
- ordinary partnerships, **77:32**
 - change in membership, **77:33**
 - dissolution, **77:34**
 - registration requirements, **77:32**

**EXTRAPROVINCIAL
REGISTRATIONS,
SASKATCHEWAN—Cont'd**

- Registrations, other entities
 - business names, **77:24**
 - application for registration, **77:25**
 - cancellation, **77:30**
 - mandatory use of name, **77:29**
 - name regulation, **77:27**
 - power of attorney, **77:26**
 - renewal, **77:28**
 - scope of registration requirement, **77:24**
 - Canada corporations, **77:17**
 - foreign corporations, **77:18**
 - limited liability companies, **77:18**
 - non-Canadian entities, **77:18**
 - non-share corporations, **77:19**
 - annual report, **77:22**
 - applicable legislation, **77:19**
 - cancellation, **77:23**
 - notification of changes, **77:22**
 - power of attorney, **77:21**
 - registration, **77:20**
- EXTRA-TERRITORIAL
REGISTRATIONS, NORTHWEST
TERRITORIES AND NUNAVUT**
- Fees, **72:35**
- Jurisdiction, **72:1**
- Overview, **72:2**
- Proprietorship business names, Northwest Territories, **72:20**
- Proprietorship business names, Nunavut, **72:29**
- Registration, Canada corporations, **72:18**
- Registration, extra-territorial corporations, **72:3**
 - cancellation and reinstatement, **72:15**
 - cancellation by Registrar, **72:16**
 - cancellation by corporation, **72:15**
 - reinstatement, **72:17**
 - corporate names (and assumed names), **72:5**
 - failing to register, consequences, **72:4**
 - ongoing maintenance, **72:11**
 - amalgamation, **72:14**
 - annual filings, **72:11**
 - change of registered office address, **72:13**
 - changes to charter documents, **72:12**

INDEX

EXTRA-TERRITORIAL

REGISTRATIONS, NORTHWEST TERRITORIES AND NUNAVUT

—Cont'd

- Registration, extra-territorial corporations,
72:3—Cont'd
 - registration, initial, 72:6
 - charter, 72:8
 - forms and requirements, 72:6
 - NUANS search report, 72:7
 - registered office in territory, 72:10
 - Registrar's certificate, issue and effective date, 72:9
 - requirement to register, 72:3
- Registration, limited liability companies, 72:19
- Registration, other extra-territorial corporations, 72:19
- Registration, partnerships, in Northwest Territories, 72:22
 - limited liability partnerships, 72:26
 - cancellation, 72:28
 - initial registration, 72:26
 - ongoing compliance requirements, 72:27
 - limited partnerships, 72:24
 - amendment, 72:25
 - cancellation, 72:25
 - initial registration, 72:24
 - ordinary partnerships, 72:23
- Registration, partnerships, in Nunavut
 - limited liability partnerships, 72:26
 - cancellation, 72:28
 - initial registration, 72:26
 - ongoing compliance, 72:27
 - limited partnerships, 72:32
 - amendment, 72:33
 - cancellation, 72:33
 - initial registration, 72:32
 - ordinary partnerships, 72:31

EXTRA-TERRITORIAL

REGISTRATIONS, YUKON

- Fees, 78:30
- Jurisdiction, 78:1
- Overview of framework, 78:2
- Registration, extra-territorial corporations, 78:3
 - assumed names, 78:5
 - cancellation and reinstatement, 78:15
 - by registrar, 78:16

EXTRA-TERRITORIAL

REGISTRATIONS, YUKON

—Cont'd

- Registration, extra-territorial corporations,
78:3—Cont'd
 - cancellation and reinstatement, 78:15
 - Cont'd
 - cy corporation, 78:15
 - reinstatement, 78:17
- corporate names, 78:5
- failing to register, consequences of, 78:4
- initial Registration, 78:6
 - alternative attorney, 78:9
 - attorney for service, 78:9
 - charter, 78:8
 - corporate name and NUANS report, 78:7
 - forms, 78:6
 - registrar's certificate, issue and effective date, 78:10
 - registration requirements, 78:6
- ongoing maintenance, 78:11
 - amalgamation, 78:14
 - annual filings, 78:11
 - change of alternative attorney, 78:13
 - change of attorney for service, 78:13
 - changes to charter, 78:12
- requirement to register, 78:3
- Registration, other entities, 78:18
 - business names, 78:20
 - declaration of business name, 78:22
 - prohibited names, 78:21
 - requirement to register, 78:20
- Canada corporations, 78:18
- limited liability companies, 78:19
- other entities, 78:19
- partnerships, 78:23
 - general partnerships, 78:24
 - declaration, 78:25
 - requirement to register, 78:24
 - limited liability partnerships, 78:27
 - cancellation, 78:29
 - initial registration, 78:27
 - ongoing compliance, 78:28
 - limited partnerships, 78:26
- overview, 78:23

FILINGS

- See also AUDITS AND MEETINGS OF SHAREHOLDERS

FILINGS—Cont'd

- Business names, **64:8 to 64:13**
 - corporations, **64:9**
 - limited liability companies, **64:12**
 - name restrictions, **64:13**
 - partnerships, **64:10**
 - sole proprietors, **64:11**
- Corporations Information Act, **64:2 to 64:7**
 - access to information, **64:5**
 - administrative matters, **64:7**
 - annual returns, **64:3**
 - notices of change, **64:4**
 - special filings, **64:6**
 - verification of information, **64:5**
- Corporations Returns Act, **64:16, 65:1 et seq.**
 - application, **65:2**
 - enforcement and offences, **65:8**
 - exemptions, **65:3**
 - general, **65:9**
 - returns, **65:4**
 - financial information, **65:5**
 - general information, **65:7**
 - ownership returns, **65:4**
 - transfer of technology returns, **65:6**
- Other, **64:18**
- Returns generally, **64:1**
- Securities Act, **64:17**
- Tax, **64:15**

FINANCIAL STATEMENTS

- Analysis of
 - balance sheet ratios, **58:30**
 - earnings statement ratios, **58:31**
- Audited financial statements,
 - shareholder's right to, **58:3**
- Audit inquiries and responses
 - claim and possible claim, definition, **58:22**
 - general, **58:20**
 - inquiry letter, **58:27**
 - joint policy statement, **58:21**
 - legal professional privilege, maintaining, **58:23**
 - management, law firm, and auditor, role of, **58:26**
 - response letter, **58:28**
 - response letters, **58:25**
 - solicitor client privilege, **58:24**
- Board approval and reliance, **58:6**

FINANCIAL STATEMENTS—Cont'd

- Contents of, non-offering corporations, **58:5**
- Interim financial report, components of, **58:15**
- Interim financial statements (corporate law), **58:14**
- Non-offering corporations, **58:1**
- Offering corporations
 - annual financial statements (NI 51-102), **58:9**
 - financial disclosure (OSA), **58:8**
 - requirements (corporate law), **58:7**
- Offering vs non-offering corporations, **58:2**
- Subsidiaries, **58:4**

FINANCING OPTIONS

- Assumptions
 - generally, **44:19**
- Conclusion, **44:59**
- Date and addresses
 - addresses, **44:5**
 - date, **44:4**
- Introduction, **44:1**
- Negotiation principles, **44:3**
- Opinions
 - carry on business, qualification to, **44:23**
 - corporate organizations, **44:22**
 - corporate power and capacity, **44:25**
 - corporate status, **44:21**
 - creation of a security interest, **44:36**
 - due authorization, **44:26**
 - enforceability, **44:35**
 - execution and delivery, **44:27 to 44:29**
 - good standing, **44:24**
 - introduction, **44:20**
 - no breach of default, **44:30 to 44:33**
 - perfection by registration, **44:37**
 - regulatory approvals, **44:34**
- Pending litigation confirmation
 - generally, **44:38**
- Practice limitation
 - generally, **44:18**
- Purpose, **44:2**
- Qualifications
 - assignment of federal crown debts, **44:48**
 - bankruptcy and insolvency, **44:40**
 - criminal rate of interest, **44:52**

FINANCING OPTIONS—Cont'd

Qualifications—Cont'd

Currency Act (Canada), **44:55**

guarantor's defences, general waiver, **44:42**

indemnities, **44:43**

intellectual property, **44:49**

Interest Act (Canada)

annual rate of interest, **44:53**

loans secured by real property, **44:54**

introduction, **44:39**

penalties, **44:51**

proceeds, **44:45**

rarely required, **44:56**

real property and fixtures, **44:47**

reasonable time to pay, **44:44**

receivers as agents, **44:50**

remedies, equitable principles, **44:41**

special types of property, **44:46**

Reliance and signature

reliance, **44:57**

signature, **44:58**

Retainer and nature of transaction, **44:6 to 44:8**

Scope of examination

investigations, searches and registrations, **44:10 to 44:13**

knowledge qualification, **44:15**

opinion documents, **44:9**

public searches, **44:17**

registrations, **44:16**

Standard language, **44:3**

FORMATION

Incorporation, see INCORPORATION

Names, see NAMES

Organization, see ORGANIZATION

FUNDAMENTAL CHANGES

Amalgamations, see AMALGAMATIONS

Amendments, see AMENDMENTS

Arrangements, see ARRANGEMENTS

Continuances, see CONTINUANCES

Dissolution, see DISSOLUTION

Going-private transactions, see GOING-PRIVATE TRANSACTIONS

Liquidation, see LIQUIDATION

Reorganizations, see REORGANIZATIONS

Restated articles, **47:16**

FUNDAMENTAL CHANGES—Cont'd

Revival, **52:40**

GENERAL PARTNERSHIPS

See also NON-CORPORATE ORGANIZATIONS

Dissolution, **3:15**

dissolution triggering events, **3:15**

distribution of partnership property and liability for deficiency, **3:19**

procedure, **3:18**

External relations and liability of partners to third parties, **3:8**

agency of partners, **3:8**

partner liability regime, **3:9**

Formation and registration requirements, **3:30**

general, **3:31**

name registration by general partnership, **3:32**

partnership record, **3:33**

General, **3:37**

partnership authorization, **3:40**

scope of examination, **3:38**

Joint venture and co-ownership, **3:30**

contractual joint venture, **3:31**

co-ownership, **3:32**

some key tax factors in choosing between a partnership and either a JV or co-ownership, **3:33**

Nature of partnership, **3:1**

indicia of partnership, **3:6**

meaning of "partnership," **3:1**

sales of goodwill providing for share of profits, **3:7**

subordination of certain loan agreements, **3:7**

Ownership of land, **3:14**

Registration requirements, **3:20**

Relations among partners inter se, **3:10**

default rules, **3:10**

fidelity, **3:12**

limited rights of assignees, **3:13**

partnership property, **3:11**

Selected provisions of partnership agreements, **3:21**

allocation of net profits and losses, **3:27**

capital and current accounts, **3:22**

dispute resolution, **3:29**

draws, **3:28**

financial period, **3:25**

GENERAL PARTNERSHIPS—Cont'd

- Selected provisions of partnership agreements, **3:21**—Cont'd
- financial statements, **3:26**
- Transaction opinions involving general partnerships or LLPs, **3:37**
- enforceability, **3:42**
- execution and delivery, **3:41**
- formation and existence of partnership, **3:39**

GOING-PRIVATE TRANSACTIONS

- See also FUNDAMENTAL CHANGES
- Background, **51:1**
- Regulation of
 - judicial, **51:3**
 - section 190 of OBCA, **51:2**

INCORPORATION

- See also FORMATION
- Abolition of constructive notice doctrine, **17:29**
- Corporate capacity and powers, **17:26**
 - capacity of OBCA corporation, **17:27**
 - restricted businesses or powers, **17:28**
 - ultra vires doctrine, **17:26**
- Incorporation under OBCA, **17:8**
 - application of Act, **17:8**
 - articles of incorporation, **17:14**
 - corporate name, **17:14**
 - corporation number, **17:12**
 - documentary requirements, **17:10**
 - fees, **17:13**
 - incorporation date, **17:11**
 - incorporation procedure, **17:9**
 - incorporators and first directors, **17:17**
 - mandatory provisions, **17:18**
 - optional provisions, **17:19**
 - registered office, **17:15**
 - share capital, **17:16**
- Indoor management rule, **17:30**
- Methods of incorporation, **17:3**
 - filing articles of incorporation, **17:3**
 - letters patent, **17:5**
 - registration of memorandum of association, **17:4**
 - special act, **17:6**
- Methods of incorporation, differences in, **17:7**
- Pre-incorporation checklist, **17:1**

INCORPORATION—Cont'd

- Pre-incorporation contracts, **17:20**
 - case law on reformed pre-incorporation contract regime, **17:22**
- corporation's adoption of contract, **17:23**
- judicial apportionment of liability, **17:25**
- OBCA solution, **17:21**
- problem at common law, **17:20**
- promoter's express disclaimer, **17:24**
- promoter's personal liability, **17:22**

INSIDERS, LIABILITY OF

- See LIABILITY OF INSIDERS

INSIDER TRADING

- See LIABILITY OF INSIDERS

INSOLVENCY LAW, RESTRUCTURING COMPANIES UNDER

- See RESTRUCTURING COMPANIES UNDER INSOLVENCY LAW

INSOLVENT CORPORATIONS

- Arrangements, **53:10**
 - generally, **53:51**
 - adjunct or stand-alone, **53:10**
 - appeal of approval, **53:50**
 - approving plan of, **53:23**
 - challenging plan, **53:46**
 - compromise of debt obligations and other creditor claims, **53:13**
 - fairness hearing, **53:39**
 - interim order, **53:24**
 - meaning of, **53:14**
 - prerequisites, **53:15**
 - reorganizations vs arrangements, **53:8**
 - rights subject to, **53:1**
 - section 186, **53:8**
 - stakeholder approval of, **53:31**
- Reorganizations, **53:4**
 - arrangements vs reorganizations, **53:8**
 - case law, **53:6**
 - gap-filling nature of, **53:5**
 - scope of, **53:4**
 - section 186, **53:8**
- Restated capital structure, **53:3**

INVESTIGATION

- See also SHAREHOLDER REMEDIES
- Background, **27:6**

INVESTIGATION—Cont'd

- Oppression remedy and, **26:40**
- Overview, **27:5**
- Statutory provisions, **27:7**
- Usage, **27:8**

INVESTMENT PROPERTY

See also SECURITIES TRANSFERS,
PLEDGES AND TRANSMISSIONS

- Futures accounts and contracts
 - generally, **43:26**
- Pledge of securities (direct holding system)
 - attachment, **77:2**
 - buyers of securities, cut-off rule, **76:11**
 - perfection, **77:3**
 - pledgee as purchaser and protected purchaser, **76:3**
 - priority, **76:10**
 - scope, **76:2**
- Pledge of securities entitlements (indirect holding system)
 - attachment, **76:4**
 - cut-off rule for securities entitlements, **76:11**
 - perfection, **77:3**
 - pledge, **77:1**
 - priority, **77:4**
 - scope, **76:12**
 - securities account control agreements, **77:6 to 77:13**
- Securities pledge agreements
 - attachment, **43:27**
 - default and enforcement, **43:32**
 - priority, **43:31**
 - scope of pledged collateral, **43:29**
 - secured obligations, **43:30**
 - toxic securities, potentially, **43:33 to 43:35**
 - transactional settings, **43:28**
- Security in, **76:1**

**JURISDICTION FOR REGULATING
EXTRA-PROVINCIAL BUSINESS
ENTITIES**

- Alberta, **67:1**
- Manitoba, **69:1**
- New Brunswick, **70:1**
- Newfoundland and Labrador, **71:1**
- Northwest Territories, **72:1**
- Nova Scotia, **73:1**

**JURISDICTION FOR REGULATING
EXTRA-PROVINCIAL BUSINESS
ENTITIES—Cont'd**

- Nunavut, **72:1**
- Ontario, **74:1**
- Prince Edward Island, **75:1**
- Quebec, **76:1**
- Saskatchewan, **77:1**
- Yukon, **78:1**

LETTERS OF INTENT

- See also: EXCLUSIVITY AGREE-
MENTS; NO-SHOPS
- Generally, **80:1**
- Advantages, **80:3**
- Content, **80:5**
- Disadvantages, **80:4**
- Exclusivity agreements, enforceability, **80:25**
- Exclusivity agreements, nature of, **80:21**
- General Format, **80:2**
- Negotiating guidelines, **80:6**
- No-shops, nature and purpose of, **80:26**
- Remedies for breach, **80:20**
- Reporting issuer disclosure obligations, **80:7**
- Unintended enforceability of business terms, **80:8 to 80:19**
 - generally, **80:8**
 - common law duty to negotiate in good faith, **80:17**
 - contemplation of a definitive agree-
ment, **80:13**
 - express contractual obligation to
negotiate in good faith, **80:18**
 - gap-filling, **80:16**
 - intention to form contractual relations, **80:10**
 - language of LOI, **80:14**
 - legal principles, **80:9**
 - Presumption to be bound, **80:11**
 - Quebec law, **80:19**
 - status of essential terms, **80:12**
 - subsequent conduct of parties, **80:15**

**LIABILITIES OF DIRECTORS TO
EMPLOYEES**

- Business Corporations Act (Ontario), sec-
tion 131, **31:6**
- class certification, **31:9**
- conditions precedent to liability, **31:10**

LIABILITIES OF DIRECTORS TO EMPLOYEES—Cont'd

Business Corporations Act (Ontario), section 131, **31:6**—Cont'd
 employee v. independent contractor, **31:8**
 oppression remedies, **31:13**
 overview, **31:6**
 resignation, **31:11**
 scope, **31:7**
 Canada Business Corporations Act, s. 119, **31:12**
 oppression remedies, **31:13**
 Canada Labour Code, **31:26**
 conditions precedent to liability, **31:31**
 covered employees, **31:27**
 enforcement, **31:36**
 good faith reliance defence, **31:35**
 holiday pay, **31:30**
 liability, extent of, **31:28**
 right to indemnity and contribution, **31:33**
 stale claims, **31:32**
 vacation pay, **31:29**
 Director, definition of, **31:4**
 Employment Standards Act, 2000 (Ontario), **31:14**
 application of, **31:14**
 conditions precedent to liability, **31:20**
 covered employees, **31:15**
 director, extended meaning, **31:19**
 enforcement, **31:25**
 excluded corporate employees, **31:16**
 excluded corporate employers, **31:16**
 good faith reliance defence, **31:24**
 liability, extent of, **31:17**
 limitation period, **31:21**
 right to indemnity and contribution, **31:22**
 vacation pay, **31:18**
 Incorporation jurisdiction, significance of, **31:2**
 Introduction, **31:1**
 Overview, **31:5**
 Place of business, **31:3**
 Priority claims, **31:37**
 pension, **31:41**
 pre-bankruptcy liens, **31:46**
 preferred claims, **31:44**
 unpaid wages, **31:38**

LIABILITIES OF DIRECTORS TO EMPLOYEES—Cont'd

Wage Earner Protection Program Act (Canada), **31:50**

LIABILITY INSURANCE

See also PROTECTING DIRECTORS AND OFFICERS FROM LIABILITY

Disclosure, **34:82**

Limitations and exclusions
 caps/policy limits, **34:76**
 co-insurance, **34:78**
 coverage period, **34:79**
 deductibles, **34:77**
 exclusions, **34:80**

Procedural requirements, **34:81**

Statutory authorization, **34:74**

LIABILITY OF DIRECTORS FOR STATUTORY REMITTANCES

Air Travellers Security Charge Act, **32:10**

Canada Pension Plan Act, **32:7**

Deemed trusts, **32:43**

Air travellers Security Charge Act, **32:48**

Canada Pension Plan Act, **32:45**

Employment Insurance Act, **32:46**

goods and services tax, **32:47**

harmonized sales tax, **32:47**

Income Tax Act, **32:44**

Softwood Lumber Export Charge Act, 2006, **32:49**

Director, definition, **32:12**

deemed directors, **32:13**

de facto directors, **32:13**

de jure director, **32:12**

Due diligence defence, **32:15**

standard of care, **32:16, 32:20**

successful arguments, **32:28**

amounts determined after reassessment, **32:28**

dishonesty perpetuated on director, **32:32**

dominance situations, **32:31**

intervening events, **32:33**

misinformation, **32:29**

not in control of remittance payments, **32:30**

reasonable belief in overpayment, **32:34**

serious health issue, **32:35**

**LIABILITY OF DIRECTORS FOR
STATUTORY REMITTANCES
—Cont'd**

Due diligence defence, **32:15**—Cont'd
 successful arguments, **32:28**—Cont'd
 unawareness, **32:29**
 summary, **32:42**
 unsuccessful arguments, **32:36**
 abdication of director's oversight
 responsibility, **32:36**
 inexperience, **32:37**
 personal shortcomings, **32:37**
 subjective belief in positive credit
 balance, **32:38**
 subjective belief one is not director,
 32:39
 Employment Insurance Act, **32:8**
 Excise Tax Act, **32:9**
 Goods and services tax, **32:9**
 Harmonized sales tax, **32:9**
 Income Tax Act, **32:2**
 conditions for liability, **32:6**
 defences, **32:6**
 non-resident withholding taxes, **32:4**
 patronage dividends, **32:5**
 payroll taxes, **32:3**
 Introduction, **32:1**
 Limitation period defence, **32:14**
 Softwood Lumber Export Charge Act,
 2006, **32:11**

LIABILITY OF INSIDERS

Business Corporations Act (Ontario), Part
 X, **30:11**
 breach of fiduciary duty, **30:12**
 insider liability, **30:11**
 “benefit or advantage,” **30:11**
 closed corporation, **30:11**
 “direct loss,” **30:11**
 “exercise of reasonable diligence,”
 30:11
 “generally known,” **30:11**
 insiders, definition, **30:11**
 “makes use of,” **30:11**
 “materially,” **30:11**
 measurement of damages, **30:11**
 non-offering corporation, **30:11**
 “specific confidential information,”
 30:11
 “transaction in a security,” **30:11**
 oppression remedy, **30:12**

LIABILITY OF INSIDERS—Cont'd

Canadian Business Corporations Act
 breach of fiduciary duty, Part X, **30:14**
 insider trading, Part XI, **30:13**
 oppression remedy, **30:14**
 Criminal Code, **30:2**
 Overview, **30:1**
 Securities Act (Ontario), **30:3**
 civil liability, **30:6**
 accounting to insurer, **30:8**
 damages, **30:10**
 defences, **30:9**
 exemptions, **30:9**
 tipper, definition of, **30:7**
 tipping to opposite party, **30:7**
 trading to opposite party, **30:6**
 criminal liability, **30:5**
 defences, **30:4**
 exemptions, **30:4**
 prohibitions, **30:3**

**LIMITED LIABILITY COMPANIES
OPERATING
EXTRA-PROVINCIALY**

British Columbia, **68:18**
 Northwest Territories, **72:19**
 Nunavut, **72:19**
 Ontario, **74:22**
 Yukon, **78:19**

LIMITED LIABILITY COMPANY

Generally, **1:10**
 See also UNINCORPORATED BUSI-
 NESS ORGANIZATIONS

LIMITED LIABILITY PARTNERSHIPS

See also GENERAL PARTNERSHIPS
 BNA registration, **4:7**
 British Columbia LLP, **3:34**
 availability to professional firms and
 others, **3:34**
 filings and restrictions, **3:36**
 LLP liability regime under the BC Act,
 3:35
 Comparison of LLPs vs. professional
 corporations, **4:28**
 Extra-provincial LLP, **4:6**
 Formation, **4:3**
 LLP firm name, **4:5**
 requirement for an agreement in writ-
 ing, **4:3**
 restrictions on business activities, **4:3**

LIMITED LIABILITY PARTNERSHIPS

—Cont'd

- LLP liability shield, **4:2**
- Overview and application, **4:1**
 - function, **3:22**
- Restrictions of business activities, **3:27**
- Selected provisions of LLP agreements, **4:8**
 - confidentiality, **4:27**
 - continuity of the firm, **4:14**
 - death, incapacity, withdrawal or expulsion of a partner, **4:26**
 - decisions requiring a super-majority decision, **4:22**
 - duration and Dissolution, **4:10**
 - duties of partners and outside remuneration, **4:16**
 - firm name and change of name, **4:13**
 - firm vs. partner property, **4:15**
 - insurance, **4:12**
 - LLP firm name, **3:28**
 - LLP Status, **4:9**
 - managing partner, **4:25**
 - negative covenants of partners, **4:18**
 - partnership meetings, **4:19**
 - personal liability, **4:11**

LIMITED PARTNERSHIPS

See also NON-CORPORATE ORGANIZATIONS

- Dissolution, **5:13**
 - distributions on dissolution, **5:14**
 - triggering dissolution, **5:13**
- Extra-provincial LP, **5:15**
 - consequences of non-compliance, **5:17**
 - record of limited partners, **5:18**
 - registration requirements, **5:16**
- Manitoba LPs, **5:40**
- Overview, **5:1**
- Rights, liabilities and immunities of general partners, **5:8**
- Rights, liabilities and immunities of limited partners, **5:9**
 - assignment of limited partner's interest, **5:11**
 - limitation of liability, **5:9**
 - other rights of limited partners, **5:12**
 - return of contribution, **5:10**
- Structure, **5:2**
 - basic requirements, **5:2**
 - consequences of non-compliance, **5:4**

LIMITED PARTNERSHIPS—Cont'd

- Structure, **5:2**—Cont'd
 - declarations (and declarations of change), **5:3**
 - documents, **5:6**
 - name requirements, **5:5, 92:40**
 - other documents and rights of inspection, **5:7**
 - record of limited partners, **5:6**
- Transaction opinions involving LPs, **5:43**

LIQUIDATION

See also FUNDAMENTAL CHANGES

- Cancellation of certificate of incorporation, **52:32**
- Involuntary liquidation, **52:21**
 - corporation being operated solely for benefit of debenture-holders, **52:28**
 - deadlock, **52:27**
 - fraudulent scheme, **52:24**
 - justifiable lack of confidence in conduct of corporation's affairs, **52:22**
 - loss of substratum, **52:25**
 - management being involved in suspicious transactions including transfer of assets to another corporation without retaining voting control, **52:29**
 - misapplication of corporation's property by majority shareholder, **52:23**
 - outvoted in domestic policy, **52:30**
 - partnership analogy, **52:26**
- Overview, **52:1**
- Procedure for involuntary liquidation, **52:31**
- Voluntary liquidation, **52:2**
 - arrangements with creditors, **52:12**
 - arrangement with creditors re power of liquidators, **52:6**
 - assets, **52:7**
 - bank account, **52:8**
 - compromises with debtors and contributories, **52:12**
 - contributories, **52:9**
 - disposal of records, **52:19**
 - dissolution, **52:17**
 - distribution of assets, **52:10**
 - filling vacancies in office of liquidator, **52:11**
 - final meeting, **52:16**

LIQUIDATION—Cont'd

- Voluntary liquidation, **52:2**—Cont'd
 - inspectors, **52:5**
 - meetings, **52:15**
 - notice, **52:4**
 - obtaining directions and examinations, **52:14**
 - sale of property for shares, etc., **52:13**
 - special resolution, **52:3**
 - stay of proceedings against corporation, **52:20**
 - unclaimed assets, **52:18**

MERGERS AND ACQUISITIONS

- Competition Act considerations
 - General, **90:1**
- Merger review process
 - Merger enforcement guidelines, **App. 90B**
- Notification
 - Exemptions
 - General exemptions
 - Advance ruling certificate, **90:20**
 - Asset securitizations, **90:23**
 - Minister of Finance, **90:22**
 - No-action letter, **90:21**
 - Transaction among affiliates, **90:19**
 - Overview, **90:18**
 - Specific exemptions
 - Acquisitions in ordinary course of business, **90:24**
 - Creditor acquisitions, **90:27**
 - Exploration/development of Canadian resource properties, **90:28**
 - Gift/intestate succession/testamentary disposition, **90:26**
 - Underwriting, **90:25**
 - Is pre-merger notification required
 - General, **90:2, 90:3, App. 90A**
 - Types of transaction subject to notification
 - Acquisition of interest in combination, **90:9**
 - Asset acquisition, **90:5**
 - Combination, **90:8**

MERGERS AND ACQUISITIONS

—Cont'd

- Competition Act considerations—Cont'd
- Merger review process—Cont'd
- Notification—Cont'd
 - Is pre-merger notification required—Cont'd
 - Corporate amalgamation, **90:7**
 - Share acquisition, **90: 6**
 - Operating business, **90:10**
 - Other considerations, **90:30**
 - Thresholds
 - Calculating assets/revenues, **90:15 to 90:17**
 - General, **90:11**
 - Ownership thresholds, **90:14**
 - Party size, **90:12**
 - Transaction size, **90:13**
- Pre-merger filing
 - Confidentiality, **90:33**
 - Filing fee, **90:32**
 - General, **90:31**
 - Preparing request for ARC/NAL, **90:35**
 - Preparing section 114 notification form, **90:34**
 - Voluntary filing, **90:36**
- Remedies
 - Final orders
 - Consent agreements, **90:74, App. 90C**
 - General, **90:73**
 - In contested proceedings, **90:75**
 - General, **90:68**
 - Interim orders
 - General, **90:69**
 - Pending injunction application, **90:72**
 - Section 100 order, **90:70**
 - Section 104 order, **90:71**
- Waiting period
 - Avoiding gun-jumping, **40:41**
 - General, **90:37, 90:38**
 - Other information requests, **90:40**
 - Service standard time periods, **90:42**
 - SIR, **90:39**
- Substantive merger review
 - Definition of merger
 - Business, **90:47**

MERGERS AND ACQUISITIONS**—Cont'd**

- Competition Act considerations—Cont'd
- Substantive merger review—Cont'd
 - Definition of merger—Cont'd
 - Control, **90:45**
 - General, **90:44**
 - Significant interest, **90:46**
 - Efficiency exception
 - Anti-competitive effects
 - Deadweight loss, **90:60**
 - General, **90:59**
 - Other quantified effects, **90:62**
 - Wealth transfer, **90:61**
 - Efficiency gains, **90:58**
 - General, **90:57**
 - Other exceptions/limitations
 - Application under ss. 45, 49, 79, 90.1, **90:67**
 - Financial sector merger, **90:63**
 - Joint ventures, **90:65**
 - Limitation period, **90:66**
 - Transport sector merger, **90:64**
 - Substantial prevention/lessening of competition
 - General, **90:48**
 - Market definition, **90:49**
 - Market share/concentration, **90:50**
 - Non-horizontal merger, **90:56**
 - Section 93 factors
 - Barrier to entry, **90:52**
 - Effective remaining competition, **90:53**
 - Failing firm, **90:55**
 - General, **90:51**
 - Removal of effective competition, **90:54**
- Investment Canada Act
 - General, **91:1**
 - National security review
 - Examples of rejected investments, **91:53**
 - Guidelines, **91:51**
 - “Injurious to national security,” **91:50**
 - Overview, **91:47**
 - Process/timing, **91:49**
 - Scope, **91:48**
 - Statistics on reviews, **91:53**
 - Voluntary notification, **App. 91D**

MERGERS AND ACQUISITIONS**—Cont'd**

- Investment Canada Act—Cont'd
- Net benefit review
 - Acquisitions, net benefit test not met, **91:45**
 - Application for review, information required
 - Canadian business, **91:34**
 - Investment, **91:33**
 - Investor, **91:32**
 - Investor's plans, **91:35**
 - Overview, **91:31, App. 91C**
 - Application for review, timing of, **91:30**
 - Cultural businesses, **91:46**
 - Test
 - Factors
 - Canadian participation, **91:39**
 - Compatibility with national/provincial policies, **91:41**
 - Economic activity, **91:38**
 - Effect on participation, **91:40**
 - State-owned enterprises, **91:42, 91:43**
 - Undertakings, **91:44**
 - Waiting periods, **91:36**
- Notification, **91:28, 91:29, App 91A, App 91B**
- Scope of act
 - Canadian business, **91:10**
 - Control
 - Control in fact, **91:9**
 - Determining acquisition of control, **91:7**
 - General, **91:5**
 - Ministerial override, **91:8**
 - Types of acquisition of control, **91:6**
- Exemptions
 - General, **91:25, 91:26**
 - National security provisions, **91:27**
- Non-Canadian, **91:2 to 91:4**
- Thresholds for net benefit review
 - Calculating value of assets, **91:22 to 91:24**
 - Cultural business, **91:15, 91:21**
 - General, **91:11, 91:20**
 - State-owned enterprise, **91:14, 91:18**

INDEX

MERGERS AND ACQUISITIONS

—Cont'd

- Investment Canada Act—Cont'd
 - Scope of act—Cont'd
 - Thresholds for net benefit review—Cont'd
 - Trade agreement investor, **91:12, 91:16**
 - WTO investor, **91:13, 91:17 to 91:19**
- Issuer bids
 - Bids under NI 62-104
 - Disclosure obligations, **89:25**
 - Exemption from formal valuation/independent committee
 - General, **89:28**
 - Liquid market, **89:30**
 - Non-equity securities, **89:29**
 - Formal valuation, **89:26**
 - Independent committee, **89:27**
 - Overview of requirements, **89:24**
 - Dissenting shareholders, **89:31 to 89:33**
- Exempt bids
 - De minimis, **89:22**
 - Discretionary exemptions, **89:23**
 - Employees/executive officers/directors/consultants, **89:19**
 - Foreign issuer bid, **89:21**
 - Issuer acquisition/redemption, **89:18**
 - Non-reporting issuer, **89:17**
 - Normal course purchase, **89:20**
- General, **89:1**
- Issuer obligations
 - Meaning of, **89:3**
 - Permitted bids
 - Certification of bid circular, **89:7**
 - Contents of bid circular, **89:6**
 - Overview, **89:5**
 - Rationale, **89:2**
 - Regulation of bids
 - Acquisition of securities during bid, **89:15**
 - Issuer's obligations, **89:8**
 - Minimum deposit periods, **89:12**
 - Obligation to take up/pay for deposited securities, **89:14**
 - Restrictions on acquisitions during/after bid, **89:9, 89:10**
 - Restrictions on sales during bid, **89:11**

MERGERS AND ACQUISITIONS

—Cont'd

- Issuer bids—Cont'd
 - Issuer obligations—Cont'd
 - Regulation of bids—Cont'd
 - Restrictions on take-up, **89:12**
 - Withdrawal by security holders, **89:13**
 - Restrictions on, **89:4**
- Legal opinions
 - Dates/addresses, **87:4, 87:5**
 - Defined terms, **87:8**
 - Nature of transaction, **87:7**
 - Principles informing negotiation of transaction opinion, **87:2**
 - Purpose of transaction opinion, **87:1**
 - Retainer, **87:6**
 - Standard language, **87:3**
- Takeover bids
 - Dissenting shareholders, **88:39, 88:40**
- Exempt take-over bids
 - De minimis, **88:21**
 - Foreign take-over, **88:20**
 - Non-reporting issuer, **88:17**
 - Normal course purchase, **88:18**
 - Private agreement, **88:19**
- Obligations of bidder
 - Permitted bid, **88:3**
 - Contents of bid circular, **88:4**
 - Offeror's obligations, **88:5**
 - Regulation of bids
 - Early warning system, **88:15**
 - Mandatory 10 day extension period, **88:11**
 - Minimum deposit periods, **88:9**
 - Obligation to take up/pay for deposited securities, **88:12**
 - Offeror's filing obligations, **88:13**
 - Restrictions on acquisitions before/after bid, **88:7**
 - Restrictions on acquisitions during bid, **88:6**
 - Restrictions on sales, **88:8**
 - Take-over bid circular, certification of, **88:14**
 - Withdrawal by security holders, **88:10**
 - Restrictions on making bid, **88:2**
 - "take over bid," **88:1**
- Obligations of target/its board
 - Board duty of loyalty, **88:24**

MERGERS AND ACQUISITIONS

—Cont'd

- Takeover bids—Cont'd
 - Obligations of target/its board—Cont'd
 - Deal protection for white knights, **88:25**
 - Defensive tactics, **88:26**
 - Mandatory considerations
 - Directors' circular, **88:22**
 - Provision of list of shareholders, **88:23**
 - Opportunistic considerations for board, **88:27**
 - Application to capital markets tribunal/court, **88:34**
 - Attacking hostile take-over bid circular, **88:33**
 - Competition review, **88:38**
 - Confidentiality obligations, bidder/advisors, **88:36, 88:37**
 - Dilutive issuance of shares/warrants to acquire shares
 - Cancelled, **88:30**
 - Factors to assess, **88:31**
 - Upheld, **88:29**
 - Other transactions outside ordinary course of business, **88:32**
 - Shareholder rights plan, **88:28**
 - Standstill covenants, **88:35**
- Tax aspects
 - Asset or share transactions
 - Capital gains reserve, **81:29**
 - Earn-outs/reverse earn-outs, **81:31**
 - Interest on deferred purchase price, **81:30**
 - Non-resident vendors, **81:34**
 - Post-closing employment/consulting services, **81:33**
 - Purchaser's interest deduction, **81:35**
 - Purchaser's other financing expenses, **81:36**
 - Restrictive covenants, **81:32**
 - Retiring allowances, **81:28**
 - Asset transactions
 - Accounts receivable, **81:6**
 - Allocation of purchase price, **81:16**
 - Depreciable property, **81:11**
 - Distribution of net after-tax proceeds, **81:18**

MERGERS AND ACQUISITIONS

—Cont'd

- Tax aspects—Cont'd
 - Asset transactions—Cont'd
 - Goodwill and Other Class 14.1 Depreciable Property, **81:12**
 - GST/HST/PST, **81:17**
 - Improved real property, **81:15**
 - Intellectual property/software, **81:13**
 - Inventory, **81:7**
 - Leasehold interests, **81:14**
 - Non-depreciable capital, **81:10**
 - Prepaid expenses, **81:8**
 - Unearned revenue, **81:9**
 - General, **81:1, 81:2**
 - Share transactions
 - Acquisition of control, **81:23**
 - Capital losses, **81:24**
 - Lifetime capital gains exemption, **81:20**
 - Non-capital losses, **81:25**
 - Non-depreciable capital property, **81:22**
 - Non-resident purchaser, **81:27**
 - Pre-sale distribution of safe income, **81:21**
 - Share for share exchanges, **81:26**
 - Share purchase agreement, **81:19**
 - Structural preferences, **81:3 to 81:5**
- Transition services agreement
 - Access to premises/information systems, **86:10**
 - Boilerplate provisions, **86:17**
 - Breach, **86:13**
 - Common types, **86:2**
 - Confidentiality, **86:14**
 - Dispute resolution, **86:16**
 - Duration, **86:6**
 - General, **86:1**
 - Limitation of liability/indemnification, **86:15**
 - Negotiation, **86:3**
 - Parties, **86:4**
 - Provision of service, **86:5**
 - Service fees, **86:11**
 - Standard of service, **86:8**
 - Termination/extension, **86:12**
 - Third-party service providers, **86:9**
 - Voluntary reduction in required service, **86:7**

MERGERS AND ACQUISITIONS

—Cont'd

Vendor take-back financing
See **VENDOR TAKE-BACK FINANCING**

NAME RESTRICTIONS

See also **NAMES**

Absolute prohibitions, **19:9**
 identical names, **19:10**
 misdescriptive names, **19:13**
 obscene names, **19:12**
 punctuation marks, **19:11**
 words, **19:9**
Conditional prohibitions, **19:14**
 affiliated body corporate, **19:14**
 amalgamated corporation, **19:18**
 foreign parent, **19:15**
 long usage, **19:16**
 names restricted by statute, **19:17**
 numerals, **19:20**
 words, **19:19**
Deceptive names, **19:30**
Descriptive names, **19:31**
Distinctive names, **19:30**
General names, **19:31**
Geographic names, **19:31**
Individual names, **19:31**
Political party, **19:21**
Prohibitions without consent or undertaking, **19:22**
 differentiated corporate names, **19:25**
 engineer and architect, **19:27**
 family names, **19:26**
 names implying government, university, professional or financial intermediary status, **19:28**
 successor business, **19:24**
 successor corporation, **19:23**
Proposed names, **19:29**

NAMES

See also **FORMATION**
Business names, **19:34**
Change of corporate name, **19:39**
 compulsory name change, **19:41**
 judicial review of director's name decision, **19:42**
 voluntary name change, **19:40**

NAMES—Cont'd

Domain names, **19:44**
 cyber-squatting, **19:45**
 registration of domain names, **19:44**
Introduction, **19:1**
Number names, **19:33**
Protecting corporate name, **19:35**
 general, **19:35**
 passing-off actions, nature and limits of, **19:37**
 scope and limits, **19:36**
Searching proposed corporate name, **19:32**
Selecting corporate name, **19:2**
 elements of corporate name, **19:3**
 foreign language name, **19:7**
 format of name, **19:5**
 French form of name, **19:6**
 unauthorized use of legal elements, **19:4**
Trade-marks, **19:43**

NEGOTIATION OF ASSET OR SHARE PURCHASE AGREEMENTS

See also **PURCHASE AGREEMENTS**
Generally, **82:1**
Consulting agreements, **82:43**
Employment agreements, **82:43**
Preliminaries to transaction agreement, **82:2 to 82:11**
 authorization, **82:3**
 capacity, **82:3**
 Competition Act, **82:6, 82:7**
 general merger provisions, **82:6**
 notifiable transactions, **82:7**
 early due diligence, preliminaries to transaction agreement, **82:2**
 employees, **82:9**
 Investment Canada Act, **82:5**
 securities legislation, **82:11**
 specific regulatory approvals, **82:8**
 tax considerations, **82:4**
 third party consents, **82:10**
Transitional services agreements, **82:44**

NFP CORPORATIONS GOVERNANCE FRAMEWORK

Committees, **14:17**
 audit committee, **14:17**
 compensation committee, **14:18**
 other committees, **14:19**

**NFP CORPORATIONS GOVERNANCE
FRAMEWORK—Cont'd**

- Conflicts of interest, **14:12**
 - charity law rules, **14:13**
 - corporate law rules, **14:12**
- Constituting documents, **14:15**
- Corporate policies and protocols, **14:16**
- Directors and counsel, ethical and standards issues, **14:30**
- Directors and officers, duties of, **14:3**
 - business judgment rule, **14:5**
 - duty of care, **14:4**
 - fiduciary duty, **14:6**
 - appropriating corporate property, information, or opportunities, **14:9**
 - arbitrariness, **14:7**
 - conflicts of interest, **14:8**
 - departing fiduciary employees, **14:10**
 - fettering of board discretion, **14:11**
 - general, **14:3**
- Directors and officers, protection, **14:20**
 - D & O insurance, **14:26**
 - indemnification, **14:20**
- Governance action plans, **14:31**
 - closed memberships for charitable corporations, **14:33**
 - governance litigation, avoiding, **14:32**
 - governance quality, **14:31**
- Introduction, **14:1**
- Legal governance framework, overview, **14:2**
- Lines of authority, **14:14**

NON-CORPORATE ORGANIZATIONS

- General partnerships, see GENERAL PARTNERSHIPS AND LLPs
- Limited liability partnerships, see LIMITED LIABILITY PARTNERSHIPS
- Limited partnerships, see LIMITED PARTNERSHIPS
- Unincorporated business organizations, see UNINCORPORATED BUSINESS ORGANIZATIONS
- Unincorporated non-profit organizations, see UNINCORPORATED NON-PROFIT ORGANIZATIONS

NON-DISCLOSURE AGREEMENTS

- See also: STANDSTILL AGREEMENTS
- Generally, **79:1**

**NON-DISCLOSURE AGREEMENTS
—Cont'd**

- Content, **79:7 to 79:22**
 - announcements, **79:15**
 - anti-clubbing and lock-ups, **79:20**
 - boilerplate provisions, **79:22**
 - choice of law, **79:14**
 - common exceptions, **79:10**
 - contractual remedies, **79:13**
 - definition of confidential information and exceptions, **58a:9**
 - destruction of confidential information, **79:12**
 - disclaimer of obligation to negotiate definitive agreement, **79:17**
 - disclaimer of representations and warranties, **79:18**
 - exclusivity, **79:16**
 - forum selection, **79:14**
 - non-solicitation, **79:19, 85:5**
 - parties, **58a:8**
 - permitted use, **79:10**
 - residual rights, **79:21**
 - restrictions on disclosure, **79:10**
 - return of confidential information, **79:12**
 - term, **79:11**
- Disclosure process, **79:6**
- Form, structure, timing, **79:4**
- Interpretation, **79:26 to 79:29**
 - Certicom Corp. v. Research in Motion Ltd., **79:26**
 - Husky Injection Molding Systems Ltd. v. Schad, **79:27**
 - Martin Marietta Materials, Inc. v. Vulcan Materials Co., **79:28**
 - RAA Management, LLC v. Savage Sports Holdings, Inc., **79:29**
- Limitations, **79:3**
- Rationale for, **79:2**
- Remedies, **79:30, 79:31**
 - Equitable compensation, **79:31**
 - Injunctive relief, **79:30**
- Reporting issuers, **79:23**
- Risks, **79:3**
- Standstill agreements and non-disclosure agreements, **79:25**
 - contract interpretation principles, **79:25**
- Unilateral versus mutual, **79:5**

**NON-SHARE CAPITAL
CORPORATIONS, ONTARIO**

Directors, **92:35**

Members, **92:34**

NO-SHOPS

See also: LETTERS OF INTENT;
EXCLUSIVITY AGREEMENTS

Content in public M&A transactions,
80:28

Exceptions in public M&A transactions,
80:29 to 80:32

generally, **80:29**

fiduciary outs, **80:30**

go-shops, **80:32**

window-shops, **80:31**

Exclusivity agreement, content, **80:23**

Exclusivity agreement, public M&A
considerations, **80:24**

Nature and purpose, **80:26**

Use in private M&A transactions, **80:27**

NOT-FOR-PROFIT CORPORATIONS

By-laws, **15:14**

Charitable corporations, **15:34**

Decision to incorporate, **15:2 to 15:6**

advantages, **15:5**

choice of Ontario or federal incorpora-
tion, **15:6**

whether to incorporate with or without
share capital, tax status, **15:4**

with or without share capital, advan-
tages of nfp corporations, **15:2**

with or without share capital, disadvan-
tages of nfp corporations, **15:3**

Derivative actions, **15:33**

Directors, **15:15**

Dissolution, **15:27 to 15:29**

involuntary, **15:28**

rights of creditors, **15:29**

voluntary, **15:27**

Financial statements, **15:20**

Fundamental changes, **15:21 to 15:25**

amalgamation, **15:24**

amendment of articles, **15:21**

export continuance, **15:23**

extraordinary sale of all or substantially
all property, **15:25**

import continuance, **15:22**

Incorporation, **15:8 to 13:13**

application for, **15:8**

NOT-FOR-PROFIT CORPORATIONS

—Cont'd

Incorporation, **15:8 to 13:13**—Cont'd

corporate capacity, **15:12**

corporate name, **15:10**

name search report, **15:9**

registered office, **15:11**

restrictions, **15:13**

Introduction, **15:1**

Liquidation, **15:26**

Members, **15:16**

Non-profit characteristics, **15:17, 15:18**

distribution constraints, **15:18**

non-profit to members and directors,
15:17

Ontario Not-for-Profit Corporations Act,
2010, structure of, **15:7**

Records, **15:19**

Revival, **15:30**

Transition of OCA Part III corporations to
the ONCA, **15:35**

Unfair prejudice, **15:31, 15:32**

grounds for relief, **15:31**

remedies, **15:32**

**NOT-FOR-PROFIT CORPORATIONS,
FEDERAL**

See also CORPORATIONS, ONTARIO
NOT-FOR-PROFIT CORPORA-
TIONS ACT, 2010

OBCA EXEMPTIONS

See also AUDITS AND MEETINGS OF
SHAREHOLDERS

Administrative, **64:20**

Court applications, **64:19**

Judicial, **64:21**

OPPRESSION REMEDY

See also SHAREHOLDERS

Applicants, **25:7**

discretionary complainants, **25:9**

joint retainers and conflict of interest,
25:10

OSC, **25:7**

per se complainants, **25:8**

Background, **25:1**

Common scenarios, **25:6**

Contracting out
arbitration, **25:23**

OPPRESSION REMEDY—Cont'd

- Direct and indirect routes to oppression remedy, **25:11**
 - alternative to court-ordered liquidation, **25:15**
 - determining complainant's reasonable expectations, **25:13**
 - oppressive or unfairly prejudicial conduct, **25:14**
 - test for oppression under subsection 248(2), **25:12**
- Directors' liabilities to employees, **5:3B**
- Enforcement of civil liabilities of directors and officers, **34:52**
- Indicia of oppression, **25:16**
 - oppression found, **25:17**
 - oppression not found, **25:18**
- Insider trading, **30:11**
 - Canada Business Corporation Act, **30:14**
 - Ontario Business Corporation Act, **30:12**
- Introduction, **25:1**
- Investigation and, **26:40**
- Overview, **25:2**
 - applicants, **25:3**
 - court-ordered relief, **25:5**
 - grounds, **25:4**
- Remedies, **26:1 et seq.**
 - amending articles, by-laws or unanimous shareholder agreement, **26:29**
 - appointing or replacing directors, **26:31**
 - appointment of receiver-manager, **26:38**
 - buyout, **26:3**
 - circumstances justifying buyout remedy, **26:4**
 - circumstances unfavourable to buyout remedy, **26:6**
 - elements of price determination, **26:9**
 - purpose and reasonable expectations, **26:3**
 - structuring the buyout remedy, **26:7**
 - valuation information and process, **26:22**
 - valuation methodologies, **26:18**
 - vendor financing and restrictive covenants, **26:24**
 - compensating aggrieved person, **26:34**

OPPRESSION REMEDY—Cont'd

- Remedies, **26:1 et seq.**—Cont'd
 - injunctive relief, **26:28, 26:37**
 - interim costs, **26:42**
 - investigation, **26:40**
 - issuing or exchanging securities, **26:30**
 - liquidation, **26:36**
 - other relief, **26:43**
 - overview, **26:1**
 - production of financial statements, **26:33**
 - rectification, **26:35**
 - remedial principles, **26:2**
 - repayment, **26:26**
 - requiring trial, **26:41**
 - rescission, **26:32**
 - unavailable remedies, **26:54**
- Substantive and procedural defences, **25:19**
 - arbitration, **25:23**
 - causation and loss, **25:20**
 - clean hands, **25:19**
 - derivative rather than oppression claim, **25:24**
 - estoppel and acquiescence, **25:21**
 - limitations periods, laches, and other time-based defences, **25:22**

ORGANIZATION

- See also **FORMATION**
- By-laws, **18:15**
 - analysis of common provisions, **18:18**
 - making, amending or repealing by-laws, **18:16**
 - optional by-law provision in OBCA, **18:17**
 - purpose of by-laws, **18:15**
- Duties and powers of first directors, **18:3**
- General, **18:1**
- Information required, **18:2**
- Procedure, **18:4**
 - appointment of officers, **18:8**
 - appointment of permanent directors, **18:7**
 - banking and signing officers, **18:11**
 - corporate seal, **18:12**
 - forms of share certificates, **18:10**
 - issue or transfer of shares to permanent shareholders, **18:9**
 - minute book and corporate registers, **18:13**

ORGANIZATION—Cont'd

- Procedure, **18:4**—Cont'd
 - organizational meeting of first directors, **18:5**
 - organizational meeting of shareholders, **18:6**

PARTNERSHIPS OPERATING EXTRA-PROVINCIAL IN

- Alberta, **67:21**
- Newfoundland and Labrador, **71:14**
- Northwest Territories, **72:22**
- Nova Scotia, **73:15**
- Nunavut, **72:22**
- Prince Edward Island, **75:13**
- Quebec, **76:21**
- Saskatchewan, **77:31**
- Yukon, **78:23**

PARTNERSHIP TAXATION

- At-risk rules, **6:22**
- Co-ownership, **6:24**
- Dissolutions, tax-deferred, **6:18**
 - conversion of partnership to co-ownership, **6:21**
 - conversion of partnership to corporation, **6:19**
 - conversion of partnership to sole proprietorship, **6:20**
- Introduction, **6:1**
- Joint ventures, contractual, **6:24**
- Overview, **6:4**
- Partnership agreements, income tax aspects, **6:5**
 - continuance of partnership, **6:16**
 - dispositions of partnership interests, **6:13**
 - dissolution, **6:15**
 - distributions, **6:12**
 - financial statements, **6:7**
 - fiscal period, **6:6**
 - non-cash capital contributions, **6:11**
 - partnership eligibility requirements, **6:8**
 - restrictive covenants, **6:14**
 - super-majority approvals, **6:17**
 - tax allocations, **6:10**
 - tax information returns, **6:9**
 - tax-related representations, **6:8**
 - transfer restrictions, **6:8**
- Partnership income, specified, **6:23**
- Sole proprietorships, taxation, **6:2**

PARTNERSHIP TAXATION—Cont'd

- Summary, **6:25**
- Tax-deferred dissolutions, **6:18**
 - conversion of partnership to co-ownership, **6:21**
 - conversion of partnership to corporation, **6:19**
 - conversion of partnership to sole proprietorship, **6:20**

PPSA SYSTEM

- See also SECURED TRANSACTIONS
- Attachment, **42:35**
 - debtor's rights in collateral, **42:37**
 - no postponement of attachment, **42:39**
 - value, **42:36**
 - written security agreement or secured party in possession, **42:38**
- Intercreditor arrangements
 - estoppel arrangements, **42:46**
 - subordinations and postponements, **42:45**
- Overview, **42:32**
- Perfection
 - maintaining perfection, **42:41**
 - registration, **42:40**
- Priorities, **42:42**
 - general priority rules, **42:43**
 - specific internal priority rules, **42:44**
- Scope
 - application, **42:33**
 - exclusions, **42:34**

PRICE ADJUSTMENTS

- See also EARN-OUTS; ESCROWS; NEGOTIATION OF ASSET OR SHARE PURCHASE AGREEMENTS; PRICE ADJUSTMENTS
- Generally, **83:3**
- Debt, **83:12**
- Holdbacks, **82:23, 83:13**
- Inventory, **83:11**
- Working Capital, **83:4 to 50A:10**
 - generally, **83:4**
 - closing date working capital, mechanics of determining, **83:8**
 - definitions, **83:5**
 - dispute resolution, **83:9**
 - post-closing adjustment, payment of, **83:10**
 - pre-closing estimate, **83:7**

PRICE ADJUSTMENTS—Cont'd

Working Capital, **83:4 to 50A:10**

—Cont'd

working capital variation, effect of, **83:6**

PROFESSIONAL CORPORATIONS

Advantages of, **10:3**

capital gains splitting, **10:5**

income-splitting, **10:4**

tax deferral on professional income, **10:3**

Background, **10:1**

Certificate of authorization

change of information, **10:22**

obtaining, **10:18**

renewal, **10:20**

Formation of, **10:6**

PC or LLP, **10:23**

capital gains exemption, **10:28**

general creditors, liability to, **10:30**

income allocation, **10:25**

income splitting within family, **10:27**

ownership, **10:24**

professional liability, **10:29**

tax deferral, **10:26**

Regulation of, **10:6**

corporate name, **10:11**

directors and officers, **10:9**

fiduciary, **10:17**

professional, **10:17**

obligations

ethical, **10:17**

professional liability, **10:16**

professionals allowed to form PCs, **10:6**

restrictions in articles, **10:13**

shareholders, **10:7**

USAs, proxies, voting agreements, **10:14**

Types of, **10:2**

PROTECTING DIRECTORS AND OFFICERS FROM LIABILITY

Generally, **34:58**

Conflict of interest, disclosure, **34:60**

Corporate indemnification

advancement of defence costs, **34:71**

mandatory indemnification, **34:68**

permitted indemnification, **34:70**

practical limitation, **34:72**

PROTECTING DIRECTORS AND OFFICERS FROM LIABILITY

—Cont'd

Corporate indemnification—Cont'd

prohibited indemnification, **34:69**

shareholder indemnification, **34:73**

Dissenting from certain board resolutions, **34:61**

Protective orders in insolvency proceedings

BIA orders, **34:65**

CCAA orders, **34:64**

Resignation, **34:66**

Shareholder ratification, **34:59**

Unanimous shareholder agreement, **34:62**

PROXY SOLICITATION

See also AUDITS AND MEETINGS OF SHAREHOLDERS

Corporate governance disclosure, **60:11**

Delivery of proxy-related material, **60:2**

Form of proxy, **60:7**

General, **60:5**

Information circulars, **60:8**

content for annual meeting, **60:9**

of dissident, **60:12**

Procedures at meeting of shareholders, **60:11**

Revocation of proxies, **60:13**

Scope of “solicitation” and exclusions, **60:6**

Securityholder instructions to intermediaries, **60:3**

Shareholder communications under NI 54-101, **60:1**

Shareholder proposals, **60:14, 92:26**

Statement of executive compensation, **60:10**

Voting shares registered in name of registrant or intermediary, **60:4**

PURCHASE AGREEMENTS

See also ESCROWS; NEGOTIATION OF ASSET OR SHARE PURCHASE AGREEMENTS; PRICE ADJUSTMENTS; RESTRICTIVE COVENANTS

Generally, **82:12, 83:1**

Assignment of contracts, **82:25**

Assumption of liabilities, **82:17**

Conditions, **82:36 to 82:38**

generally, **82:36**

INDEX

PURCHASE AGREEMENTS—Cont'd

- Conditions, **82:36 to 82:38**—Cont'd
 - closing conditions, **82:38**
 - pre-closing, **82:37**
- Covenants, **82:35, 82:39**
- Indemnification, **82:33**
- Other provisions, **82:42**
- Purchased assets, **82:13 to 82:16**
 - generally, **82:13**
 - accounts receivable, **82:14**
 - inventory, **82:15**
 - prepaid expenses, **82:16**
- Purchase price, **82:18 to 82: 21, 83:2**
 - generally, **82:18**
 - adjustments, **82:19, 83:3 to 83:12**
 - earn-outs, **82:20, 83:25 to 83:37**
 - price allocation, **82:21**
- Purchase price, payment of, **82:22 to 82:24**
 - escrow, **82:24, 83:14 to 83:24**
 - holdbacks, **82:23, 83:13**
- Representations and warranties, **82:26 to 82:32**
 - legal characterization, **82:27**
 - negotiating, **82:30**
 - purposes, **82:26**
 - specific, **82:32**
 - survival of, **82:31**
 - typical purchaser, **82:29**
 - typical vendor, **82:28**
- Restrictive covenants, **82:40, 85:1 to 85:23**
- Risk of loss and insurance, **82:34**
- Termination, **82:41**

RECEIVERSHIPS

- Generally, **46:1**
- Court-appointed
 - authority to appointment receiver or RM, **46:22**
 - discharge, **46:38**
 - duties, **46:23**
 - powers, **46:24**
 - receiver's charge, **46:24**
 - receiver's environmental liability, **46:27**
 - receiver's liability as successor employer, **46:26**
- Private receiverships
 - advance notice (Section 248 Notice), **46:4**

RECEIVERSHIPS—Cont'd

- Private receiverships—Cont'd
 - CBCA corporations, **46:20**
 - discharge, **46:21**
 - notice of appointment and security for RM, **46:7**
 - receiver's duty (BIA)
 - court directions and review powers, **46:19**
 - good faith, **46:16**
 - notice of appointment, **46:17**
 - reporting obligations, **46:18**
 - receiver's duty (Ontario PPSA), **46:9**
 - care of collateral, **46:10**
 - collection rights, **46:11**
 - disposition of collateral, **46:12, 46:13**
 - security instrument, **46:3**
- Private vs. court appointments, **46:2**
- Realization of assets
 - generally, **46:39**
 - court approval, **46:44**
 - standard of care, **46:45**
 - methods of assets sales, **46:40 to 46:43**

RECENT LEGISLATIVE DEVELOPMENTS

- Bulk Sales Act, repeal, **92:24**
- CBCA (Bill C-25), **92:2**
 - directors, voting for, **92:4, 92:5**
 - diversity information, **92:6**
 - shareholder meetings, **92:7**
 - shareholder proposals, **92:8**
 - technical amendments, **92:9**
- Corporations Information Act amendments (Bill 154), **92:38**
 - extra-provincial corporations, **92:39**
 - verification of filings, **92:38**
- Dissolution, **92:15**
 - Escheats Act, 2015, **92:23**
 - Forfeited Corporate Property Act, 2015, **92:22**
 - forfeiture of corporate property, **92:20**
 - involuntary dissolution, **92:17**
 - non-share capital corporations, **92:21**
 - property available to creditors, **92:19**
 - revival, **92:18**
 - voluntary dissolution, **92:16**
- Limited Partnerships Act amendments (Bill 154), **92:40**
 - execution in counterpart, **92:41**

RECENT LEGISLATIVE

DEVELOPMENTS—Cont'd

Limited Partnerships Act amendments
(Bill 154), **92:40**—Cont'd
limited partnership names, **92:40**
OBCA amendments (Bills 27 and 154),
92:25
board meetings, location of, **92:27**
board meetings, quorum, **92:28**
certificates, correction of, **92:31**
conversion into ONCA corporation,
92:30
email addresses of shareholders and
holders of debt obligations, **92:29**
shareholder proposals, **92:26**
OCA amendments (Bill 154), **92:32**
audits, **92:36**
directors, **92:35**
members, **92:34**
osocial companies, **92:37**
status and powers of an NFP corpora-
tion, **92:33**
Ownership Interests in land, **92:10**
background, **92:26**
non-Ontario corporations, **92:30**
OBCA, **92:27**
OCA, **92:28**
ONCA, **92:29**

RECORDS

See also AUDITS AND MEETINGS OF
SHAREHOLDERS
Business Records Protection Act, **63:18**
CBCA, **63:15**
register of individuals with significant
control, **63:16**
Inspection of records, **63:13**
Lists of holders of debt obligations, **63:12**
Lists of shareholders, **63:11**
Location of records, **63:14**
Minute books, **63:8**
OBCA, **63:17**
register of individuals with significant
control, **63:17**
Records as evidence, **63:10**
Rectifying records, **63:9**
Register of ownership interests in land,
63:7
Securities registers, **63:6**

REGISTERED OFFICE

See also AUDITS AND MEETINGS OF
SHAREHOLDERS
CBCA, **63:4**
Change of registered office, **63:2**
Functions of registered office, **63:3**
OBCA, **63:1**

REORGANIZATIONS

See also FUNDAMENTAL CHANGES
Insolvent corporations, **53:1 et seq.**
arrangements vs reorganizations, **53:8**
case law, **53:6**
gap-filling nature, **53:5**
scope, **53:4**
section 186, **53:8**

REPORTING ISSUER

Continuous disclosure obligations, **62:1 et
seq.**

RESTATED ARTICLES

Generally, **47:16**
See also FUNDAMENTAL
CHANGES

RESTRICTIVE COVENANTS

Generally, **85:1**
Legal Analysis, **85:6 to 85:23**
contract interpretation, **85:7**
disgorgement, **85:23**
employment vs. commercial,
characterization, **85:10**
enforceability, case law, **85:16**
enforceability, Employment Standards
Act, 2000 (Ontario), **85:11**
enforceability, legitimate interest to
protect, rebuttable presumption of,
85:12
enforceability, not contrary to public
interest, **85:15**
enforceability, reasonableness, **85:13,**
85:14
injunctions, **85:18 to 85:20**
liquidated damages clauses, **85:21**
measuring unliquidated damages, **85:22**
overview, **85:6**
remedies, overview, **85:17**
severance, blue pencil, **85:8**
severance, notional, **85:9**
Types of, **85:2 to 85:5**
non-competes, **85:3**

RESTRICTIVE COVENANTS—Cont'd

- Types of, **85:2 to 85:5**—Cont'd
 - non-dealing covenants, **85:4**
 - non-solicitation covenants, **50A:19, 85:5**
 - overview, **85:2**

**RESTRUCTURING COMPANIES
UNDER INSOLVENCY LAW**

- Generally, **54:1**
- Bankruptcy and Insolvency Act
 - court-ordered priming charges, **54:16**
 - disclaimer of contracts and leases
 - generally, **54:13**
 - contracts other than leases of commercial real property, **54:14**
 - leases of commercial real property, **54:15**
 - eligibility to make non-consumer proposal, **54:3**
 - notice of intention to make proposal, **54:4**
- Part III, **54:2**
- proposals
 - annulment, **54:27**
 - compromise of claims against directors, **54:21**
 - court approval, **54:25, 54:26**
 - creditor approval, **54:22**
 - creditor classes, **54:18**
 - filing deadlines and extensions, **54:17**
 - mandatory terms, **54:20**
 - types of compromises, **54:19**
- Companies' Creditors Arrangement Act
 - compromises of claims against directors and third parties
 - claims against directors, **54:45**
 - claims against third parties generally, **54:46**
 - court approval
 - generally, **54:52**
 - approved plan, effect, **54:67**
 - steps authorized by CCAA, **54:54**
 - strict compliance with statutory requirements, **54:53**
 - whether plan is fair and reasonable, **54:55**
 - court-ordered priming charges
 - generally, **54:40**
 - administrative charge, **54:41**

**RESTRUCTURING COMPANIES
UNDER INSOLVENCY LAW**

—Cont'd

- Companies' Creditors Arrangement Act
 - Cont'd
 - court-ordered priming charges—Cont'd
 - critical supplier's charge, **54:44**
 - D&O indemnification and D&O charge, **54:43**
 - interim financing, **54:42**
 - creditor approval
 - aim of CCAA plans, **54:47**
 - equity claims, **54:50**
 - meetings of creditors, **54:48**
 - super-priority claims, **54:51**
 - voting classes, **54:49**
 - initial application and initial order
 - initial application, **54:29**
 - initial order, **54:30**
 - monitor, **54:31**
 - scope, **54:28**
 - stay of proceedings, **54:34**
 - Pros and cons: BIA vs CCAA restructuring, **54:68**

REVIVAL

- Generally, **52:40**
- See also FUNDAMENTAL CHANGES

SECURED TRANSACTIONS

- See also EQUITY FINANCING
- Overview, **42:1**

**SECURITIES DIRECT HOLDING
SYSTEM**

- See SECURITIES TRANSFERS, PLEDGES AND TRANSMISSIONS

**SECURITIES INDIRECT HOLDING
SYSTEM**

- See SECURITIES TRANSFERS, PLEDGES AND TRANSMISSIONS

**SECURITIES OFFERINGS,
REGULATION**

- Exempt offerings
 - prospectus exemptions, **40:7**
 - accredited investor exemption, **37:8**
 - crowdfunding exemption, **40:14**
 - existing security holder exemption, **40:12**

**SECURITIES OFFERINGS,
REGULATION—Cont'd**

- Exempt offerings—Cont'd
 - prospectus exemptions, **40:7**—Cont'd
 - friends, family, and business associates exemption, **40:10**
 - minimum amount exemption, **40:11**
 - offering memorandum exemption, **40:15**
 - other exemptions, **40:16**
 - private issuer exemption, **40:9**
 - rights offering exemption, **40:13**
 - resale of securities
 - control person, sale by, **40:18**
 - NI 45-102, Resale of Securities, **40:17**
 - other matters, **40:19**
- Introduction, **40:1**
- Key terms/provisions (OSA), **40:3**
 - distribution, **40:6**
 - security, **40:4**
 - trade, **40:5**
- Offering documents, **40:20**
- Prospectus offerings
 - initial public offering
 - content, **40:23**
 - investor protections, **40:28**
 - market and selling restrictions, **40:25**
 - other matters, **40:29**
 - pricing and closing the IPO, **40:26**
 - process, **40:22**
 - regulatory review process, **40:24**
 - stock exchange listing, **40:27**
 - introduction, **40:21**
 - subsequent offerings, **40:30**
 - MJDS prospectus, **40:34**
 - shelf prospectus, **40:32**
 - short-form prospectus, **40:31**
- Regulatory framework, **40:2**
- Resale of securities, NI 45-102, **40:17**

**SECURITIES TRANSFERS, PLEDGES
AND TRANSMISSIONS**

- Direct holding system
 - issuance of securities
 - certificated or uncertificated securities, **69:3**
 - conflict of law rules, **69:2**
 - defences of issuer, **69:4**
 - enforcement of securities, **69:4**
 - share certificates, **69:5**

**SECURITIES TRANSFERS, PLEDGES
AND TRANSMISSIONS—Cont'd**

- Direct holding system—Cont'd
 - transfer of securities
 - adverse claim, notice of, **69:8**
 - conflict of law rules, **69:6**
 - delivery, **69:10**
 - lost or stolen security certificates, **69:15**
 - other requisites, purchaser's right, **69:13**
 - purchaser, protected, **69:7**
 - registration of transfer, **69:14**
 - security certificate, endorsement of, **69:9**
 - signature guarantees, **69:12**
 - warranties on transfer, **69:11**
- Execution against securities
 - overview, **69:26**
- Indirect holding system
 - application, **69:16**
 - conflict of law rules, **69:18**
 - entitlement holders
 - cut off rules, **69:22**
 - in personam rights, **69:21**
 - in rem rights, **69:20**
 - rights, **69:19**
 - security entitlements, disposition of, **69:23**
 - security entitlement, nature of, **69:17**
- Investment property, security in, see **INVESTMENT PROPERTY**
- Overview, **69:1**
- Transmission of securities
 - rights of successors, **69:25**
 - transmissions, **69:24**

SECURITY AGREEMENTS

- See also **SECURED TRANSACTIONS**
- Assignment of accounts, **42:50**
 - general assignment of book debts, **42:51**
 - specific accounts, **42:52**
- Bank Act security
 - attachment and perfection, **42:56**
 - priorities, **42:57**
 - scope, **42:55**
- Debenture
 - nature, **42:47**
 - perfection, **42:48**

SECURITY AGREEMENTS—Cont'd

- Equipment leases and consignment agreements
 - consignments, **42:54**
 - equipment leases, **42:53**
- General security agreement, **42:49**
- Guarantees, **42:58**
- Real property security
 - assignment of rents, **42:60**
 - charge/mortgage of land, **42:59**
 - leasehold mortgage, **42:61**

SHARE CAPITAL, COMMON AND PREFERRED

- Authorized capital
 - capital clause in articles, **38:2**
 - common shares, **38:5**
 - exempt offering, **38:7**
 - public offering, **38:6**
 - designation of classes and series, **38:3**
 - multiple share classes, **38:8**
 - preferred shares, **38:9**
 - series, **38:10**
 - single share class, **38:4**
 - warrants and rights, **38:11**
- Introduction, **38:1**
- Share provisions
 - anti-dilution protection, **38:27**
 - conversion rights, **38:26**
 - dividend rights
 - cumulative and non-cumulative dividends, **38:15**
 - dividend sprinkling, **38:17**
 - fixed or participating dividends, **38:13**
 - partially cumulative, **38:16**
 - preferential dividends, **38:14**
 - general, **38:12**
 - preferential features, **38:34**
 - redemption of shares by corporation, **38:19**
 - background, **38:20**
 - mechanics, **38:22**
 - purchase by corporation, **38:25**
 - retraction, **38:24**
 - sinking fund, **38:23**
 - triggers, **38:21**
 - return of capital and rights on dissolution, **38:18**
 - tracking shares, **38:28**

SHARE CAPITAL, COMMON AND PREFERRED—Cont'd

- Share provisions—Cont'd
 - typical sets of share provisions
 - insolvent corporation, reorganization, **38:37**
 - preferred shares, section 85 rollover or estate freeze, **38:36**
 - private equity investment, **38:35**
 - voting
 - application of equality principle, **38:30**
 - election of directors, **38:32**
 - enfranchisement and separate class votes, **38:33**
 - mandatory governance right, **38:29**
 - multiple and subordinate voting rights, **38:31**

SHAREHOLDER AGREEMENTS

- See also **SHAREHOLDERS**
- Common provisions, **22:2**
 - dispute resolution, **22:30**
 - dividends and bonuses, **22:28**
 - employment, **22:25**
 - financing, **23:1, 23:3**
 - liquidity, **23:23**
 - management, **22:15**
 - other, **22:36**
 - parties, **22:12**
- Types of shareholder agreements, **22:1**
- Unanimous shareholder agreement, **22:5**
 - definitions and nature, **22:5**
 - OBCA provisions subject to, **22:10**
 - sample, **App. 1B**
 - section 108 of OBCA, **22:6**

SHAREHOLDER MEETINGS

- See also **AUDITS AND MEETINGS OF SHAREHOLDERS**
- Annual information form and management discussion and analysis, **59:14**
- Annual meetings
 - generally, **59:2**
 - example for schedule of offering corporation, **59:3**
- Chair of the Meeting
 - duties, **44:5**
 - who acts as, **44:4**
- Class or series meetings, **59:5**
- Court-ordered meetings, **59:7**

SHAREHOLDER MEETINGS—Cont'd

- Disputed meetings, **44:21**
 - enjoining a meeting ex ante, **44:22**
 - setting aside a meeting, **44:23**
- General, **59:1**
- Hybrid meetings, **44:20**
- Legislative developments, **92:7 to 92:9**
- Location, **59:8, 44:2**
- Notice of meeting
 - corporate law requirements, **59:12**
 - notice and access, **59:9**
 - regular mail, **59:9**
 - securities law requirements, **59:13**
- Pre-meeting preparations
 - general, **44:1**
 - list of Shareholders, **44:3**
 - location of meeting, **44:2, 59:8**
- Procedure at Meetings
 - adjournment, **44:18**
 - approval thresholds, **44:12**
 - chair's script, **44:8**
 - election of Directors, **44:14 to 44:17**
 - CBCA distributing corporations, **44:16**
 - plurality-plus voting, **44:17**
 - slate elections, **44:15**
 - minutes, **44:19**
 - motions, **44:11**
 - motions to amend, **44:11**
 - notice, proof of service, **44:10**
 - quorum, **44:9**
 - termination, **44:18**
 - voting on motions, **44:13**
 - voting rights, **44:12**
- Record dates
 - generally, **59:11**
 - steps for reporting issuer to take before, **59:10**
- Scrutineers, **44:7**
- Secretary of the meeting, **44:6**
- Shareholder requisitioned meetings, **59:6**
- Special meetings, **59:4**
- Virtual meetings, **44:20**

SHAREHOLDER REMEDIES

- See also SHAREHOLDERS
- Compliance and restraining orders, **27:9, 34:53**
 - complainant or creditor initiated, **27:10**
 - OSC initiated, **27:11**

SHAREHOLDER REMEDIES—Cont'd

- Derivative action, **27:1**
 - complainants, **27:2**
 - leave requirements, **27:3**
 - nature of statutory remedy, **27:1**
 - specific powers of court, **27:4**
- Investigation, **27:5**
 - background, **27:6**
 - overview, **27:5**
 - statutory provisions, **27:7**
 - usage, **27:8**
- Other juridical remedies under OBCA, **27:12**
- Security holder remedies under OSA, **27:13**

SHAREHOLDER RIGHTS

- See also SHAREHOLDERS
- Decision-making rights, **21:14**
- Dividends, **21:7**
- Information rights, **21:9**
- Liability shield, **21:6**
- Minority rights, **21:16**
- Nature of shareholder, **21:1**
 - beneficial holders, **21:1**
 - entitlement holders, **21:1**
 - joint shareholders, **21:3**
 - shareholders, **21:1**
 - ways to become shareholder, **21:2**
- Overview, **21:5**
- Return of capital, **21:8**
- Shareholder lists, **21:4**
- Voting rights
 - cumulative, **21:13**
 - general, **21:10**
 - majority rule, principle of, **21:11**
 - restrictions, **21:12**

SHAREHOLDERS

- Dissent and appraisal rights, see DISSENT AND APPRAISAL RIGHTS
- Oppression remedy, see OPPRESSION REMEDY
- Shareholder agreements, see SHAREHOLDER AGREEMENTS
- Shareholder remedies, see SHAREHOLDER REMEDIES
- Shareholder rights, see SHAREHOLDER RIGHTS
- Voting agreements, see VOTING AGREEMENTS

SHAREHOLDER TAXATION

See CORPORATE AND
SHAREHOLDER TAXATION

SHARES, ISSUE AND OWNERSHIP OF

Issuances and allotment

contract law elements, **38:2**

acceptance, **38:8**

communication of acceptance, **38:9**

consideration, **38:5**

formalities, **38:4**

offer, **38:7**

registration, **38:10**

subscription agreement, essential
elements, **38:3**

corporate law elements

business judgment rule, application
to issuance of shares, **38:14**

commission on issuance of shares,
38:16

consideration for shares, **38:11**

oppression remedy, application to
issuance of shares, **38:13**

pre-emptive rights, **38:12**

stock dividend, issuance of, **38:15**

overview, **38:1**

Lien on shares, **38:29**

inter-corporate share holdings

options to avoid prohibition, **38:32**

scope of the prohibition, **38:30**

statutory exceptions, **38:31**

Share certificates

fees, **38:20**

fractional and scrip certificates, **38:22**

general requirements, **38:17**

loss, theft or destruction, **38:21**

share conditions, **38:19**

transfer restrictions, notation of, **38:18**

Share corporations, restricted or
constrained, **38:28**

Share transfer restrictions

board discretion to approve transfer of
shares, exercise of, **38:25**

freedom of contract, **38:24**

private issuer, **38:23**

transfer fees, **38:27**

USA, effect of transfer on, **38:26**

**SOCIAL COMPANIES,
UNINCORPORATED
NON-PROFIT ORGANIZATIONS,
TAXATION, REGULATION OF
CHARITIES**

Charitable trusts, **16:7**

charitable purposes, types of, **16:8**

distinguished from other trusts, **16:7**

Regulation of charities, **16:12**

Charities Accounting Act, **16:12**

charitable trust, variance of, **16:12**

complaints, solicitation of gifts,
16:12

conflicting interests, disclosure of,
16:12

enforcement, charitable purpose,
16:12

public guardian and trustee, provi-
sion of information to, **16:12**

remedial powers, **16:12**

O. Reg. 4/01 (Approved Acts of Execu-
tors and Trustees), **16:13**

D&O insurance coverage, **16:15**

exemptions from the general
conflict-of-interest rules under
charity law, **16:16**

affiliate exemption, **16:18**

provision of goods, services and
facilities by directors and
connected persons, **16:17**

indemnification of directors and
officers, **16:14**

Social companies, **16:2**

Taxation of non-profit organizations, **16:9**

Trustee Act, **16:10**

investments, **16:11**

land, **16:10**

Unincorporated clubs, **16:3**

Unincorporated non-profit organizations,
16:4

trade unions as separate legal persons,
16:5

unincorporated non-profit associations
other than trade unions, **16:6**

SOLE PROPRIETORSHIP

See also UNINCORPORATED BUSI-
NESS ORGANIZATIONS

STANDSTILL AGREEMENTS

See also: NON-DISCLOSURE AGREE-
MENTS

STANDSTILL AGREEMENTS—Cont'd

Generally, **79:24**
 Certicom Corp. v. Research in Motion Ltd., **79:26**
 Delaware jurisprudence, lessons from, **79:34**
 Delaware jurisprudence, Martin Marietta Materials, Inc. v. Vulcan Materials Co., **79:28**
 Interpretation, **79:32**
 Non-disclosure agreements and, **79:25**
 Remedies, **79:33**

START-UPS

Generally, **1:1**
 Available legal forms to carry on business, **1:3**
 Business vehicle, factors in choosing, **1:9**
 Commercial law characteristics of vehicles for carrying on business, **1:4**
 corporations, **1:6**
 characteristics of a corporation, **1:6**
 incorporation in other Canadian jurisdictions, **1:8**
 OBCA vs. CBCA incorporation, **1:7**
 practical application of OBCA vs. CBCA factors, **1:7**
 relative advantages of CBCA incorporation, **1:7**
 relative advantages of OBCA incorporation, **1:7**
 non-corporate vehicles, **1:4**
 corporate division, **1:4**
 general partnership, **1:5**
 limited partnership, **1:5**
 partnership, **1:5**
 sole proprietorship, **1:4**
 Lawyer's role in advising fledging business, **1:2**
 Limited liability companies, **1:10**
 Prospecting Syndicate Agreement, **App. 1C**
 Retainer letter, **App. 1A**
 Tax factors in choosing business vehicle, **1:9**
 Unanimous Shareholder Agreement, **App. 1B**

STATED CAPITAL

Concept of, **40:1**
 Increase of, **40:3**

STATED CAPITAL—Cont'd

Issuer bids
 definition, **40:11**
 disclosure obligations, **40:13**
 formal valuations requirements, **40:14**
 exemptions from, **40:16**
 independent committee requirements, **40:15**
 exemptions from, **40:16**
 requirements, **40:12**
 Reduction of, **40:4**
 Share purchase or redemption
 acquired shares, cancellation of, **40:10**
 calculation of stated capital reduction, **40:9**
 consequential reduction of stated capital, **40:5**
 solvency tests, generally applicable, **40:6**
 director liability, **40:8**
 exceptions to, **40:7**
 Splitting of PUC between classes or series of shares, **40:17**
 Stated capital account, functions of, **40:2**

TAKE-OVER BIDS

See also MERGERS AND ACQUISITIONS

TAXATION AND REGULATION OF CHARITIES

See SOCIAL COMPANIES, UNINCORPORATED NON-PROFIT ORGANIZATIONS, TAXATION, REGULATION OF CHARITIES

TAX-DEFERRED CORPORATE TRANSACTIONS

Amalgamation, section 87, **55:21**
 application, **55:22**
 bump in ACB, subsidiary's non-depreciable capital property, **55:25**
 corporate law background, **55:21**
 effect on paid-up capital, **55:27**
 effect on taxation years, **55:23**
 rollovers, corporate level, **55:24**
 Butterfly transactions, **55:38**
 Consolidations, **55:16**
 Continuance, **55:18**
 export, **55:20**
 import, **55:19**
 overview, **55:18**

**TAX-DEFERRED CORPORATE
TRANSACTIONS—Cont'd**

- Conversions, debt obligations, section 51.1, **55:15**
- Overview, **55:1**
- Reorganization of capital, section 86, **55:13**
- Rollovers, section 85, **55:2**
 - benefits versus disadvantages, **55:6**
 - boot, **55:3**
 - cost amounts, **55:4**
 - elected amounts, **55:5**
 - allocation of to consideration paid to transferor, **55:8**
 - parameters, **55:7**
 - eligible parties, **55:2**
 - eligible property, **55:2**
 - Form T2057, **55:12**
 - indirect benefits, **55:10**
 - paid-up capital of transferee, **55:9**
 - price adjustment clauses, **55:11**
 - share consideration, **55:3**
- Rollovers, shareholder level, **55:28**
- Settlement, intercorporate debt, **55:26**
- Share conversion, section 51, **55:14**
- Share-for-share exchanges, section 85, **55:17**
- Share splits, **55:16**
- Winding-up, section 88, **55:29**
 - bifurcated winding-up rules, **55:31**
 - corporate law background, **55:29**
 - meaning of, **55:30**
 - of a non- 90% owned subsidiary, **55:37**
 - of a 90% owned subsidiary, **55:32**
 - bump in ACB, subsidiary's non-depreciable capital property, **55:34**
 - cancellation of subsidiary's indebtedness to parent, **55:35**
 - eligibility, **55:32**
 - parent's shares, **55:36**
 - rollover, corporate level, **55:33**

TRANSMISSION OF SECURITIES

See **SECURITIES TRANSFERS, PLEDGES AND TRANSMISSIONS**

TRUST INDENTURES

See also **EQUITY FINANCING and SECURITIES TRANSFERS, PLEDGES AND TRANSMISSIONS**

Financial setting, **45:1**

TRUST INDENTURES—Cont'd

- No-action clauses
 - generally, **45:16**
- OBCA (Part V), overview, **45:4**
 - application, **45:6**
 - bondholders, **45:11**
 - indenture trustee, **45:7**
 - conflict of interest, **45:9**
 - qualification, **45:8**
 - removal of trustee (conflict of interest), **45:10**
 - regulation of trustees and trust indentures, **45:12**
 - compliance, **45:15**
 - duty of disclosure, **45:13**
 - exculpatory clauses, **45:14**
 - trust indenture and trustee, **45:5**
- Overview, **45:3**
- Regulation in Ontario, history of, **45:2**
- Trust indenture, tour of
 - bondholders, meeting of, **45:27**
 - bonds, **45:18**
 - conversion privileges, **45:22**
 - covenants, **45:23**
 - default and enforcement, **45:24**
 - notice, **45:28**
 - redemption and purchase for cancellation, **45:20**
 - registration, transfer, ownership, **45:19**
 - satisfaction and discharge, **45:25**
 - subordination of debentures, **45:21**
 - successors, **45:26**
 - supplemental indentures, **45:30**

**UNINCORPORATED BUSINESS
ORGANIZATIONS**

See also **NON-CORPORATE ORGANIZATIONS**

Limited liability company, **1:10**

**UNINCORPORATED NON-PROFIT
ORGANIZATIONS**

See **SOCIAL COMPANIES, UNINCORPORATED NON-PROFIT ORGANIZATIONS, TAXATION, REGULATION OF CHARITIES**

UNLIMITED LIABILITY COMPANIES

Generally, **9:1**

Background, **9:2**

Concluding observations, **9:8**

Tax changes, under 5th protocol, **9:3**

UNLIMITED LIABILITY COMPANIES

—Cont'd

ULC jurisdiction, current determinants, **9:4**

BCULV v. ABULC, **9:7**

NSULC v. ABULC, **9:6**

NSULC v. BCULC, **9:5**

VENDOR TAKE-BACK FINANCING

Collateral, **84:18, 84:19, 84:26 to 84:30**

life insurance as, **84:27**

real property collateral, **84:18, 84:19**

leased real property, **84:19**

owned real property, **84:18**

ships as, **84:26**

target shares as, **84:28 to 84:30**

escrow arrangement, **84:30**

pledge agreement, **84:29**

registration of title, **84:28**

Conclusion, **84:34**

Context, **84:1**

Conventional financing, dovetailing VTB financing with, **84:10**

Debt instruments, **84:15**

Dynamics of, VTB financing negotiations, **84:9**

Guarantees, **84:16, 84:17**

corporate, **84:17**

personal, **84:16**

Legal opinions, **84:33**

Loan agreements, **84:15**

Personal property security agreements and registrations, **84:20 to 84:25**

accounts, **84:22**

chattel paper, **84:22**

equipment and machinery, **84:23**

intellectual property, **84:25**

inventory and its proceeds, **84:21**

motor vehicles, **84:24**

negotiable instruments, **84:22**

omnibus collateral (other than hares), **84:20**

Postponement and intercreditor agreements, **84:31, 84:32**

postponement agreements, **84:31**

subordination, priority and intercreditor agreements, **84:32**

Process of, **84:11**

Promissory notes, **84:15**

Rationales, **84:8**

VENDOR TAKE-BACK FINANCING

—Cont'd

Securities exemptions, **84:12 to 84:14**

financing asset acquisitions, **84:14**

financing share acquisitions, **84:13**

Sources of Finance, **84:2 to 84:7**

generally, **84:2**

disguised VTB financing, **84:4**

consulting fees, **84:5**

earn-outs, **84:7**

put-call arrangements, **84:6**

issuance of purchaser's shares to vendor, **84:3**

VOTING AGREEMENTS

See also SHAREHOLDERS

Generally, **22:37**

Pooling agreement, **22:38**

Voting trust, **22:39**

WARRANTS

Agent

duties, **35.1:45**

evidence of compliance, **35.1:43**

good faith reliance, **35.1:44**

overview, **35.1:41**

protections, **35.1:46**

removal and replacement, **35.1:42**

Anti-dilution adjustments

deep-discounted rights offerings, **35.1:35**

determination of adjustments, **35.1:37**

enforcement and waiver, **35.1:38**

special dividends, **35.1:36**

Authentication by agent, **35.1:32**

Certificates, **35.1:31**

Creation and issuance, **35.1:28**

Fixed-percentage warrants

anti-dilution provisions, **35.1:26**

exercise, **35.1:24**

exercise price, **35.1:23**

number of warrant shares, determination of, **35.1:22**

overview, **35.1:21**

purchase rights, **35.1:25**

FMV exercise price warrants

anti-dilution practices, **35.1:6**

exercise, **35.1:5**

holder's representations, **35.1:17**

legends, **35.1:15**

overview, **35.1:3**

INDEX

WARRANTS—Cont'd

- FMV exercise price warrants—Cont'd
 - purchase rights, **35.1:13**
 - term, **35.1:4**
- Unanimous Shareholder Agreement (USA), **35.1:14**
- Form of, **35.1:30**
- General terms, **35.1:29**
- Indentures, **35.1:27**
- Nature of, **35.1:1**
- Penny warrants
 - anti-dilution provisions, **35.1:20**

WARRANTS—Cont'd

- Penny warrants—Cont'd
 - exercise, **35.1:19**
 - overview, **35.1:18**
- Transfer of, **35.1:33**
- Warrant holders, meetings of
- Warrant holders, register of, **35.1:48**
- Warrant purchase agreements, **35.1:2**
 - ordinary/extraordinary resolutions, **35.1:39**