

STANCER GOSSIN ROSE LLP

LAWYERS • MEDIATORS

SPRING 2018 – BUSINESS LAW NEWSLETTER

THE IMPORTANCE OF A MINUTE BOOK



Imagine a society with no rules, no strategies for governance, no elected officials, and no laws. It sounds chaotic because it is, and while it may not seem like an evenhanded analogy, not having a properly organized corporation with a Minute Book could result in the same chaos.

Fostering innovation and entrepreneurship is important and should be celebrated. However, hastily incorporating a business without actually organizing it should not be. That is the purpose of a Minute Book.

A Minute Book stores all of a corporation's records, including its articles and certificate of incorporation, by-laws, resolutions, officer and director registers and share certificates. If by-laws are not drafted and resolutions are not passed, a corporation ends up existing without any rules. By-laws dictate the day-to-day operations of a corporation, while resolutions give effect to these rules and any changes to them. Further, if shares are not distributed and a government in the form of a board of directors is not elected, ownership and management over a business may appear

uncertain. Failing to keep up to date records and not informing the government on an annual basis of a corporation's status could result in a corporation being involuntary dissolved by the government. Like a well-run country has clear crafted laws and heads of state to run the show, so too should a corporation.

When a business owner is looking for a prospective purchaser or investor, that entity will ask to review the business' Minute Book as part of the due diligence process. If the business does not have a Minute Book, and has not passed any rules on an annual basis, a deal could fall through. The risk of losing out on a great opportunity is not worth the limited investment a business owner should make in hiring a lawyer to fashion corporate records, elect administrators and assemble a Minute Book.

CANADA CELEBRATES WORLD INTELLECTUAL PROPERTY DAY



On April 26, Canada took part in World Intellectual Property Day. This year's theme was *Powering change: Women in Innovation and creativity*. A striking statistic shows why the conversation around this theme is so important. The ratio of male inventors versus female inventors

filing international patent applications originating in Canada is 7 to 1. The reasons for this are varied, but the harder we work to encourage women to innovate, the more we can ensure that ratio balances.

Another important development from World IP Day was Innovation Minister Navdeep Bains' announcement of Canada's first national IP strategy. The strategy includes initiatives to promote IP awareness, funding to help resolve IP disputes at the Federal Court, and new legislation to protect Canadian IP owners. While we cannot predict when these new initiatives will be implemented, this is a very important and hopeful step for protection of Canadian-held IP rights!

UPCOMING EVENTS!

Are you a female small business owner who needs help navigating the legal side of your business? Join me on May 23 at 6:15PM at **MAKE LEMONADE** (326 Adelaide St. W.) for my **MASTERCLASS: Legal Stuff For Your Biz.** I will be discussing everything from business structures, to contract drafting, employment matters and branding strategies! Tickets can be purchased at www.makelemonade.ca/events. Space is limited!

Want to chat? Let's connect!

Victoria Antoinette Asikis
vasikis@sgrllp.com
416-224-1996 (ext. 246)
LinkedIn: Victoria Antoinette Asikis
Twitter: @VictoriaSGRLLP

THIS NEWSLETTER IS FOR EDUCATIONAL PURPOSES ONLY AND IS NOT INTENDED AS LEGAL ADVICE.

Stancer Gossin Rose LLP

1210 Sheppard Avenue East, Suite 310 • Toronto, Ontario M2K 1E3 • 416-224-1996 • www.sgrllp.com