

Striking Off of the Registration of a Provincial Company

By Diane Bellavance

A & A Environnement inc. v. Stepas (Court of Quebec)

In this case, Plaintiff asked the Court to condemn Defendant to pay Plaintiff a sum of \$2,328.76 for services rendered, namely the collection of solid waste. The Contract for services was signed by Defendant as representative of 9012-5410 Québec inc., while evidence revealed that this company, constituted in 1994, was struck off *ex officio* by the Inspector General of Financial Institutions in July 1997.

Justice Villeneuve referred to Section 50 of the *Act respecting the legal publicity of sole proprietorships, partnerships and legal persons* indicating that “the

striking off of the registration of a legal person constituted in Québec entails its dissolution”. The company cannot be prosecuted by its creditors; the same goes for its directors, since contrary to what happens in the case of voluntary striking off, legislation does not set any liability on them.

However, in this case, Defendant having personally benefited from the services of waste collection by Plaintiff, Justice Villeneuve decided

that Defendant had committed an abuse of right and had acted in a fraudulent manner giving rise to its personal liability in accordance with Section 317 C.C.Q. Defendant was thus condemned to pay the amounts due to Plaintiff.

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