Corporations Canada
Industry Canada / Industrie Canada
365 Laurier Avenue West
Ottawa, Ontario K1A 0C8

Corporations Canada
Édifice Jean-Edmond
Tour Sud, 9e étage
365, avenue Laurier Ouest
Ottawa (Ontario) K1A 0C8

December 18, 2014

BY MAIL

Jane Cardwell
61 Fairmont Avenue
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65 Lynnhaven Road
Toronto, ON, M6A 2K8

Dear Sirs and Madams :

RE: Ananda Marga Canada
Corporation Number: 014114-9

This is further to your objection to the recent by-law amendments filed by the above-mentioned corporation.

As you may know, the corporation has responded to your objection. Attached is a copy of the response for your convenience. As previously mentioned, the process provides

you with the opportunity to reply as a final step to these proceedings. If you wish to do so, please send us your reply by January 2, 2015 at the latest.

As previously stated, Corporations Canada determines whether to grant Ministerial approval based on whether the proposed by-law amendments conform to the requirements of the CCA II and related policies. Please be aware that the burden of proving that the proposed by-law amendments should not receive Ministerial approval rests on you as objectors within the context of that determination. If you are unable to present sufficient evidence to support the objection, the evidence of the corporation will be conclusive.

If we do not receive a reply from you by January 2, 2015, we will proceed with our review of the proposed amendments to by-laws based on the information we have received to date.

Lastly, regarding your question sent by mail on December 15, 2014, as set out in our policy, Amendment of General By-laws (available on our website at http://strategis.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs03445.html), by-law amendments need to be sanctioned by members in accordance with the existing general by-laws of the corporation. Conditions of membership, including who can be a member, are generally set out in the by-laws of the corporation.

Regards,

Valérie Carpentier

Valérie Carpentier
Compliance section
613-957-4422
Valerie.Carpentier@ic.gc.ca

Cc:
Jennifer M. Leddy - Carters Professional Corporation 117 Centrepointe Dr., Suite 124, Ottawa, ON, K2G 5X3
Terrance S. Carter - Carters Professional Corporation 117 Centrepointe Dr., Suite 124, Ottawa, ON, K2G 5X3

CARTERS

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DECEMBER 9, 2014

SENT BY EMAIL AND COURIER

Corporations Canada
Jean Edmonds Building
South Tower, 9th Floor
365 Laurier Avenue West
Ottawa, ON K1A 0C8

"PRIVATE & CONFIDENTIAL"

ATTENTION: Valerie Carpentier, Compliance Section

Dear Ms. Carpentier

Re: **Ananda Marga Canada**
Corporation Number 010141-9
Our File #140530

We are the solicitors for Ananda Marga Canada and thank you for your letter of November 26, 2014, which we received on December 2, 2014. This letter is being signed by both Jennifer M. Leddy and Terrance S. Carter because we are co-counsel for Ananda Marga Canada.

We acknowledge receipt of the objection to the proposed by-law amendment that we submitted on October 27, 2014 on behalf of Ananda Marga Canada to amend its General Operating By-law, dated July 1, 1998, by deleting Article VII on Diocese Secretaries.

We respectively submit that the objection is without merit for the following reasons.

1. The objection asserts that "There was never any notification to the general members to amend the by-laws nor a general meeting to discuss or vote on any by-law amendment". The fact is that under the 1998 by-law, which was approved by Industry Canada, there is no "general membership." Article II, Section 1 of the 1998 by-law provides that there is only one class of Members, namely Voting Members, who are defined as members of the board of directors. At the time that the amendment to the 1998 by-law was approved, there were only three individuals who were directors and thus Voting Members of the Corporation. These individuals approved the by-law as directors and as Voting Members without a meeting by written resolutions pursuant to Article III and Article VIII Section 7, subsection (m). According to the provisions of the 1998 by-law, none of the objectors are directors or Voting Members of the Corporation. This is admitted in the second sentence of the third paragraph of

the objection which states that "The current by-laws also do not permit anyone not on the board of directors to vote." The objectors have admittedly been involved in and contributed to Ananda Marga programs over the years but they are not presently directors or Members of the Corporation. Contributions of time and money do not qualify individuals as members of a corporation if they do not meet the conditions of membership set out in the By-law.

2. The objection is misdirected because it critiques the 1998 by-law on the basis of the new *Canada Not-for-Profit Corporations Act* (CNCA) without regard for the fact that the *Canada Corporations Act* continues to apply to Ananda Marga Canada until it transitions (continues) under the CNCA, provided that it has not been dissolved for failure to continue. The Corporations Canada website provides that "The *Canada Corporations Act,* until it is repealed, will continue to apply to a corporation that has not completed the transition and has not been dissolved. These corporations can apply for supplementary letters patent or any by-law approval under the *Canada Corporations Act.*" The critique in the third paragraph of the objection, which is not admitted, is therefore irrelevant as to whether the by-law amendment can be approved. Moreover, the elements in that paragraph have nothing to do with the proposed by-law amendment.

3. Like many other corporations, Ananda Marga Canada is part of an international organization which gives it a recognized identity. It is understandable that the international organization wishes mechanisms to protect their mission and identity and there are ways to achieve these objectives that are compliant with the CNCA. Having said that, the CNCA does not apply to Ananda Marga Canada at the present time and even if it did, the CNCA does not require corporations to submit their by-laws to Industry Canada for approval; they only need file them with Industry Canada.

4. The statement in the objection that removing Article VII concerning the Diocese Secretaries "would reduce the already miniscule number of voting members" overlooks the fact that the Diocese Secretaries do not have the right to vote and the objectors own admission that only directors have the right to vote.

5. The allegations that a small board and small membership lead to lack of accountability and transparency are untenable. Countless corporations have memberships limited to their directors. Structuring a corporation as a closed membership results in the same individuals being the directors and Members but it does not relieve directors of their fiduciary responsibilities to the corporation.

We submit that the objection should not delay the approval of the by-law amendment or the eventual continuance and would ask you to act accordingly. Thank you for your consideration.

Yours truly,
Carters Professional Corporation

Per:

Jennifer M. Leddy

Yours truly,
Carters Professional Corporation

Per:

Terrance S. Carter

CC: TO ANANDA MARGA CANADA

AND TO THE FOLLOWING INDIVIDUALS WHO FILED THE OBJECTION

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