

Standing Committee on Private Bills

2:01 p.m.

[Chairman: Mr. Renner]

MR. CHAIRMAN: Good afternoon, everyone. I'd like to call this meeting to order. This is the Standing Committee on Private Bills. Just before we bring our first petitioners in, I'd like to thank everyone for shortening your long weekend and coming out. We do have a relatively short agenda for you today, so you won't have to shorten your long weekend quite that much. I think both the Bills we'll be dealing with today are interesting in their own way.

Mr. Wickman.

MR. WICKMAN: Speaking of agendas, Mr. Chairman, can I add an item to the agenda?

MR. CHAIRMAN: Sure. Why don't you wait till we get to that point where we're approving the agenda?

Okay. Does everyone have the handout material? I just want to point out to everyone that there was an addition to Canadian Union College, Bill Pr. 5. There's material printed on the back of one page. The first page you got just had one side. The second page has both sides.

All right. I would entertain a motion to approve the agenda, and then we'll ask for Mr. Wickman's addition after that. So can I have a motion? Mrs. Gordon.

MRS. GORDON: So moved.

MR. WICKMAN: The item I'd like to have added to the agenda, Mr. Chairman, pertains to the secrecy of the adoption files.

MR. CHAIRMAN: Okay. So we'll make that Other Business. I have something I want to add as well. Under Other Business we have (b), which will be secrecy of adoption files, and if you would add under item (c) discussion of Gimbel foundation. Any other additions to the agenda?

All right then, as amended. All in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Opposed? Carried.

The minutes of our last meeting have been distributed. I would entertain a motion to adopt those minutes. Mr. Herard.

MR. HERARD: So moved.

MR. CHAIRMAN: Any discussion, errors, deletions? I see none. All in favour? Opposed? Carried.

Then we're ready to begin our discussion and interview our first witnesses. This will be Bill Pr. 5, Canadian Union College Amendment Act, 1993.

It will just be a moment, and Ms Marston will bring the witnesses in.

[Mr. Fitch and Mr. Chipeur were sworn in]

MR. CHAIRMAN: Thank you, gentlemen. Welcome to our meeting. Just a little bit of background information. This is an all-party committee of the Legislature. You have petitioned the Legislature to pass a Bill on your behalf. That Bill has received first

reading in the Legislature, and then it has been referred to this committee for us to give a recommendation. We've asked that you come today and explain to us exactly what it is that you're asking the Legislature to do. The committee will have an opportunity to ask you a few questions, and then we'll make a recommendation back to the Legislature.

Just before we get started, I'll have the committee introduce themselves. We're a good representative cross section of the Alberta population. We have members from right across the province. We'll start with Mr. Wickman.

MR. WICKMAN: Percy Wickman, Edmonton-Rutherford.

MR. JACQUES: Wayne Jacques, Grande Prairie-Wapiti. Good afternoon.

MRS. SOETAERT: Hi. Colleen Soetaert, Spruce Grove-Sturgeon-St. Albert.

MRS. GORDON: Nice to see you. Judy Gordon, Lacombe-Stettler.

MR. VAN BINSBERGEN: Good afternoon. Duco Van Binsbergen, West Yellowhead.

MR. HERARD: Denis Herard, Calgary-Egmont. Welcome.

MR. HLADY: Mark Hlady, Calgary-Mountain View.

MR. AMERY: Moe Amery, Calgary-East.

MRS. LAING: Bonnie Laing, Calgary-Bow.

MR. SEKULIC: Good afternoon. Peter Sekulic, Edmonton-Manning.

MR. PHAM: Hung Pham, Calgary-Montrose.

MR. CHAIRMAN: I'm Rob Renner, and I'm from Medicine Hat.

We'll turn it over to you. If you'd like to – whoever wants to speak; it doesn't really matter – just give a brief rundown on the Bill and what it proposes to do, and then we'll turn it over to the committee. Whoever speaks first, if you wouldn't mind just introducing the other.

MR. FITCH: We appreciate the opportunity of being able to be here this afternoon to present this Bill. You have some background information; I'll add just a little to that. Our college began in 1907, as the information gives, near Leduc, moved in 1909 to its present site, and has been operating there ever since. It was not until 1991 that we received degree-granting. The year before that our enrollment was 276 in the college. With degree-granting we had 327, then 353, and then this current year we have 385 students, so it's continuing to grow. One of the things the college has desperately needed for a number of years is a new science building. Our current facilities have really not changed for about 60 years. The site that has been chosen was the site of our old dairy barns. Those had been removed and the construction is already taking place, but this particular site is not included in the tax exempt area for the college. We have also had our master plan updated – that is, the physical plant master plan – and there are buildings beyond this building which are in our long-range building program. So it is necessary that this area be expanded.

That is briefly the reason for our request today.

MR. CHIPEUR: Hi. My name's Gerry Chipeur. I'm the lawyer for the college. I'll just take a minute and explain what we are doing in this Act. Currently there are two provisions in legislation that provide for the exemption of certain areas of land on which Canadian Union College is currently situated. The two pieces of legislation, however, as indicated, do not include the piece of property that has been designated for the new science centre. What this Bill does in section 2, the only real operative section, and in the various subsections is that it provides that the two pieces of legislation, section 9a of the Canadian Union College Act and chapter 119 of the *Statutes of Alberta*, 1960, which used to deal with and currently deal with tax exempt land, are repealed, and what they used to provide for is now consolidated into one fairly short section.

What we've done is that instead of having two plots that each one is separately exempt from land, we've combined them together into one description and added into that legal description the new science centre lands. So you really have three different parcels that are brought in together as one, and at the same time you are exempting from taxation this new piece of property, which will include the science centre land and some land for future expansion. You will also find a provision, as in past statutes, that if the property is not used for educational purposes, if it's used for profit, then of course it's subject to taxation as it has always been.

We would certainly be happy to answer any questions.

2:11

MR. CHAIRMAN: Thank you very much. It's really not necessary to stand. If you feel more comfortable sitting, feel free to do so.

Do I see any questions from the committee? Mrs. Gordon.

MRS. GORDON: I just was wondering if you could tell me how much land is involved here in this amalgamation. We have a legal description here in section 9.1(1)(a). I was wondering if you could tell me just how much land is involved.

MR. FITCH: I should have known that.

MR. CHIPEUR: If you take a look at the previous statute, the 1960 statute, you'll notice a long description of a number of quarters. This does in total cover approximately three quarters, but the actual additional land being added to the current property – that is, Canadian Union College – would probably be somewhere in the area of 10, 20 acres.

MR. FITCH: That's being added?

MR. CHIPEUR: Yeah.

MR. FITCH: I would say about 20 acres.

MRS. GORDON: This is to accommodate future growth as well?

MR. CHIPEUR: Yes. The science centre itself will cover probably half of that. The rest of it will be for another building.

MRS. GORDON: Thank you.

MR. HLADY: I was wondering: do you have anything in regards to the taxes that you would be paying on a yearly basis if this was not changed?

MR. CHIPEUR: I think that we have not done an assessment of how much this particular parcel would be. My understanding is that the amount of taxes that we're talking about is in the hundreds of dollars

per year, because this is currently designated as farmland. It's a very small portion of the farmland that the college owns right now. It owns approximately – what? – 13 quarters, 12 quarters now.

MR. FITCH: Just over 2,000 acres. We've just sold some of that, however.

MR. CHIPEUR: So all of that is paid to the county, and this is just a small fraction of that.

MR. FITCH: I also believe that we pay taxes, as Gerry has mentioned, separately if the land is not being used for educational. It is still taxed as it otherwise was. So this would be a small amount.

MR. CHIPEUR: For example, there are a number of homes where faculty live, and those homes are subject to taxation. There is also a furniture factory operated by a private interest being leased from the institution. There's also a press and the dairy operation. But you have the farmland there, and that is all subject to taxation as well.

MR. HERARD: Mr. Fitch, did you just say that you've got about 2,000 acres, but you just sold some of it? What happens when you sell it?

MR. FITCH: This is land across the highway. It's funds that the college retains.

MR. HERARD: So this is not part of this?

MR. FITCH: No.

MR. HERARD: But I still would be curious to know what happens if you ever were to sell for profit some of this land that has been tax exempt. It makes an interesting scenario.

MR. CHIPEUR: I can answer that. Right now, of course, the land that's being sold is just farmland that used to be operated as part of a dairy operation. That land is not included in this. If we were to sell land that was subject to this, this Act would not apply to it because the Act applies to Canadian Union College. It would not apply to someone who owned it that was not Canadian Union College.

MR. HERARD: I guess what I contemplated was Canadian Union College selling a piece of land that was formerly untaxed as being used as a school. I don't think that would ever happen.

MR. CHIPEUR: I think there are two answers there. One is that if Canadian Union College didn't own the land – you see, this Act only applies to Canadian Union College. Secondly, if the land is not used for educational purposes by Canadian Union College, it's not exempt either. So under both scenarios and for both reasons it would not be exempt from tax in the hands of a third party.

MR. HERARD: Thank you.

MR. CHAIRMAN: Any other questions at all? Mr. Van Binsbergen.

MR. VAN BINSBERGEN: Mr. Chairman, I'd like to ask the president, Mr. Fitch – I was surprised to see, by the way, that you offer bachelor of arts, bachelor of education, bachelor of science degrees. In fact, I didn't even know of your college, to be quite

frank. Now I know. Are they comparable to U of A degrees? Are we looking at any similarities here?

MR. FITCH: The degrees are accepted by the Department of Education for teacher certification. We have kind of an interesting scenario in that since 1979 the college was authorized to have an extension campus of one of our other colleges, in Lincoln, Nebraska. With changes just a few years ago, these now operate under the approval of the minister of advanced education, so the programs are currently approved by the minister of advanced education. The graduates from these programs receive teacher certification. It's not a blanket approval like it is with the University of Alberta. They are looked at course by course, but generally all of them meet the requirements.

These programs are being phased out. We have now submitted proposals to the Private Colleges Accreditation Board that these will all become Canadian Union College programs. Now, there will be some things that have to yet be worked out, but the approval for these programs is through 1996; that is, the end of the academic year 1996. So we have approximately two and a half years, a little more than that, to do the detail work to make these programs our own. Some of the programs are our own, but the bachelor of education is not.

MR. VAN BINSBERGEN: I notice you offer a master of arts degree as well.

MR. FITCH: We have another one of our colleges in the States, La Sierra University, which allows teachers within our system to obtain a master of arts degree in four summers. The church headquarters pays a flat amount of money, and any teacher within our system is able to come tuition free. We also have a master of science in marriage and family therapy through Loma Linda University in California. All these programs operate with the approval of the minister of advanced education.

MR. CHAIRMAN: I would just like to give Parliamentary Counsel an opportunity to cover a couple of areas. One question came up. Mrs. Gordon asked about the land description, and that came up in my conversation as well. I had Mr. Reynolds check that out, and I'd like him to advise the committee of his findings on that. Mr. Reynolds, if you would also point out the letter that we have from the county.

MR. REYNOLDS: Well, I guess it's the same issue. I think everyone on the committee – and I think we mentioned to the petitioners that we had received a letter from the county of Lacombe, the jurisdiction in which the college is located, indicating that they had no objections to the proposed Bill. It states: “if the primary purpose and result is to include the area of land on which the Chan Shun Science Centre is being constructed.” This letter was provided by Mr. Edwin Koberstein of the county. Just to follow up, I spoke with Mr. Koberstein again this afternoon, and he certainly had no difficulty with the land description that was provided for in the Bill. It was just to confirm, so I just want to point that out to the committee and to the petitioners.

I was wondering, with respect to the actual science centre, if ground had been broken on the centre.

2:21

MR. FITCH: Ground was broken in June, and it's currently being constructed.

MR. REYNOLDS: The county had mentioned: if it was being used for that. In your material you had indicated earlier that it probably would be broken in June. I just wanted to confirm that.

Just on a technical drafting point – Mr. Chipeur was quite kind – the Bill actually had sort of been amended over the years, and it's a bit of a mishmash. For instance, the 1960 Bill, which is being repealed by this Act, didn't indicate where in the Act it was supposed to go, just that it's amended by this provision. So it's a bit of a mess that way.

The numbering, until this Bill, was a little strange too, because the 1951 amendment had referred to 9(a). That's not the usual numbering for a Bill. It would be 9(1), and Mr. Chipeur's corrected that in this Bill. I just wanted to point that out.

Those are my comments, Mr. Chairman.

MR. CHAIRMAN: Thank you.

Mr. Wickman.

MR. WICKMAN: Mr. Chairman, a question. The enrollment at the institution, at the facility: do you have a breakdown as to how many of the students are from Alberta, how many would be from other parts of Canada, how many may be from overseas?

MR. FITCH: I didn't bring you an actual count on that. Some of them that come from other provinces may eventually become residents of Alberta. The majority of our students would be from Canada. We have students from United States, Nicaragua, Africa, but I would suspect that in the area of 80 percent of our students would be Canadian. Of that group probably in the area of 30 percent would be from Alberta.

MR. WICKMAN: The Seventh-Day Adventist congregation still has the college in Toronto, I believe. Is it in Toronto or in eastern . . .

MR. FITCH: There used to be a two-year college in Oshawa, Ontario.

MR. WICKMAN: Yeah. Oshawa.

MR. FITCH: Since 1977 – I believe that was the date – it is operating only as a secondary school.

MR. WICKMAN: Just one last question, on a more personal note. Is the Eaton family still residing in the College Heights area?

MR. FITCH: Les Eaton is, most of the time. However, his wife is teaching in B.C., so he's gone there quite often.

MR. WICKMAN: Make sure you say hi for me. He fed me many, many times when I was a youngster.

MR. FITCH: Okay. He still is doing his carpet business, hopping around on his crutch, doing quite well.

MR. CHAIRMAN: Yes, Mr. Van Binsbergen.

MR. VAN BINSBERGEN: Thank you. Mr. Fitch, does your college admit non Latter-day Saint students? Obviously, I would imagine, it does.

MR. FITCH: We're Seventh-Day Adventists.

MR. VAN BINSBERGEN: Oh, am I wrong?

MR. FITCH: Right. Yes, we do not discriminate against others. We have an open admission. We do, however, request that they abide by the regulations of the college. You might be interested that last year we graduated 23 bachelor of education students. Four of them were community students, and three of them were hired. One wanted to stay in the local area and so did not. Yes, we do.

Just out of interest, the Hon. Stockwell Day's son attended there one year.

We have probably in the area now of about 10 percent, perhaps a little more than that, who would not be members of the Seventh-Day Adventist church. With the degree-granting, we actually have quite a significant number from the local area, and that is growing, for which we're pleased.

MR. VAN BINSBERGEN: You have residences there, don't you?

MR. FITCH: Yes, we do.

MR. VAN BINSBERGEN: Are your rules for behaviour noticeably tougher, stricter than at, say, the University of Alberta?

MR. FITCH: I would guess the answer is yes. We have moral standards which we enforce, which can necessitate students leaving school. Our students are not to drink or smoke; no drugs. We have some challenges occasionally, and we work with students. Yes, I think the answer is unequivocally yes. Part of our program is a religious studies course that students take.

MR. VAN BINSBERGEN: That is compulsory?

MR. FITCH: It's part of the program, so we do not make exceptions for that. If they're in the dormitory, there are also what we call devotionals once a day. They have a certain number they must attend a week. So it is different. We do not have co-ed dormitories. They are in the same dormitory, but they are separated, and should the twain meet, usually it's good-bye.

MR. VAN BINSBERGEN: Okay. Thank you.

MR. CHAIRMAN: I'm finding the conversation very enlightening and very interesting but somewhat off the topic. If someone has any questions specific to this Bill, please go ahead.

MR. WICKMAN: Mr. Chairman, if you'd ever met Les Eaton, you would understand.

MRS. GORDON: Mr. Wickman, I as well know Mr. Eaton. We can talk later.

I just want to ask one thing. When will the science centre be completed?

MR. FITCH: We have a little money yet to raise, but the target date is the end of June of '94.

MRS. GORDON: Very good. If I can quickly say, before the chairman rules me out of order, I would congratulate you on your increased enrollment. I'm very proud of Canadian Union College, being their MLA.

MRS. SOETAERT: She wants to go to their ribbon cutting.

MRS. GORDON: I've been at several.

MR. FITCH: She'll be getting another one.

MR. CHAIRMAN: Fine. Any other questions at all?

If not, thank you very much, gentlemen. The committee will take your information under advisement, and we'll get back to you as soon as a decision has been made. Thanks for coming.

MR. FITCH: Thank you.

MR. CHAIRMAN: All right; I'll call the meeting back to order, ladies and gentlemen. Our next petitioners have come in for Bill Pr. 16. I'll have Parliamentary Counsel swear them in.

2:31

[Mr. May and Mr. Olyan were sworn in]

MR. CHAIRMAN: Thank you. Welcome to the committee. We had a brief chance to discuss the procedures in the waiting room when you arrived. I just want to again go over the procedures. You've petitioned the Legislature to pass a Bill on your behalf. That Bill has received first reading in the Legislature. It's then referred to this committee for our recommendation. What you're here to do today is provide us with a little bit of background information, explain to the committee why it is that you are proposing this Bill, and then the committee will have an opportunity to ask you any questions they may have.

Just before we get started, I'll ask the committee to introduce themselves. This is an all-party committee representative of people from right across the province, all MLAs of course. We'll start at the far end with Mr. Wickman.

MR. WICKMAN: Percy Wickman, Edmonton-Rutherford.

MR. JACQUES: Wayne Jacques, Grande Prairie-Wapiti. Good afternoon.

MRS. SOETAERT: Hi. I'm Colleen Soetaert from Spruce Grove-Sturgeon-St. Albert.

MRS. GORDON: Welcome. Judy Gordon, Lacombe-Stettler.

MR. VAN BINSBERGEN: Duco Van Binsbergen, West Yellowhead.

MR. HERARD: Denis Herard, Calgary-Egmont. Welcome.

MR. HLADY: Mark Hlady, Calgary-Mountain View.

MR. AMERY: Moe Amery, Calgary-East.

MRS. LAING: Bonnie Laing, Calgary-Bow.

MR. SEKULIC: Good afternoon. Peter Sekulic, Edmonton-Manning.

MR. PHAM: Hung Pham, Calgary-Montrose.

MR. CHAIRMAN: My name is Rob Renner. I'm from Medicine Hat, and I'm the chairman of the committee.

I'd also like to introduce you to . . . Oh, Ms Marston is not here right now, but I think you've probably met her. She's the assistant on our committee. Parliamentary Counsel is Rob Reynolds.

If you'd like to go ahead and get started, it's not necessary to stand. You can remain seated and give us a little bit of background information on the Bill and prepare the groundwork, I guess, for some questions.

Just before you get started, I see we have some visitors in the gallery. I'd like to welcome you. This is a meeting of the Private Bills Committee, and what we're doing today is discussing a Bill that the TD Trust Company is proposing. If you want to stay for a little while, you can hear a little bit of the background information. We do welcome you and thank you for coming.

Sorry for the interruption. Go ahead.

MR. OLYAN: Not at all.

My name is Arnie Olyan. I'm with the law firm of McCarthy Tetrault in Calgary, and I drafted the proposed Bill. With me today is Mr. Charles May, who is the senior VP, personal trust, of TD Trust Company. Mr. May will first give you some business background, if you like, as to the reasons for this private Bill, and then I'll take you through the legislation itself.

MR. MAY: Thank you. We very much appreciate the opportunity to address your committee today, and I'll try to give you some background that will help in understanding the Bill.

I'll start at a very basic pace, and I don't mean to insult the committee at all. This is where I started when I tried to understand what the difference between a trust company and a bank is, because for all intents and purposes, you can open up a bank account at a trust company; you can open up a safety deposit box at a trust company. So I had to gain an understanding of just what the difference is.

The essential difference is that trust companies have a fiduciary understanding, which is a large word, but "fiduciary" means that we have some special powers as a trust company that banks don't have, special powers to act as an executor over an individual's estate once they pass away or special powers to act as trustee, a corporate trustee as opposed to a personal trustee. That is the essence of the difference and one of the main reasons we're here today.

I'd also like to tell you a bit about TD Trust. TD Trust is a wholly owned subsidiary of the Toronto Dominion Bank. We were incorporated in June of 1992 when legislation changed that permitted banks to own trust subsidiaries. We are licensed as a trust company federally and in the province of Alberta and all other provinces. We are also a member of the Canada Deposit Insurance Corporation. I'll apologize in advance, because I will probably slip into using words like CDIC and especially CGT, which is Central Guaranty Trust Company. Those of us who have been involved in Central Guaranty have this on the brain, so if I say CGT, I mean Central Guaranty Trust Company.

As TD Trust, we do specialize. You can't open up a bank account at TD Trust. You can't buy your traveler's cheques at TD Trust Company. At the TD Bank they'd be happy to do that, but we specialize in executorship for individual estates and trusteeship over pension plans, retirement savings plans, and any other arrangements that require by law a trustee. So that's our business.

I will tell you a bit about the history of TD Trust's involvement with Central Guaranty Trust. Back in 1992 and dating a little before that, Central Guaranty Trust got into financial difficulty. At the time of the purchase of the assets of Central Guaranty Trust, CGT was close to being insolvent, and at the present time CGT is in liquidation but is not bankrupt. In 1991 the Canada Deposit Insurance Corporation, CDIC, urged CGT to try and sell some of its assets in an effort to improve its financial situation. This was unsuccessful, so in 1992 CDIC approached TD Bank and other financial institutions to purchase substantially all of CGT's business. TD Bank's offer was the most acceptable to CDIC, and as a result, TD Bank did purchase most of the assets and assumed most of the liabilities of Central Guaranty Trust. This transfer closed on December 31, last New Year's eve, 1992.

Now, as I said, the retail banking business was by far the largest part of this transaction, and this part of the business has been taken over by TD Bank. You may have noticed that Central Guaranty Trust signs on exteriors of buildings have now disappeared and been replaced by TD Bank signs. Central Guaranty Trust had about 150 retail branches that are now gone. It is only the fiduciary pension and custodial operations of CGT that have been taken over by TD Trust. The fiduciary and custodial business of CGT is currently being conducted by virtue of an agency and operating agreement between CGT and TD Trust. So effectively TD Trust is conducting this business as Central Guaranty's agent pending TD Trust being named as executor.

In Alberta there are approximately 300 active trusts and estates and all across Canada there are about 20,000 wills where Central Guaranty Trust has been named as executor. Now, what this Bill will do is permit – where a document, whether it be a will or whether it be a trust agreement, reads "Central Guaranty Trust," the effect of this Bill will be to effectively transfer TD Trust in place of Central Guaranty Trust, which, as I mentioned, is now insolvent.

That is the background.

MR. CHAIRMAN: Just before you start, I am going to welcome some more guests to the gallery. I see this time we have some guests in the other gallery. You've just walked in on a Private Bills Committee meeting. We're here this afternoon discussing Bill Pr. 16, which is the TD Trust Company and Central Guaranty Trust Company Act. The committee is hearing representation from the bank. They're asking us to pass some legislation on their behalf. We welcome you and encourage you to stay and listen to what everyone has to say.

2:41

MR. OLYAN: To summarize the legislation for you – and you can flip through it as I'm taking you through it – we start off with a bit of a preamble, which explains that the purpose of the legislation is to transfer to TD Trust Company the trusteeship and agency business of CGT in Alberta. I might add that similar processes will be going on in every Legislature in Canada.

Section 1 of our Bill explains what the Bill does not apply to. Basically, it does not apply to property that's owned by CGT in its own right. It doesn't apply to property that's held in trust by CGT where the property is situated outside Alberta, except in very narrow circumstances where CGT is appointed trustee by a court locally but the property is situated somewhere else. For example, the deceased might be an Albertan and might own property in Arizona, so part of the trust is still going to have to go to court in Arizona. The Bill also does not relate to CGT's deposit-taking business. As Mr. May explained, that's all gone to the bank. It also does not apply to property held by CGT by trust indenture and by virtue of which bonds or debentures are issued. For those kinds of situations, specific provisions are made. They go back to the individuals or companies that issued these debentures and make special provision. It also does not apply where CGT acts as a trustee for unit holders in respect of oil and gas royalty funds or where CGT is trustee of money market or pooled funds that they controlled.

The better question, I suppose, is what the legislation does do, and the operative sections are sections 2 and 3 of the legislation. Section 2 basically says that TD is substituted for CGT in respect of any trust or will or pension plan in which CGT is named as an executor or a trustee, whereunder any property is vested in or put in charge of CGT in trust for any other person or for any other purpose, and all this with effect from January 1, 1993. The legislation also applies where the instrument that appointed CGT took effect after January 1, such as the testator made up a will last year or any time in the past

but died after January 1. So that explains the wills and trust function.

Section 3 says that from January 1, '93, all real and personal property that was held by CGT in trust for the benefit of anybody else is vested in TD Trust on the same terms and conditions as was the original grant to CGT. So it applies to the wills, and if there's a registration already in the land registry or someplace else, it's also taken to read that TD Trust has been substituted.

The Act goes on in section 4 and says that for the purpose of legislation affecting title to property – and I mention, for example, the Land Titles Act – the vesting of property in TD, that the property would be seen as being in the name of TD, happens whether or not there's a registration of this private Bill against that particular title to land. So in effect, without doing more, if you pass this Bill, it's read as if TD Trust is in there now.

The other provisions are all in consequence of those first three sections really. Suits or proceedings being carried on by CGT – a person with one of these wills or trusts – are to be continued under the name of TD Trust, and that applies whether or not the action has already begun. If it hasn't, they can start the action in the name of TD Trust right now.

In section 6 the opposite situation is that people with claims against CGT in respect of these trusts will still have rights against CGT, but TD Trust will not be liable for any liabilities arising out of any act or omission of CGT that occurred prior to January 1 when CGT was still controlling the file in effect.

Section 7 simply sets out that where property is still registered in the name of CGT and it's desirable to transfer it out to a third party now, any instrument dealing with the property can be signed literally by the TD Trust people, can contain a recital referring to this legislation, and that instrument may be accepted for registration – for example, in the Land Titles office – and “shall be deemed to be effective in passing title to the property.” So notwithstanding that on the title it said CGT, one of the TD Trust people can sign the transfer document now, refer to this legislation, and the transfer will be made.

The Act as drafted is also to bind the Crown and everybody else in Alberta. The only other point I want to make – and I think it should be in appendix B to the materials you have in front of you – the Alberta Treasury appreciates that the Bill is probably the most expedient means for the transfer of this fiduciary business of CGT to TD Trust Company. That's the part at the end of your materials. A Mr. Pointe made the point that that was his view.

MR. WICKMAN: I'm sorry, I didn't get that last part. Mr. Pointe made the . . .

MR. OLYAN: Let me read to you directly from what Mr. Pointe had to say about this.

MR. WICKMAN: You mean the letter we have on file?

MR. OLYAN: Yes.

MR. WICKMAN: That's fine.

MR. OLYAN: That's correct. Mr. Pointe's view, his response when he reviewed the Bill – and I'm quoting now from what he has written – was:

We do not have any objection to the proposed Bill and, indeed, believe that it is probably the most expedient means for the transfer of the fiduciary business of Central Guaranty Trust Company to TD Trust.

MR. CHAIRMAN: We're just having a bit of a discussion here. I don't have a copy of that letter with my material, but my filing system isn't the greatest sometimes. Does everyone else have a copy? Good.

MR. REYNOLDS: That would be the April 28 letter from Mr. Pointe . . .

MR. OLYAN: To Mr. Work. That's correct. I'm sorry; I thought everyone had that.

MR. CHAIRMAN: Everyone had it except the chairman.

Thank you very much. I think that gives us a pretty good overview of where we're at now. I'd like to now turn it over to the committee and open the floor up to questions.

Mr. Herard.

MR. HERARD: Thank you. Under section 6(2) you're not taking on any of the liabilities or obligations of CGT. Is that because they're still an entity and they're still responsible for their own problems?

MR. OLYAN: That's partly correct. If I might expand on that, though, I think it's a very good point that you raise. In certain circumstances a successor trustee can be liable for the actions of a prior trustee. Basically that can happen if the successor trustee does not review how the trust was handled before the succession and must satisfy himself that the prior trustee did at least an adequate job. This is akin to a passing of accounts that would otherwise occur on the appointment of a new trustee. That would be a system where in each of the 300 trusts we have in Alberta, you'd go before the Surrogate Court or the Court of Queen's Bench and explain why on an individual application TD should be appointed in the place and stead of CGT. Notwithstanding the words of section 6(2), TD Trust could be liable for acts that occurred prior to '93 if CGT did something wrong in that period before '93 and if TD Trust does not discharge its duty as a successor trustee and carefully review the prior activity of the trust and attempt to right any wrongs that CGT might have done. If TD Trust is careful, it could not be held responsible for CGT's mistakes, but I suppose you might say that if TD Trust made further goofs, TD Trust would be liable for all the goofs. That's a fair way of looking at it.

Without wording akin to section 6(2), no one would agree to become a successor trustee without a passage of accounts in each and every case. As I say, there are about 300 in Alberta. It's probably not the appropriate way to do it. I might add it would be very expensive, especially for smaller estates, and it would be very labour intensive for TD Trust. That would be fine, they could pass the cost on to the beneficiaries, but it would be very expensive for the Public Trustee's office, who would have to review each of these, and also for the courts. I mean, we'd have to go through a passage of accounts making sure that everything that had been done in the past had been done appropriately, and that would be a big job.

For acts and omissions after the takeover, TD Trust is, of course, responsible.

2:51

MR. CHAIRMAN: Mrs. Laing.

MRS. LAING: Thank you, Mr. Chairman. You mentioned that you have to go through every province with a similar Act. That seems very lengthy and costly to me. Is there no other instrument you could use?

MR. OLYAN: I gather that Mr. May's legal counsel, which is our firm out of Toronto actually, is of the view – and I understand it – that this kind of legislation is a matter of property and civil rights, which are within the domain of the province. So you have to go before each Legislature and get concomitant legislation in that province to make this work. As we were told, there are over 3,500 trusts across the country, and efforts are going to be made everywhere to pass the legislation.

MRS. LAING: Have you any idea when this would be completed, then, so you have it right across the country?

MR. MAY: Well, it's at the behest of each provincial Legislature. We've been delayed so far by elections in some provinces and untold other reasons. It could take another six months before we approach every House.

MRS. LAING: Thank you.

MR. CHAIRMAN: Mr. Van Binsbergen.

MR. VAN BINSBERGEN: Mr. Chairman, thus far, at this particular moment, I gather that TD Trust is acting as an agent for CGT. Is that a problem? In other words, business is running smoothly?

MR. MAY: Oh, yes. As part of TD acquiring the accounts, we acquired the same staff and the same computer systems, the same pricing schedules. It's very much business as usual in terms of the everyday operation, so there's been very little disruption to our clients. However, the fact is that Central Guaranty Trust remains as trustee of all these accounts, and their fate as an ongoing operation is very much in doubt in view of their insolvency. So we really can't continue as is, even though things are operating very well. We've got to make a change.

MR. OLYAN: If I might just follow up on that, Mr. Van Binsbergen. The petition is signed. In effect, there are copetitioners; there's TD Trust and there's Central Guaranty by its liquidator. Eventually, at some point – and it may take a long time – it will go out of existence. We have to do something to move each and every one of these trusts into the name TD and out of the name of Central Guaranty Trust.

MR. CHAIRMAN: I have a couple of brief questions myself, if you wouldn't mind. I'd like you to explain a little bit further section 8, "This Act binds the Crown." In what way? Does the Crown have some trusts with Central Guaranty? I'm not sure how that would fall into place.

MR. OLYAN: If there are circumstances, and frankly I don't know of any off the top, where the province of Alberta has used CGT as its trustee for some reason – and I'm not saying they have – we would want to ensure that even in those situations TD Trust is named in the place and stead of CGT. We want to make sure that nothing is left at the end of the day, that nobody is left hanging with, in effect, a beneficiary and a trust that has no trustee.

MR. CHAIRMAN: Okay.

My other question. You indicated that this is the best way to expedite all the transfers. I hope you would still be making an attempt to contact all the various individuals involved so that even though they haven't had to go through the legal process, if this Act is passed, they're aware of how it affects them.

MR. MAY: Yes, Mr. Chairman. Starting last fall, as we were completing the deal and continuing through January, we sent letters to the last known address of every will client who had named CGT as their executor and certainly the beneficiary of every estate. We've had an extensive notification period directly to all interested parties, as well as the public notification required in any legal publications: *Canada Gazette*, that type of thing, and *Alberta Gazette*, I would assume.

MR. CHAIRMAN: So you feel relatively comfortable that your customers are informed of what's going on.

MR. MAY: Very much so. Yes.

MR. OLYAN: I might add that I think they went a step further, because they actually went to all the last known addresses of the people in the wills bank. By definition, if it's just in the wills bank, these are people who are still alive who have drawn wills. They've contacted all those people and advised them of this, so if for some reason they despise TD Trust, this is their big chance to do something else, to change their will. If they're still alive and kicking, as they say, they have every opportunity to appoint someone else at this point if they feel it's appropriate. Most people probably wouldn't do it because presumably they've named a corporate trustee for a reason. It's probably a large estate, or perhaps they think there are going to be problems in a family where there's going to be a fight and they want a large institution used to having lots of fights handle it.

MR. WICKMAN: Just one question, Mr. Chairman. In our notes there's an indication that one person had phoned and objected to the legislation. Was there any follow-up in case these gentlemen have to respond to that objection?

MR. REYNOLDS: There was an individual who contacted our offices, and he spoke with Ms Marston. He indicated that he had some concerns with respect to the Bill allowing for the transfer of trust work. We contacted that individual and provided him with a copy of the Bill. The individual phoned back and said that the Bill dealt with other matters, matters other than his concerns primarily, and that he wouldn't be appearing today. I attempted as late as last Friday to contact him to confirm that he wouldn't be attending, left a message with someone there, and he never got back to me. I believe his concern related to another aspect of the transfer between TD Trust, and I think it was an ongoing dispute he might have had with Central Guaranty. I'm not sure. He had contacted his MLA previously; there was some note on file. Perhaps Ms Marston could add. It seemed to be on a matter different from the subject matter of this Bill.

MS MARSTON: I think his personal shareholding was what he was concerned about.

MR. WICKMAN: That's not related to the Bill.

3:01

MR. OLYAN: Mr. Wickman, I think you're right. It's not related to the Bill, but there may well be people who have other problems with that whole takeover, but this doesn't really reference that.

MR. CHAIRMAN: Do you have any other questions at all? Okay. Mr. Reynolds has a couple of questions.

MR. REYNOLDS: Mr. May, in your opening statement – perhaps you could just clarify this for me – I understood you to say that TD Trust had taken over the trust business of Central Guaranty but not the fiduciary business.

MR. MAY: No; we took over the fiduciary business exclusively. The deposits, the loans, the intermediary business was taken over by TD Bank.

MR. REYNOLDS: Okay. I'm sorry. I thought there had been some sort of distinction between the trust business and what you'd referred to as the fiduciary business.

MR. MAY: No; they're one and the same. What I was trying to say is that the general public and I when I started up this business didn't know the difference between a bank and a trust company that sits on the typical street corner downtown.

MR. REYNOLDS: Now, with respect to your section 4, in dealing with the land titles office whereby provision of this Act is to serve as notice to everyone, I assume including the registrar of land titles, for a change, are you actually embarking upon changing the titles to any land that would be affected? Is this a default provision?

MR. OLYAN: In effect it's a default provision. I'm advised that the way one goes about it – and I'm not a real estate lawyer – is that one files the Act, once it's passed, in each of the southern and northern Alberta land titles offices. You just file it once, and reference is then had to that Act if somebody wants to prove that it's now TD Trust that's holding it in trust instead of CGT. What you would do is you'd go in, you'd ask to see the title, and then, as well, the secondary reference would be to this piece of paper that's been filed that says that this legislation is now law.

MR. REYNOLDS: Are you saying, then, that it would be your intention to file this with respect to every piece of property that CGT has?

MR. OLYAN: The intention wouldn't be to do that until such time as they want to transfer that property. It's being held in trust presumably now for some purpose or waiting for some event to happen. We would leave it in that name for the moment until such time as we want to move it on to a third party, at which time we would come in with a transfer document signed by the TD Trust people. It would say in effect: whereas it was registered in the name of CGT and whereas a private Bill has been passed moving that into the name of TD Trust, we now want to transfer it on to Mr. X. In effect they would simply, with that preamble, be able to make the transfer at that time.

MR. REYNOLDS: In drafting that, did you rely on any precedents in other legislation?

MR. OLYAN: Yes.

MR. REYNOLDS: Which? Similar pieces of legislation to this?

MR. OLYAN: Yes, similar pieces of legislation to this. Off the top of my head I can't tell you which one or ones. If you wish, I can try to find it now.

MR. REYNOLDS: Did you have any discussions with the registrar?

MR. OLYAN: I personally did not.

MR. REYNOLDS: But did someone in your firm?

MR. OLYAN: I'm not aware that anyone else had that discussion either.

MR. REYNOLDS: Okay.

Now, with respect to section 6(2), which Mr. Herard had raised earlier, I was just wondering: in the precedents you had submitted, which formed part of the material that the committee received, there wasn't, that I could see in my review, a similar limiting provision with respect to restricting the liability of TD Trust. I was wondering if you are at liberty to discuss whether in fact that was part of the terms of the purchase or the takeover. I'm not sure of the mechanism.

MR. OLYAN: We're at liberty to discuss some of that, not every detail. Let me take you through this a little bit. I started answering Mr. Herard. Let me start again. The precedent legislation in Alberta – successor trustee legislation has been passed three times in the province of Alberta in the past. With respect to both Royal Trust and Montreal Trust, it was what would be termed an in-house reorganization. In both those cases, Royal and Montreal were reorganizing themselves in such a way that they would be responsible and could give an indemnity for any problems that came up both prior to the succession and after the succession. The third piece of legislation involved what was known as Crown Trust and Central Trust. It also passed in this province. That involved the prior trust company and the Ontario government and the CDIC agreeing to indemnify the successor trust company for all events that occurred before the takeover. The deal reached between CDIC and TD in this case did not include any assumption by the TD Bank or TD Trust for any pre-1993 claims. That, in effect, is where it's at today.

What's going on at the moment is like this. As I explained, even with section 6(2) TD Trust could be liable for events that happened pre-1993 if CGT did something wrong and TD Trust does not discharge its duty as a successor trustee and review the prior activities and attempt to right the wrongs that CGT did. At this time TD Trust is continuing with its due diligence and reviewing the history of specific trusts in the States, all over the country. All this is being done to ensure that it will not be fixed with any of these liabilities of CGT. As this review is going on, I can tell you that TD Trust – and this is where we get to the confidentiality part – has an indemnity agreement with CDIC to provide coverage for TD Trust in the event that claims arise for something that TD Trust is doing wrong today based on what CGT did wrong in the past and which they still haven't discovered. That indemnity agreement would in effect protect not only TD but anybody who is a beneficiary.

MR. REYNOLDS: I realize this is a difficult area for hypotheticals, but presumably if there had been some sort of breach of fiduciary duty by CGT prior to January 1, 1993, as I understand your answer – and please jump in if I'm misconstruing it in any way . . .

MR. OLYAN: Sorry. By?

MR. REYNOLDS: By CGT prior to January 1, 1993, and TD Trust reviewed the file, noted the breach of trust and failed to do anything about it, then you're saying that even though the event had occurred prior to 1993, TD Trust could still be tagged, if I may use that terminology.

MR. OLYAN: Yes.

MR. REYNOLDS: Now, as you said, the other party who isn't here, who is the petitioner, is the liquidator of Central Guaranty Trust: Deloitte's. In their review of the assets of CGT, would they have done a review on a trust-by-trust basis?

MR. MAY: Deloitte's?

MR. REYNOLDS: The liquidator.

MR. MAY: No. To my knowledge the liquidator has not reviewed the accounts. TD Trust since January 1 has been taking a systematic look at every trust account, but to my knowledge the liquidator has not been represented at all. The liquidator does have some involvement in the process of review. The liquidator is invited to various meetings that TD Trust holds. We have an internal committee within TD Trust that reviews the progress of our account-by-account review. It's called due diligence. They get minutes of those committee meetings and are invited, but I am not aware of whether they've taken note of them or not.

3:11

MR. REYNOLDS: You are not then aware of, let's say, massive potential litigation relating to the activities of CGT prior to January 1, 1993, with respect to their handling of trusts?

MR. MAY: Massive? No, certainly not.

MR. REYNOLDS: With respect to that this provision isn't attempting to avoid that.

MR. MAY: Oh, absolutely not. What we're really concerned with is the unknown. We can quantify and deal with risk that is in front of us: those files we've reviewed. What really we can't quantify is what we don't know: the files we have not yet reviewed.

MR. OLYAN: That's where this indemnity agreement exists, until the review is complete.

MR. REYNOLDS: Just one more area . . .

MR. OLYAN: Mr. Reynolds, I want to make you happy on this one. Ask as many questions as you want.

MR. REYNOLDS: I'm just asking questions for the benefit of the committee. I was just interested with respect to a provision in 1(1)(d)(ii). I was just wondering why unit holders in respect of oil and gas royalty trust funds were excluded from the operation of the Act.

MR. MAY: That is a business unit of Central Guaranty Trust that TD Trust did not take on specifically. It was part of Central Guaranty. We did not take that on at all.

MR. OLYAN: In effect it's reflecting the business deal that they reached. Presumably that was left and was not taken by TD Bank.

MR. MAY: That remains with Central Guaranty.

MR. REYNOLDS: At least I should be clear on this – perhaps the committee is. Central Guaranty Trust still exists as a legal entity. It may not have very much to it, but it still exists. Is that correct?

MR. MAY: It sure does.

MR. REYNOLDS: So someone could maintain an action against Central Guaranty Trust, or Central Guaranty Trust is still responsible, presumably, for some of these items that are indicated in section 1?

MR. MAY: That's correct.

MR. OLYAN: If it's not Central Guaranty Trust, it's possible that some of those things have moved to TD Bank. For example, the deposit-taking function of CGT, at section 1(1)(c), went over to the bank.

MR. REYNOLDS: Now, just on a drafting note, I got a little lost in section 2(1) with the first part about “notwithstanding section 1(1)(b) but subject to [those subsections], and notwithstanding any contrary provision in the Trustee Act.” Isn't section 1(1)(b) supposed to apply?

MR. OLYAN: Yes, but not with respect to these odd situations where the property is outside of Alberta. That's phrased that way, Mr. Reynolds, because we want to make sure that an Alberta court can still appoint the trustee. It won't be necessary to appoint a trustee in Alberta, but you still may be forced into a court somewhere else, because the property is situated outside Alberta typically. If a will refers to property in Arizona that an Albertan holds, it's still going to be necessary to go to court in Arizona to have TD put in the place and stead of CGT.

MR. REYNOLDS: Okay. So the point would be that section 2(1), as I read it, would apply to section 1(1)(b).

MR. OLYAN: Section 1(1)(b)(i) and (ii). Yeah, that's true.

MR. REYNOLDS: Or is that an incorrect reading? I'm just trying to grasp it.

MR. OLYAN: What we're saying is that it would apply except in these odd situations where we would still be forced to court in another jurisdiction. The concern was that if we went to court in Arizona, to use our example, they're going to be saying: “Well, this is Alberta legislation. This doesn't apply to us at all. We're just going to forget the whole thing.” What we want them to do is we want them to hear us in Arizona but not on the issue of property there. That's up to the Arizona Legislature, whatever it's called. What we want them to just note is that TD has been put in place of CGT in the will or in whatever document moved the property. It's still going to be necessary – an Arizona court or a court in any other place outside of Canada which doesn't have this legislation is still going to be forced to deal with the matter. The fact that we've passed legislation is probably not going to have an effect outside of Canada, probably not outside of Alberta in fact. Although because there's concomitant legislation in other provinces, if they owned property in Nova Scotia, the trustee would be appointed by the Alberta court and the property would be dealt with by the Nova Scotia court, and because Nova Scotia has the same legislation that we'll have eventually, then we won't have a problem there. In any other place outside of Canada we would still be forced to court.

MR. REYNOLDS: Okay. I guess my concern was just knowing whether 2(1) grasped the proposition that you were just stating.

One last question. You refer to other jurisdictions. I was wondering if you could perhaps advise the committee with respect to the status that either a Bill or the necessary regulations have in other jurisdictions.

MR. OLYAN: First of all, I've only been responsible for the Alberta legislation. I've asked that question of the people who are ultimately responsible. I'm told that all provinces are at this point acting independently and proceeding with the review deemed necessary. There's been no indication that the proposed legislation is unsatisfactory in any jurisdiction. I have to tell you that your Parliamentary Counsel has been very diligent in this case, and this is the first province in Canada to hear the matter. This Private Bills Committee is the first committee to actually have a hearing. There are other provinces who are throwing up their hands, especially small provinces who don't have the manpower, and are saying: we're not going to do anything for now. They refuse to even look at it. Our legislation is a parallel of the legislation that's going forward certainly in B.C. and Ontario. I've made every effort to try to balance both what we've done in Alberta in the past and what the Ontario Legislative Counsel has asked be in the Bill, and this is reflected in the legislation you have before you.

MR. REYNOLDS: In Saskatchewan, are you aware of how that's developing?

MR. MAY: I'm sorry; I don't have the information, but we can certainly get it for you.

MR. REYNOLDS: Those are my points, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Reynolds.
Mr. Amery, and then Mr. Herard.

MR. AMERY: Thanks, Mr. Chairman. I'm not too clear on the legal proceeding here and the rights of the third parties. If I understand it right, you're saying that any action, suit – that's section 5(1) – taken by CGT before the takeover you will pursue and you will have the same right, as TD Trust, as if it were CGT, but if any action is taken against CGT before the takeover, you're not responsible for it.

3:21

MR. OLYAN: We're responsible, in effect, in the circumstances which I described. Notwithstanding the language here, we would be responsible in the circumstances of CGT having done something wrong and TD Trust through its diligence exercise not finding it and not bringing it to the attention of the beneficiary and trying to rectify it. If TD Trust has done its job, then there would be no further action against TD Trust. They would still be able to continue against CGT. That's right, Mr. Amery.

MR. CHAIRMAN: Mr. Herard.

MR. HERARD: Yeah; I think my question is somewhat similar. I'm referring back again to 6(2). The dialogue that took place between a couple of legal minds is not necessarily something I understand a whole lot about. What I think is happening, Mr. May, if you can clarify it for me, is that currently you're going through all of these trusts and you're doing something called due diligence. Once you've accomplished that, then there is no longer any responsibility on the part of CGT. It now becomes your responsibility. Is that correct?

MR. MAY: The due diligence process involves a review of every file. First of all, we have about 3,500 files across Canada. It takes, depending on the extent of the file, an average of about three days to go through some of these files, because some of these estates have existed for years and years and there's a lot to go through. A lot, I suppose in another way of thinking, could have gone wrong over the

years as well, and to satisfy ourselves as successor trustee that all is well with the file, we can do one of two things. We can go through this due diligence process: review the file, satisfy ourselves that everything is fine, accept the file, and apply to the courts on an individual basis that we've reviewed this file. We're satisfied that it looks, in our terms, a clean file. There is no outstanding liability, that they paid off the wrong beneficiary or some other obligation or some liability that may exist. Then we go to a court, and we go in front of a judge and say that we would like to apply to have Central Guaranty Trust replaced by TD Trust. Now, we could do that 3,500 times, and it could tie up the courts for a long time. In a number of situations it would involve reregistering land, and that would tie up the land registry offices. We would only do that on an individual basis once we were satisfied that TD Trust did not have any outstanding liability.

The due diligence process will take quite a bit longer. It could take another six months to a year, I would estimate, before that actually happens. As TD Trust we're not going to accept a file unless we're satisfied that there is no outstanding liability. The responsibility as successor trustee is to review the file, determine if there were any breaches of trust, any problems within the file. I believe we have a further responsibility to correct the problem, first of all, and if we can, seek damages as successor trustee from the predecessor. We would do that on a file-by-file basis. We would not accept liability if there was an outstanding breach of trust. What we are in effect asking is for a blanket transfer, and that is all.

MR. HERARD: Okay. Now, would I be correct in saying that once your due diligence process is done, there would be no further need for 6(2)? I guess what I'm getting at is this: in simple language, I don't want to be at the other end of the phone line one day saying that by passing this Act so and so lost a trust or lost some property or whatever. I just want to feel comfortable that this process is taking place that will in fact review all of these files and make sure that 6(2) would never be used.

MR. HLADY: Just on this point. I guess I'm trying to get to the point of what you're looking for. Is there a setup at this time, assuming that there was a need for protection of an individual and it's not covered upon the transfer to TD, are there assets existing or something in Central Guaranty Trust to protect the individuals that might get lost? Let's say you go through your check and you miss one. Is there protection? Is there going to be an existing asset base or something for them to be protected from beforehand?

MR. MAY: Well, if we miss one, that is where we are responsible. So, yes, there are substantial assets available.

MR. HLADY: And that's for yourselves?

MR. MAY: Yes.

MR. HLADY: Okay.

MR. MAY: Where we make a mistake and we go through a file and we miss a problem, that would then be TD Trust's liability. Yes, there are substantial assets available to pay off on any claims in that situation.

Now, it is those other situations where we catch a problem and refuse to accept the file that the individual would have to seek remedy from Central Guaranty Trust.

MR. HLADY: What is there? Is there anything?

MR. MAY: I don't know what their current status is. They don't have substantial assets; they're near insolvency. I shouldn't say because I don't know what their financial statements are, but relying on public information, I don't think there's much there. It would depend on the size of the claim of course.

MR. OLYAN: Mr. Hlady, the only alternative I could see there is if – you're talking about that very narrow circumstance where CGT did something wrong, where we caught it or TD Trust caught it so therefore tried to, let's say . . .

MR. HLADY: And will not accept the file, therefore not the liability.

MR. OLYAN: That's right.

MR. HLADY: So how are those individuals protected, in essence?

MR. OLYAN: The remedy would then be back with CGT. You're quite right.

MR. HLADY: I think that was sort of the question. People wanted to make sure that everyone was covered, and I was trying to get to it.

MR. MAY: As a successor trustee or as TD coming into this deal as we did, as I explained, we did come in when Central Guaranty was having financial trouble. There was an open-bidding process. All financial institutions came to the table, and CDIC selected TD. It was on condition that TD not be responsible for CGT's past problems or mishandling of files.

MR. HLADY: So possibly what we are in need of – I don't know if it exists – is CDIC protection for the individuals and to what level that would be there, up to \$60,000 per. Is that sort of thing there, but past that forget it?

MR. MAY: Yeah. It would be \$60,000. CDIC's main line of work, if you will, is to provide insurance for deposits only. If you open up a bank account or certificate of deposit, CDIC's main line of work is to protect deposits only.

MR. HLADY: Okay.

MR. CHAIRMAN: I've got Mr. Herard.

Just before you go, I think that maybe the light just came on in my head, and I kind of think I understand what the process is. Correct me if I'm wrong. Without this action you said that you would deal with each account individually through the courts and say you accept it or you don't accept it.

MR. MAY: That's correct.

MR. CHAIRMAN: With this legislation in effect by default you accept all of them except the ones you reject. Is that right? So you are reviewing each of these accounts, and if you do find reason to reject the account based on some mistakes that were made in the past, you will still go to some court or something and say, "We do not accept this file for the following reasons." See, I get back to what you said earlier. If there is a problem and you don't try and remedy the problem, then you are liable. But who's to say that your remedy is acceptable? You find a problem. You try and remedy the problem, but the remedy that you propose is not acceptable. Then the problem has not been resolved.

3:31

MR. OLYAN: That's the narrow situation in which TD Trust is not responsible. That's correct. It's just in that narrow . . .

MR. CHAIRMAN: By "remedy" it doesn't necessarily mean compensation for damages; it just means that you're going to advise somebody that there's a problem. Is that right?

MR. OLYAN: You would try to remedy it. I'm trying to think of an example. Say it turned out that Central Guaranty Trust was paying the wrong person. There was a beneficiary, and they paid the wrong person for the last 20 years, just over and over and over. Then we pass this legislation, and in effect we're named as the successor trustee. In all trusts here in Alberta we would try to get that money back. TD Trust would make the efforts to recover the funds. But let's say the person was bankrupt or had moved to Bolivia or something, just was gone. In that narrow circumstance where we've done the best we can – we've done everything we can do to get the money back – TD Trust would not be responsible. The best that the person would have was a remedy against CGT, which may or may not have the assets.

MR. CHAIRMAN: But you will make known to the individual, through this process, that you have accepted their file, and you now accept liability for that file. You have examined the file and found no errors and are accepting that you are now the trustee for this file. Is that my understanding? Or if you have reason not to accept the file, notice will be given.

MR. OLYAN: If we pass the legislation, we accept all the files. We're named as the successor trustee in each and every one of these trusts here in Alberta.

MR. CHAIRMAN: What happens when you do your review of the file and you find something wrong, should that happen?

MR. OLYAN: Hey, we've found that we've been paying the wrong person for 30 years. TD Trust would make an effort, as part of their fiduciary duty as a trustee, to recover the funds. They would certainly advise the person that didn't get the money that they were out whatever they were out and would make an effort to recover it. If it turned out that that money wasn't available because it's simply gone now, then that wouldn't be the responsibility of TD Trust, to get it back. They would make every effort to get it back. They will have done everything at law that they can do to get it back, but in effect it wasn't their problem. They tried to get it. We're talking about events that preceded 1993. We're only talking about pre-'93 events. They would be making every effort to recover on behalf of the old trustee, but if there aren't any funds there, there aren't any funds there.

MR. CHAIRMAN: I guess the point I'm getting at, though: at what point do you accept the liability? Because you earlier said that if TD examines the file, sees nothing wrong, later it's found out there was something wrong, then TD is now liable, now responsible. Did you not say that? If through some kind of negligence you do not do a proper analysis of that file?

MR. OLYAN: We'd still be responsible, yes.

MR. CHAIRMAN: So what I'm getting at is: at what point do you officially say, "Yeah, we've done the review; it's ours." You've said two different things. You've said that if we pass this Act, they're all

yours. But you've also said that we are going through a review process that could take six months to a year. So there's got to be a point where the two of them coincide.

MR. OLYAN: We take them now. The review would only affect the liability of TD Trust. If it turns out at the end of the day that CGT has done something wrong for which we are unable to recover funds, then in effect section 6(2) kicks in, and we, meaning TD Trust, are not responsible at that point. We're taking responsibility otherwise. It's just by the nature of trust law or common law as it now exists that as successor trustee we would have these obligations regardless if it turns out we were negligent.

MR. CHAIRMAN: Okay.

MR. MAY: I think it ends up being the same thing.

MR. CHAIRMAN: I think so. Yeah, I think we're on the same wavelength.

I've got Mr. Herard, Mr. Hlady, and Mr. Pham.

MR. HERARD: You've mentioned, Mr. May, that you've got about 3,500 files. How far into it are you now?

MR. MAY: Oh, dear. I'm guessing, but I'd say we have about 500 to 750 files behind us now.

MR. HERARD: Okay.

How many of those were rejected or did you not accept?

MR. MAY: I don't have the figures; I'm sorry, Mr. Herard.

MR. HERARD: But there were some.

MR. MAY: Yes, there have been some concerns over some files. Yes.

MR. HERARD: Okay.

If the recommendation to recommend this Act were to go before the Legislature minus 6(2), what would your feeling be?

MR. MAY: Well, I think procedurally we would have to revert to a file-by-file review, because TD Trust does not believe it's appropriate that we should accept the liability for Central Guaranty Trust's problems or inappropriate actions.

MR. HERARD: I guess the problem I have is that when you're dealing with a trust company, you're dealing with trust, and I think if you're buying somebody else's assets, the people that are dealing now with you have to be able to trust you as well. I have a problem with this particular clause, and I certainly will have to get some more advice before I could recommend 6(2).

MR. OLYAN: Mr. Herard, if I can just respond a little bit too. Without wording akin to section 6(2) I don't think anyone would agree to become a successor trustee. Without what we refer to as the passage of accounts through the courts for each and every trust, of which there are, like, about 300 in this province – this legislation basically allows for a more appropriate administration of estates. It's the most, I suppose you might say, commercially logical way for anyone to agree to become a successor trustee for a large number like this. I think it still protects beneficiaries except in this really, really narrow circumstance which I mentioned, which is the situation where TD Trust has done everything right and CGT has done

something wrong historically. We're talking about their historical liabilities.

As I say, the alternative to this is to go through each and every one and not take any until you take them one at a time. I think that your concern about these individuals who might be otherwise prejudiced is sort of the concern of a public Bill, and there still are public Bills. There's the Trustee Act in Alberta. There's the common law which affects all of us. Those things would still be out there. If we were doing these one at a time, the beneficiaries who have been hurt, if there are any indeed in Alberta, if we don't pass this legislation are just as hurt, because TD Trust will not take those. This way we're taking them all, and then the only situation is that narrow circumstance where there's no coverage in effect, where we're thrown back to CGT.

MR. HERARD: I guess I just wouldn't want to be circumventing due diligence by a simple paragraph in an Act. I'll wrestle with that. Thank you.

MR. CHAIRMAN: I just want to make one brief comment before Mr. Hlady. I think the point that you made is well taken, that this company, Central Guaranty, was in financial difficulty, and all of the accounts may have had problems had someone else not stepped in. Is that what you're saying? What would happen if that company would have gone further down the line? Could those trust accounts have been at risk themselves?

3:41

MR. OLYAN: It's difficult to know. If they were holding them properly in trust, they should have been sitting in separate accounts. They wouldn't be part of the normal assets and liabilities of the company. There should have been funds sitting to the side to pay off each and every one of these people, but whether they were doing that or not, I'm not in a position to say.

MR. HLADY: That strikes to the bone of the problem here that we're coming across. It truly does. As a trust you are protected, and you're not part of the company that you're supposedly being managed by. If the company went broke, all the assets should still be there in separate accounts. In dealing with the bank, you're dealing with a little different situation. I guess that is what we're looking at, defining what it is when you're working with the company. This process that we have under section 6(2) is that you've in essence taken away the protection of the individuals. When you invest in a big company, you expect a lot safer place to put your money, whether it be any one of our chartered banks or one of the trust companies. So what you've done now by having this in there is upon the transfer of assets from one company to another, which are not a direct asset of the company, you're giving the individuals that may have had a problem in the past – they're losing the same level of protection that would have been as a whole. Assuming that it was a company that was in a problem, instead of getting that 80 cents on the dollar for everybody, there's a few individuals who may have had a problem with their accounts that would not get their full assets back. Yet the accounts that you're excepting are going to be fine.

That's where I see a bit of the problem. I understand where we're coming from. I see a bit of a cart before the horse, wherein you want approval on this to speed up the process and the expediency of it, but at the same time I can see that there are individuals – and we don't know the numbers – that might be directly affected quite negatively.

MR. MAY: I think we are in the same situation whether we go account by account or whether with this Bill, if it is passed, we

become successor trustee. The individuals – and they may be a very narrow band – would be in the same situation if we went account by account and it took another two years – I don't know how long it would take; I know that we were trying to establish that; it may take some time – and we rejected some files because there were problems in the past. TD accepts any responsibility for its actions from January 1 of this year on, of course, but we don't want to be responsible for those actions of Central Guaranty Trust. It could be Crown Trust. Some of these problems could date back years and years, even before Central Guaranty Trust. So if we went the account-by-account basis, we would not accept some files potentially. If this Bill was passed and there was a blanket transfer of trusteeship to TD, the same effect would happen. Some people we would not accept liability for past acts if this Bill is passed. It says so in clause 6(2). But we would not accept responsibility just the same if we went account by account. So our premise is that this is more expeditious, if you will, but I don't think any less diligent, or careless, because we still do a review of the file. People for whom we are not going to accept liability for past acts now are in no worse shape if this Bill proceeds, and we don't tie up the land registry office, the courts, et cetera.

MR. PHAM: Mr. May and Mr. Olyan, I have listened to your presentation today. I have reviewed this case carefully, and I don't think we can give you what you want because of several reasons. Number one, you are asking us to give you the mandate so that you are not liable, so that you are not responsible.

MR. CHAIRMAN: We're at the point now where we should be asking questions, not debating the issue.

MR. WICKMAN: We're going around and around here.

MR. CHAIRMAN: What you're getting into now is the kind of discussion we get into as we discuss our decision, but if you have some questions that will help you formulate your argument, that's what you should be doing now.

MR. PHAM: My question is: do you have any time line that you propose so that you say that after such a date then you will finish reviewing all of the files you have?

MR. MAY: No. I don't have a time line that I can provide now.

MR. PHAM: So it is open ended?

MR. MAY: Yes.

MR. PHAM: Okay. Thank you.

MR. CHAIRMAN: Is that all?

Mr. Jacques.

MR. JACQUES: Thank you. At the time of the acquisition, in the terms and conditions at that time, was it very clear with regard to the issue of liability that would be undertaken or not undertaken by TD Trust with regard to Guaranty? In other words, was it clearly understood that if indeed there was a goof, if you'd like to use the earlier expression, by CGT, there was clearly no obligation by TD Trust to assume that?

MR. MAY: Yes, there was a clear understanding.

MR. JACQUES: So those were quite clearly set out in terms and conditions?

MR. MAY: Yes, they were.

MR. JACQUES: So the issue of who has the liability has already been defined. Is that a fair statement?

MR. OLYAN: Mr. Jacques, as a business deal that's correct.

MR. JACQUES: Okay.

So then the issue quite clearly – help me along here, because I don't understand where a lot of the debate has gone – is the vehicle, if you like, to establish the relationship that TD Trust is going to undertake on an account-by-account basis. It can either do that on an account-by-account basis, or it can do it vis-à-vis this method, which still does not preclude – in fact, you still are going to be going through on an account-by-account basis. All you're doing is simply reserving the right that's provided under the same original terms and agreement of the acquisition. Is that correct?

MR. OLYAN: That's correct.

MR. JACQUES: Thank you very much.

MR. CHAIRMAN: Mr. Reynolds, you want to straighten something out?

MR. REYNOLDS: I just want to perhaps clarify something. Is it correct to say that under this Bill no one would be losing a remedy that they would have otherwise had? I mean, this doesn't preclude a remedy?

MR. OLYAN: That's correct.

MR. REYNOLDS: If someone had a remedy, had an action that they could maintain against CGT before this, you know, they can still maintain it now. They aren't losing anything. Correct?

MR. MAY: Absolutely not.

MR. OLYAN: That's true.

MR. REYNOLDS: The other thing with respect to what you could do if you had noticed as part of your fiduciary obligation to review the files, Mr. Olyan's example about someone who had been getting the money for 20 years through some sort of mistake: TD Trust under section 5(2) could pursue an action.

MR. OLYAN: For sure.

MR. REYNOLDS: Even though it had been ongoing and had occurred with respect to CGT.

MR. OLYAN: Yes.

MR. REYNOLDS: So you have the power to maintain that action.

MR. OLYAN: Absolutely. The difficulty comes, just to be fair to everybody, if you go after this individual and they're long gone.

MR. REYNOLDS: Oh, sure. That's like any litigation though, isn't it?

MR. OLYAN: Yes. Absolutely.

MR. MAY: Any successor trustee named by an Act or whether we take it account by account, our responsibilities are: to review the files; where there is a problem, correct it; where there has been a problem, try to remedy it – in this example, by going after an heir who received money wrongly.

MR. REYNOLDS: Because if you didn't, it would be a breach of your fiduciary duty.

MR. OLYAN: And we would be on the hook for it.

MR. MAY: That's right.

MR. REYNOLDS: Just lastly, I'm not sure of the correct entity that purchased the assets of Central Guaranty, whether it was TD Trust or TD Bank. Was there any federal regulatory process that you had to go through in order to take Central Guaranty Trust, not necessarily on the trust side but with respect to the entire operation?

3:51

MR. MAY: Regulationwise, I'm not sure. The office of superintendent of financial institutions oversaw the whole process, and I'm not sure what CDIC's status is of that entity. I do not believe it's a regulator, but they were very much involved in the process and were party to the deal. The office of superintendent of financial institutions, federally, was active in all aspects of the deal.

MR. REYNOLDS: Thank you.

MR. MAY: In the end, though, it was a deal between CGT, TD, and CDIC.

MR. OLYAN: CDIC would not have approved this transaction, would not have given a green light if they hadn't liked it. Now, I know it doesn't make you guys feel any better; it doesn't help. There's a little certainty in the fact that CDIC likes it, because they've approved it, but I suppose that for the purposes of this legislation, that's maybe cold comfort to the committee.

MR. CHAIRMAN: On this same point, I asked earlier, and I think that maybe I didn't word the question properly. If you were to pursue on the basis of account by account in the courts, there would be at some point in time a date that says either yea or nay. We either accept it or we don't. From the point of view of the individual's concern, they would know that from this point forward TD Trust is liable for any mix-ups.

MR. OLYAN: Yes.

MR. CHAIRMAN: Or from this point forward TD Trust says: no, we're not going to take this account because there were mix-ups in the past and we don't feel that we're liable for them. Is that right?

MR. OLYAN: Mr. Renner, from when this legislation is passed . . .

MR. CHAIRMAN: No; I'm not referring to this legislation. I'm saying that if this legislation was never here and we were doing them one by one, they would all have their day in court. There would be a specific date that would say from this day forward TD is responsible or is not. That would be decided.

MR. MAY: Yes.

MR. OLYAN: Let's call it passing accounts. It would go through the court system.

MR. CHAIRMAN: Okay. Now, if this Act is passed, you are by default accepting all of them until you have had a chance to review them. When you do the review, is anyone notified or is anyone told that the review has taken place so that we have this same time line that says that from this day forward TD is responsible or from this day forward TD is not responsible? I think that's what has everyone concerned. If the Act has its day in court, it's very specific. If it doesn't have a day in court, how does anyone know whether or not you have in fact reviewed the file?

MR. MAY: Where there is a problem – and I think that's the only occasion we'd want to contact people other than relying on the *Gazette* or some means to say that this Act was passed – I will undertake that we will certainly contact the people.

MR. CHAIRMAN: So everyone will know up front where there is a problem?

MR. MAY: Yes, of course. We'll let them know.

MR. CHAIRMAN: Okay.

MRS. SOETAERT: To finish here. Your point was: at what point is all this confusion over? We need a date for that. Is that what you're saying? After you review each file, then when is the end of that? Otherwise, this could go on forever.

MR. CHAIRMAN: I don't think it really matters how long it goes on. It's just so that everyone knows at what point – if every file has its day in court, it could be two or three years down the road. I don't think that matters.

MR. MAY: The legislation, not this legislation but other common law and trustee Acts, as I understand, indicates that within a reasonable period of time the successor trustee must review all files. We're dealing with 3,500; within two years, two and a half years I would think is reasonable.

Mr. Hlady.

MR. HLADY: Just really quickly to confirm what I heard earlier. I believe we are the first province where this is going on. It has not been approved anywhere else. Is it at this stage in any other province?

MR. OLYAN: It's at roughly this stage in several provinces. I'm not aware that it's gotten past this stage in any province.

MR. HLADY: Thank you.

MR. OLYAN: I can probably find out. If it's appropriate, I can try to get an answer for you to that question and advise Mr. Reynolds.

MR. HLADY: That would be good. Yes, please.

MR. CHAIRMAN: Mr. Sekulic.

MR. SEKULIC: Yeah; I just wanted to confirm once more – and I believe it's been covered – that all applicable regulatory bodies for banks and trusts have approved this as acceptable. You mentioned the supervisor of banks, the CDIC.

MR. MAY: At that point we were referring to the purchase of CGT.

MR. SEKULIC: But it was subject to these conditions; right? You mentioned that these were the conditions of the purchase.

MR. MAY: The process was overseen by the office of the superintendent of financial institutions, and CDIC was party to the deal, as were TD Bank, TD Trust, and Central Guaranty Trust.

MR. SEKULIC: Good. Thank you.

MR. CHAIRMAN: I see no further questions. We thank you for coming today, gentlemen. We will take what you had to say under advisement and let you know our decision as soon as we've made it. It won't be today, obviously.

MR. REYNOLDS: I was just going to say that Mr. Olyan's going to get back to us. Was it on the status in the various provinces?

MR. OLYAN: The status in various provinces. I will undertake to call the person in Ontario who's overseeing the whole game and get back to you, Mr. Reynolds, as soon as I know something. I suspect that the status is similar in several jurisdictions.

MR. REYNOLDS: Sure. I just wanted to be clear on what it was we were waiting for. That's all. I just wanted to clarify.

MR. CHAIRMAN: Okay. Thank you very much.

MR. OLYAN: Thank you.

MR. MAY: Thank you.

MR. CHAIRMAN: Members of the committee, we're at two hours now. We've got a little bit of business to deal with left on our agenda. Can I maybe have a motion that we adjourn for five minutes to freshen up a little bit, and we'll come back?

MR. WICKMAN: Mr. Chairman, speaking to it, if you're going to allow people to speak to it, I would like to see us plow ahead, because I don't want to miss out on the opportunity to debate this, and there are certain time restraints when we plan a meeting from 2 to 4.

MR. CHAIRMAN: I'm not planning on debating this today. I think we'll have to leave the debate on this specific one until the next meeting, because we've already reached the time. I just wanted to cover a couple more items on the agenda and leave the debate on this one until our next meeting.

Mrs. Laing.

MRS. LAING: May I move that the debate and decision on this particular Bill take place at our next meeting?

MR. CHAIRMAN: Okay, we have a motion on the floor already for adjournment. Would you maybe withdraw the other motion?

MRS. SOETAERT: Sure.

MR. CHAIRMAN: Okay; you withdraw your motion, and you move that we defer debate until our next meeting.

MRS. LAING: On Bill Pr. 16.

MR. CHAIRMAN: Well, why not both of them at this point, Bills Pr. 5 and Pr. 16?

MRS. SOETAERT: A question on the motion. Are we just going to quit right now instead of discussing these?

MR. CHAIRMAN: No; we're going to move on with the agenda.

AN HON. MEMBER: Without five minutes.

MR. CHAIRMAN: Without five minutes? Okay, that's fine. We haven't voted on this. Any further . . .

MR. HERARD: Mr. Chairman, on the motion.

MR. CHAIRMAN: On the motion, yes.

MR. HERARD: I'm not sure that we can defer debate and decision. I think we can defer debate, but we don't know if we're going to come to a decision next week.

MR. CHAIRMAN: No. That's okay. Just not deciding at this time.

MRS. LAING: "Decision" means whatever . . .

MR. CHAIRMAN: The decision at the next meeting might be that we defer it to another meeting; okay?

Yes, Mr. Sekulic.

MR. SEKULIC: Speaking to the motion, Mr. Chairman. I don't necessarily agree that we should defer debate, the reason being that I think we may need additional documentation, that which I spoke to in my question as to approval from regulatory bodies. I think that would be helpful to continue our debate at our next meeting.

MR. CHAIRMAN: I agree. So you're in agreement with the motion?

MR. SEKULIC: I am, provided that we can, I guess, touch on it, because I do believe that we need some additional documentation from experts in banking and trust companies. I think even if we meet next time, we'll be deficient to debate without the approval. There may be laws that are governing such takeovers, and we should have a sanction from the supervisor of banks or whatever it is so that we know exactly and can narrow down the parameter of our debate.

4:01

MR. CHAIRMAN: I don't disagree. We may find that we have to defer even further than next week.

MR. SEKULIC: Okay.

MR. CHAIRMAN: Mr. Wickman.

MR. WICKMAN: Yeah; I just wanted to follow up on Peter's comment. I was thinking along the same lines myself. First of all, I think it puts us in a very, very unfortunate position. I'm not sure who does this report ahead of time. I don't want to be harsh here, but I read a sentence that says:

I will defer to Alberta Treasury, Financial Institutions and call this Bill "simple," since I do not have a great deal of knowledge of this area of law.

It was obvious from the questions of Parliamentary Counsel that he didn't have a great deal of knowledge in this area of law either. Why

would somebody not have asked for an expert opinion ahead of time? Based on the discussion here today, there was no possible way I could consider that piece of legislation until some expert came along and told me what the pros and cons were, and nobody has done that. I thought that's what our Parliamentary Counsel was for.

MR. CHAIRMAN: That's up to this committee. I think we have the power within ourselves to decide what further input we want, and I don't think that it's up to Parliamentary Counsel to be advising us one way or the other prior to us having a chance to hear the information. If we had the information from an outside expert without us asking for it, I think that would be somewhat presumptuous on Parliamentary Counsel's part. If we should ask for that information, then it's coming directly from the committee.

MR. WICKMAN: Mr. Chairman, my objections to the reports are that some of them will state that they're complex. When they're complex, they throw out a red flag, and we have some lawyers in our caucus that I could have consulted with, but when I see reference being made to the Bill as being simple, I don't see any need at that particular time to pursue it. That's what I'm objecting to: the Bill being classified as simple at the same time stating that there's no "great deal of knowledge of this area of law." Something doesn't ring right there to me; that's all.

MR. CHAIRMAN: We're getting again off the topic. We're actually debating a motion to defer to next meeting, and obviously everybody has got now a week to think about what it is that you want to bring up at the next meeting. If you want to have some expert opinion, track some down somewhere and maybe bring something back to the committee. I mean, there are a number of things that you can do, but let's deal with the motion that's on the floor now. That motion is that we defer debate to the next meeting.

MR. WICKMAN: Mr. Chairman, I don't want to belabour this, but is it not the responsibility of our Parliamentary Counsel to bring that advice forward?

MR. CHAIRMAN: In my opinion, no. Let's leave that until the next meeting.

So we do have a motion to defer debate to the next meeting. Any further discussion on that motion? All in favour? Carried.

We'll deal with your concern at the next meeting, Mr. Wickman.

I want to then move on to Other Business, Bill Pr. 2. Actually, let's do it this way. Let's deal with item (c) first because it'll have some relevance on how we deal with the other two; that is, discussion of Gimbel Foundation.

MR. HERARD: Mr. Chairman, should we not be going in camera for all of this?

MR. CHAIRMAN: I think maybe that might not be a bad idea. All right. Motion by Mr. Herard that we go in camera. Any discussion? All in favour? It's carried.

[The committee met in camera from 4:06 p.m. to 4:10 p.m.]

MR. CHAIRMAN: This committee is on (c) first: the Gimbel Foundation Act. Is there a motion on that?

Mr. Herard.

MR. HERARD: I would move that we amend the agenda for our next sitting to delete the Gimbel Foundation Act, Bill Pr. 4, from our agenda.

MR. CHAIRMAN: Thank you. Any further discussion on that? Do you have the motion?

MS MARSTON: Mr. Herard moved that we amend the agenda for our next meeting to delete the Gimbel Foundation Act, Bill Pr. 4.

MR. CHAIRMAN: Thank you. All in favour? Opposed? Carried. Item (a), Bill Pr. 2, The Youth Emergency Services Foundation Amendment Act, 1993. Mr. Reynolds, will you address that?

MR. REYNOLDS: Members of the committee should have in their handout that was circulated today a letter received from Mr. Bowker, who appeared here on behalf of the Youth Emergency Shelter foundation. It contains a minute from a meeting of the Youth Emergency Shelter Society dated September 30, 1993. Mr. Sekulic had asked for this minute, and Mr. Bowker has now provided it to us.

The only point I would raise is that in his letter Mr. Bowker requests one further amendment to the Bill. This amendment would delete the reference to the Youth Emergency Shelter Society. There is no mention of the shelter society in the Bill anymore. It was in the original Act. The only mention in the Act as it would exist after the Bill passes is just this definition. So he just wants to tidy it up and take this out. Now, the distinction is that the committee could either say, "Well, thank you very much, Mr. Bowker; we'll consider your amendment when you make another petition," or the committee could say, "Well, we'll take it on our own initiative to move that the Bill proceed with this amendment." Technically, Mr. Chairman, I don't think that the Bill has been recommended yet. It was pending upon the receipt of the minute. So, technically speaking, the committee hasn't made a decision on the Bill. Of course, the other thing is that the committee could also request that Mr. Bowker come back and explain this amendment, if there were any problems with it. Basically, it's a pretty straightforward amendment that we see here.

MR. CHAIRMAN: I left this item on the agenda, as it's been there ever since we dealt with it. It was not my intention to finalize it today. I wanted everyone to have this information to review. I would again advise that this item will be left on the agenda, and if there's time to deal with that at our next meeting, we can deal with it at that time. You do now have the information, though, that we had requested.

Is there any further business to come before this committee? I apologize for keeping you a little late, but it makes it worth while for having to come back early from the weekend.

MR. WICKMAN: If anybody gets an expert opinion, though, on that other Bill, I would sure appreciate it, because I'm in the dark on it totally.

MR. CHAIRMAN: A reminder just before we adjourn. We had a lot of information come forward today. It will all be in *Hansard*, and I would encourage all of you to review *Hansard* before you come back to our next meeting so that your memory is refreshed on

some of the discussion that we had today. It will make for a much more productive discussion next time.

With that, I'll entertain a motion to adjourn. Mr. Amery.

MR. AMERY: I move we adjourn.

MR. CHAIRMAN: All in favour? Carried. This meeting is adjourned.

[The committee adjourned at 4:16 p.m.]

