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# Syllabus

# Business

# Organizations

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Revised for October 18, 2023

Candidates are advised that the syllabus may be updated from time-to-time without prior notice.

Candidates are responsible for obtaining the most current syllabus available.





## **OTHER RESOURCES**

W. Gray, CANADA BUSINESS CORPORATIONS ACT (Toronto: Carswell, first published 1994, now looseleaf)

W. Gray & C.W. Halladay, GUIDE TO CBCA REFORM: ANALYSIS AND PRECEDENTS (Toronto: Carswell, 2003)

C. C. Nicholls, CORPORATE LAW (Toronto, Emond Montgomery, 2005)

B. Welling, CORPORATE LAW IN CANADA, 3d ed (Toronto: Carswell, 2006)

K. P. McGuinness, THE LAW AND PRACTICE OF CANADIAN BUSINESS CORPORATIONS, Vol 1, 3d ed (Toronto: Butterworths, 2017)



## COURSE SYLLABUS

### I - INTRODUCTION

#### What is a Business?

Basic Forms of Business Organization

*Sole Proprietorships*

*Partnerships*

*Corporations*

*Other Methods of Carrying on Business*

Required Reading: Casebook pp. 1-4  
VanDuzer pp. 1-25

### II - PARTNERSHIPS

#### (a) What is a Partnership?

Required Reading: Casebook pp. 4-30  
VanDuzer pp. 28-51

Statutory References: *Partnerships Act*, R.S.O. 1990, c. P.5 (“P.A.”), ss. 1-5, 45  
*Business Names Act*, R.S.O. 1990, c. B.17 (“*Business Names Act*”), ss. 1(1) (“business”, “person”), 2, 6, 7, 10

#### (b) How Does a Partnership Carry on Business?

##### (i) Relations Between Partners

Required Reading: Casebook pp. 39-41  
VanDuzer pp. 51-57

Statutory References: P.A. ss. 20-31

##### (ii) Relations With Third Parties

Required Reading: Casebook pp. 41-43  
VanDuzer pp. 57-70

Statutory References: P.A. ss. 6-19

#### (c) Dissolution of the Partnership

Required Reading: VanDuzer pp. 70-72

Statutory References: P.A. ss. 26, 32-44



(d) **Partnership Agreements**

Required Reading: VanDuzer pp. 73-81

(e) **Other Relationships**

(i) Joint Ventures

Required Reading: Casebook pp. 57-58  
VanDuzer pp. 81-84

Statutory References: P.A. ss. 2, 3, 32(b)

(ii) Limited Partnerships

Required Reading: Casebook pp. 43-54  
VanDuzer pp. 84-92

Statutory References: *Limited Partnerships Act*, R.S.O. 1990, c.  
L.16, ss. 2-18, 21, 22, 24-6, 33

(iii) Limited Liability Partnerships

Required Reading: Casebook pp. 44-56  
VanDuzer pp. 67-70

Statutory References: P.A. ss. 10, 44.1-44.4

### III - THE CORPORATION

(a) **Introduction**

(i) General

Required Reading: VanDuzer pp. 96-105

(ii) Constitutional Matters  
*Division of Powers*  
*The Charter*

Required Reading: Casebook pp. 68-69  
VanDuzer pp. 106-120

(iii) Incorporation Process

Required Reading: VanDuzer pp. 121-124



Statutory References:       **CBCA** ss. 5-9, 15, 19(2), 20, 20.1, 21, 106(1)  
Forms 1, 2  
                                      **OBCA** ss. 4-7, 15, 140, 141, 145, 146  
Forms 5351E, 5351F, 5260E, 5260F

(iv) Function of Corporate Law

Required Reading:           VanDuzer pp. 124-134

(v) The Operation of Corporate Law   VanDuzer pp. 134-138  
    Rules for Corporations of  
    Different Scales

(vi) Corporate Law and Securities Law

Required Reading:           VanDuzer pp. 512-523

(b) **Nature of the Corporation**

(i) Separate Existence and Limited Liability

Required Reading:           Casebook pp. 69-78, 80-90  
                                      VanDuzer pp. 138-142, 153-155

Statutory References:       **CBCA** ss. 6, 10, 15, 45(1)  
                                      **OBCA** ss. 5, 10, 15, 92(1)

(ii) Disregard of Corporate Legal Personality

Required Reading:           Casebook pp. 102-130, 134-142, 147-151  
                                      VanDuzer pp. 142-153

Statutory References:       **CBCA** ss. 45(1)  
                                      **OBCA** ss. 92(1)

(c) **Incorporation**

(i) Considerations and Process

Required Reading:           Casebook pp. 167-168, 171-177  
                                      VanDuzer pp. 159-160, 177-200

Statutory References:       **CBCA** ss. 2(1)(definition of “distributing  
corporation”), 2(6), 2(7), 5-9, 15, 16, 19, 20,  
21, 22, 21.1, 28, 45, 49(8)-(11), 102(2), 103-  
106, 109, 113-115, 132, 139, 140, 141, 149,  
155, 160, 162, 163, 171, 173(1)(b), 174(1),  
187, 188, 250, 251, 254, 263  
Forms 1, 2, 22  
*Canada Business Corporations Regulation*,  
2001, SOR/2001-512 (“*CBCA Reg.*) s. 2,



Schedule 5

**OBCA** ss. 1(1)(definition of “offering corporation”), 1(6), 4-7, 14-17, 26, 42, 54, 56(8), 92(1), 93, 101, 103, 104, 111, 115-119, 122, 126, 127, 129, 138, 139, 140, 140.1-140.4, 141, 143-146, 148, 149, 153, 154, 156, 158, 160, 168, 180, 181, 256-258, 263  
Forms 5351E, 5351F, 5260E, 5260F  
*Business Names Act*, ss. 2(1) and (6), 6, 7  
*Corporations Information Act*, R.S.O. 1990, c. C.39, ss. 1(1)(“business”, “corporation”, “extra-provincial corporation”), 2-4, 13, 14, 18

(ii) Corporate Names

Required Reading: Casebook pp. 177-178  
VanDuzer pp. 161-177

Statutory References: **CBCA** ss. 6(1)(a), 10-13  
CBCA Reg. ss. 17-32  
**OBCA** ss. 8-12;  
Names and Forms, O. Reg. 398/21, ss. 1-17  
*Business Names Act*, s. 6

(iii) Pre-incorporation Contracts

Required Reading: Casebook pp. 187-187, 196-204  
VanDuzer pp. 200-208

Statutory References: **CBCA** s. 14  
**OBCA** s. 21

(d) **The Corporation in Action**

(i) Liability of Corporation for Crimes and Torts

Required Reading: Casebook pp. 152-165  
VanDuzer pp. 211-227

Statutory References: None

(ii) Corporate Agency (Liability of Corporation in Contract)

Required Readings: Casebook pp. 246-253  
VanDuzer pp. 227-243

Statutory References: **CBCA** ss. 15-18  
**OBCA** ss. 16-19

(e) **Shares and Shareholders**



(i) Introduction to Shares

Required Reading: Casebook pp. 585-605  
VanDuzer pp. 247-250

Statutory References: **CBCA** ss. 20, 21, 21.1-21.4, 48-50, 140, 257  
**OBCA** ss. 22, 53-57, 102, 140-144, 266

(ii) Characteristics of Shares

A. General

Required Reading: VanDuzer pp. 251-267

Statutory References: **CBCA** ss. 24, 42, 43, 107, 115, 118,  
134, 173, 176, 183(3) and (4), 188(4),  
189(6) and (7), 211(3), 241  
**OBCA** ss. 22, 38, 95, 120, 127, 168,  
170, 176(3), 181(3), 184(5), (6),  
193(1), 248

B. No Par Value

Statutory References: **CBCA** ss. 24(1), (2)  
**OBCA** ss. 22(1), (2)

C. Series

Statutory References: **CBCA** ss. 24(4), 27  
**OBCA** ss. 22(4)-(7), 25

D. Pre-emptive Rights

Required Reading: Casebook pp. 581-584

Statutory References: **CBCA** s. 28  
**OBCA** s. 26

(iii) Issuing and Paying for Shares and the Stated Capital Account

Required Reading: VanDuzer pp. 267-271



Statutory References:       **CBCA** ss. 2.1, 21.1-21.4, 25, 26, 30, 38, 41,  
115(3), 118, 123(4)  
                                      **OBCA** ss. 1.1, 23, 24, 28, 34, 37, 127(3), 130,  
135(4), 140.1-140.4

(iv) Redemption and Repurchase of Shares

Required Reading:           VanDuzer pp. 272-276

Statutory References:       **CBCA** ss. 30-40  
                                      **OBCA** ss. 28-36

## **IV - MANAGEMENT AND CONTROL OF THE CORPORATION: THE BASIC LEGAL FRAMEWORK**

(a)    **Introduction - Shareholders, Directors and Officers**

Required Reading:           VanDuzer pp. 279-282

Statutory References:       **CBCA** ss. 102, 115, 121  
                                      **OBCA** ss. 115, 127, 133

(b)    **How Shareholders Exercise Power- Shareholder Meetings and Resolutions**

- *Annual and Special Meetings*
- *Calling Meetings*
- *Notice of Meetings*
- *Proxies and Proxy Solicitation*
- *Shareholder Proposals*
- *Quorum*
- *Voting*
- *Access to Information - Auditors and Financial Disclosure*
- *Signed Resolutions*

Required Reading:           Casebook pp. 624-625, 632-639, 643-645, 655-657,  
674-679  
                                      VanDuzer pp. 283-300

Statutory References:       **CBCA** ss. 20-22, 103(5), 132-44, 147-159, 161-163,  
172.1,173, 175, 183, 189, 247, 252.1-253.5, 252.7  
                                      CBCA Reg. ss. 33-34.1, 43-69  
                                      **OBCA** ss. 93-106, 109-114, 116, 139-146.1, 148,  
154-7, 159, 168, 169, 170, 176, 181, 184, 253  
                                      General, RRO 1990, Reg 62 ("*OBCA General Reg*")  
                                      ss. 23.4, 27-38

(c)    **Directors and How They Exercise Power**

(i) Introduction - The Power to Manage



Readings: Casebook pp. 227-232

Statutory References: **CBCA** s. 102  
**OBCA** s. 115

(ii) Qualifications

Readings: VanDuzer pp. 300-302

Statutory References: **CBCA** ss. 2(1) (definition of “director” and  
definition of “resident Canadian”), 105,  
108(1)(c), 116  
**CBCA** Reg. ss. 13, 16  
**OBCA** ss. 1(1)(definition of “director” and  
definition of “resident Canadian”), 118,  
121(1)(c), 128  
**OBCA** General Reg. s. 26

(iii) Election and Appointment of Directors

Readings: VanDuzer pp. 302-305

Statutory References: **CBCA** ss. 106, 108, 109, 111, 113, 116  
**OBCA** ss. 115, 119, 121, 122, 124, 128

(iv) Number of Directors

Readings: VanDuzer pp. 305-306

Statutory References: **CBCA** ss. 6(1)(e), 102(2), 112  
**OBCA** s. 115(2)

(d) **Directors' Meetings**

Required Reading: VanDuzer pp. 306-309

Statutory References: **CBCA** ss. 110, 114, 115(3)  
**OBCA** ss. 117, 126, 127(3)

(e) **Officers**

(i) General

Required Reading: VanDuzer pp. 310-311



Statutory References: **CBCA** ss. 102(1), 104(1)(d), 115, 116, 121, 122  
**OBCA** ss. 115(1), 117(1)(d), 127, 128, 133, 134

(ii) Delegation

Required Reading: Casebook pp. 237-238  
VanDuzer pp. 311-313

Statutory References: **CBCA** s. 115  
**OBCA** s. 127

(f) **Remuneration and Indemnification**

Required Reading: Casebook pp. 360-366  
VanDuzer pp. 313-320

Statutory References: **CBCA** ss. 120(5)(a) and (b), 124, 125  
**OBCA** ss. 132(5)(a) and (b), 136, 137

(g) **Shareholders' Agreements and Unanimous Shareholders' Agreements**

Required Reading: Casebook pp. 722-738  
VanDuzer pp. 320-330

Statutory References: **CBCA** ss. 2(1) (unanimous shareholder agreement"), 49(8), 146, 247  
**OBCA** ss. 1(1) (unanimous shareholder agreement"), 56(8), 108, 253

## V - CORPORATE CHANGES

(a) **Amendment of Articles, By-laws and Changes to Stated Capital**

Required Reading: Casebook pp. 185-186, 190  
VanDuzer pp. 334-342

Statutory References: **CBCA** ss. 38, 39, 43, 103, 173-80, 190, 241  
**OBCA** ss. 34, 35, 38, 116, 168-173, 185, 248  
Form 5261E, 5261F

(b) **Continuation under the Law of Another Jurisdiction**

Required Reading: Casebook pp. 172-173, 190  
VanDuzer pp. 342-346



Statutory References: **CBCA** ss. 187-8  
Form 11  
**OBCA** ss. 180-1, 185  
Forms 5264E, 5264F, 5265E, 5255F

(c) **Amalgamation**

Required Reading: VanDuzer pp. 346-354

Statutory References: **CBCA** ss. 181-186, 190  
Form 9  
**OBCA** ss. 174-179, 185  
Forms 5262E, 5262F

(d) **Arrangements and Reorganizations**

Required Reading: VanDuzer pp. 354-358

Statutory References: **CBCA** ss. 191-192  
Forms 14, 14.1  
**OBCA** ss. 182, 183, 186  
Forms 5266E, 5266F, 5267E, 5267F

(e) **Sales of All or Substantially All of a Corporation's Assets**

Required Reading: VanDuzer pp. 358-360

Statutory References: **CBCA** s. 189(3)-(9), 190  
**OBCA** s. 184(3)-(9), 185

(f) **Going Private Transactions**

Required Reading: VanDuzer pp. 360-363

Statutory References: **CBCA** ss. 2(1) (definition of "squeeze-out"), 193-194  
**OBCA** s. 190

(g) **Termination of the Corporation's Existence**

Required Reading: VanDuzer pp. 364-369

Statutory References: **CBCA** ss. 207-228  
**OBCA** ss. 191-244  
Forms 5268E, 5268F

## VI - DIRECTORS' AND OFFICERS' DUTIES

(a) **Fiduciary Duties**



(i) Introduction

Required Reading: Casebook pp. 367-379, 421-429  
VanDuzer pp. 373-380

Statutory References: **CBCA** ss. 122(1)(a), (1.1), (2) and (3), 123  
**OBCA** ss. 134(1)(a), (2) and (3), 135

(ii) Conflicts of Interest - Transactions with the Corporation

Required Reading: Casebook pp. 379-384  
VanDuzer pp. 380-388

Statutory References: **CBCA** ss. 120, 122(3)  
**OBCA** ss. 132, 134(3)

(iii) Corporate Opportunities

Required Reading: Casebook pp. 384-406  
VanDuzer pp. 388-398

Statutory References: **CBCA** s. 122(1)(a)  
**OBCA** s. 134(1)(a)

(iv) Competition

Required Reading: Casebook pp. 412-418  
VanDuzer pp. 398-400

Statutory References: **CBCA** s. 122(1)(a)  
**OBCA** s. 134(1)(a)

(v) Takeover Bids

Required Reading: Casebook pp. 430-432, 448-460, 476-492  
VanDuzer 400-409

Statutory References: **CBCA** s. 122(1)(a)  
**OBCA** s. 134(1)(a)

(vi) Other Breaches of Fiduciary Duty

Required Reading: VanDuzer pp. 409-410

(vii) Reliance on Management and Others

Required Reading: VanDuzer pp. 410-411

Statutory References: **CBCA** s. 123(4), (5)  
**OBCA** s. 135(4)



(viii) Sanction by Shareholders of Fiduciary Breach

Required Reading: Casebook pp. 509-521  
VanDuzer pp. 411-412

Statutory References: **CBCA** ss. 120(7.1), 122(3), 239, 241, 242(1)  
**OBCA** ss. 132(5.2), (8), 134(3), 246, 248,  
249(1)

(b) **Duty of Care**

(i) Common Law

Required Reading: Casebook pp. 291-298

Statutory References: None

(ii) Statutory Reform

Required Reading: Casebook pp. 299-307, 324-338, 341-344  
VanDuzer pp. 413-422

Statutory References: **CBCA** ss. 122(1)(b), 123(4), (5)  
**OBCA** ss. 134(1)(b), 135(4)

(c) **Statutory Duties and Oppression**

Required Reading: Casebook pp. 344-354  
VanDuzer pp. 422-427

Statutory References: **CBCA** ss. 118, 119, 122(2), 123(4), 238, 241,  
242  
**OBCA** ss. 130, 131, 134(2), 245, 248, 249

(d) **Liability of Corporate Managers for Torts**

Required Reading: VanDuzer pp. 428-435

## VII - SHAREHOLDERS' REMEDIES

(a) **Introduction**

Required Reading: Casebook pp. 745-747



VanDuzer pp. 440-442

(b) **Personal Action**

Required Reading: VanDuzer pp. 442-444

(c) **Derivative Actions on Behalf of the Corporation**

Required Reading: Casebook pp. 747-756, 769-772  
VanDuzer pp. 444-451

Statutory References: **CBCA** ss. 238-240, 242  
**OBCA** ss. 245-247, 249

(d) **Oppression**

Required Reading: Casebook pp. 797-830, 833-851  
VanDuzer pp. 451-497

Statutory References: **CBCA** ss. 238, 241-242  
**OBCA** ss. 245, 248-249

(e) **Compliance and Restraining Orders**

Required Reading: Casebook pp. 867-869  
VanDuzer pp. 497-498

Statutory References: **CBCA** s. 247  
**OBCA** s. 253

(f) **Rectification of Corporate Records**

Required Reading: Casebook pp. 869  
VanDuzer pp. 498-499

Statutory References: **CBCA** ss. 243, 257  
**OBCA** ss. 250, 266

(g) **Investigations**

Required Reading: Casebook pp. 869-874  
VanDuzer pp. 499-500



Statutory References:       **CBCA** ss. 229-237  
  **OBCA** ss. 161-167

(h)    **Corporate Purchase of Shares of Dissenting Shareholder (dissent and appraisal)**

Required Reading:            Casebook pp. 862-866  
  VanDuzer pp. 501-505

Statutory References:       **CBCA** s. 190  
  **OBCA** s. 185

(i)    **Winding Up and Dissolution**

Required Reading:            Casebook pp. 874-878  
  VanDuzer pp. 506-508

Statutory References:       **CBCA** ss. 207, 208, 210-215  
  **OBCA** ss. 192-205, 206, 207, 208, 229



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Your exam registration fee also includes free access to the Advance Quicklaw resources of LexisNexis. Your ID and password will be arranged and emailed to your email address on file a few weeks after the end of the registration session.

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