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Legal Publicity Act - 12 years later... Guide Updated

In late 2005 and early 2006, we witnessed several changes affecting corporate law such as the coming into force of Regulation 45-106 and the proposed joint-filing of the annual declarations. These changes produced some stressful moments somewhat reminiscent of the time legal practitioners were grappling with the *Act Respecting the Legal Publicity of Sole Proprietorships, Partnerships and Legal Persons* introduced in 1994, which revolutionized the practice of corporate law.

Can you believe that was 12 years ago? To help deal with the major reform, we created a guide in April 1995 for the benefit of our clients to identify quickly and with ease the principal forms to be filed with the Enterprise Registrar (REQ) and the corresponding government fees. Finally, a brief description on how the forms were processed by the REQ was also mentioned in this guide.

Here we are in 2006 and this guide is just as useful today as it was back then taking into account, of course, the necessary adjustments such as government fees.

Let's take a quick look at some of the changes since 1994: all the forms and declarations have been amended over the years at different times. Articles and notices are no longer identified with a number (e.g., Form 1 – Articles of Incorporation) and, surprisingly, the government fees were reduced - believe it or not? The old Forms 2 and 4 were consolidated into one now called "Notice Establishing the Address of the Head Office / List of Directors". The Inspector General of Financial Institutions (IGIF) was renamed the Enterprise Registrar (REQ).

We have updated this guide for the convenience of our clients. All you have to do is [**click here**](#) for the latest version and keep a copy on the corner of your desk for a quick consultation.

We may not all agree with the changes brought by the REQ over the years but we can certainly agree that REQ is making rapid strides in improving its services.

FOOD FOR THOUGHT
"Love all, trust a few. Do wrong to none."
William Shakespeare

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Corporations Canada reconsiders its stand regarding Regulation 45-106

Last May, Corporations Canada published a new policy regarding Regulation 45-106 specifying that a statement that restricts the transfer of *shares* should appear in item 4 of the articles of incorporation and a statement that restricts the transfer of *securities*, other than shares, should appear in item 7 of the articles. We informed you of this new policy in our Memo-CRAC dated June 12, 2006. So, as promised, here is an update on this subject.

Corporations Canada reconsidered its position and published, on July 6, a notice that declared that it would accept articles of incorporation that contained restrictions on the transfer of *securities*, including shares, in item 4, which is contrary to what was previously announced.

Corporations Canada's preferred approach is to have two distinct clauses in items 4 and 7 of the articles but the welcoming news this time was that Corporations Canada will not insist that clients comply with its preferred position. For those clients that adopted a different approach by consolidating the restrictions on the transfer of shares and securities into one clause, will be able to continue to use their schedules as drafted and Corporations Canada will not reject them.

Clients will therefore be able to complete the articles as they wish, having the choice between two options, that is, two clauses versus one clause regarding the restrictions on the transfer of shares and securities.

We happen to agree with Corporations Canada's preferred approach in that we opted to use two distinct clauses as well. Indeed, when Regulation 45-106 came into effect, we amended our schedules *Passe-Partout* to include two distinct clauses in items 4 and 7 of the articles. What was perhaps a concern when the first notice was published was that Corporations Canada appeared to impose its opinion and force clients to comply with its new policy. Luckily, Corporations Canada reconsidered and adopted a more flexible approach and will leave clients the option to choose for themselves.

To consult the notices published by Corporations Canada, visit the web site at http://strategis.ic.gc.ca/epic/internet/incd-dgc.nsf/en/h_cs01986e.html

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2006 Golf Tournament

The 18th edition of the annual *Classique Juri Golf* tournament was held on June 20 at the magnificent Saint-Raphaël Golf Club in Ile-Bizard. Over 300 people came out with their golf clubs and generosity in support of a good cause.

CRAC and CSRS were once again proud sponsors of this event as many of their representatives joined the other golf enthusiasts on this pleasant day except for a short mid-day stoppage due to a thunderstorm.

Mr. Michel Lacroix, official announcer of the Montreal Canadiens hockey club, was back once again as emcee of the evening. After dinner, a cheque in the amount of **\$160,100.00** was presented to the Jean Marc Paquette Foundation, a record amount for such an event!



Some members of the organizing committee of Juri Golf and the Foundation

Guests attending the dinner were privy to a surprise this year which contributed to the record amount of donations. Leo Iacono, member of the Foundation, shaved his head in front of the crowd. He revealed that this gesture was one of solidarity for Mr. Jean Marc Paquette, a man he considers as a second father.

Many were touched by this sincere and courageous gesture and donated generously to the cause for a lock of Leo's hair. He alone, helped raise around \$50,000.00 for the Foundation during the so-called most expensive shearing in the history of the event. Thank you Leo!



Leo Iacono, member of the Foundation and his barber

Thanks to the organizing committee and the members of the Foundation for their tremendous efforts in putting together another successful fund-raising affair. We hope to see you again next year!

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CAP's Annual Convention

The Canadian Association of Paralegals (CAP) held its annual convention on June 16 at the Sheraton Center in Montreal. The activity-filled day included several conferences on various topics of interest for the CAP members as well as taking the time to visit the booths of many exhibitors, one of which was CRAC.

CRAC was delighted to distribute the new brochure of our trade-marks division, CPI-IPC, and in keeping with the theme of the new brochure, we gave away an adorable plush lamb sporting a cute t-shirt bearing the new website address www.cpi-ipc.com. All those who received our souvenir fell under its unmistakable charm as we tried to keep up with the demand!

Prizes were handed out to the paralegals attending the convention throughout the day. Congratulations to Ms. Tara-Starr McConnell of the firm Fishman Flanz Meland Paquin, who was the lucky winner of two tickets to the *Cavalía* show, courtesy of CRAC.

The festivities continued well into the evening as members were invited to a fine Italian dinner at Restaurant d'Aversa. A good time was had by all!



Ms. Caroline Guy and Me Johanne Muzzo, trade-mark agents at IPC

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