



IN THE MATTER OF
THE TRUST AND LOAN CORPORATIONS ACT, 1997
S.S. 1998, c. C-45.2
AND
IN THE MATTER OF NLS LEASING ULC
DECISION OF THE DEPUTY SUPERINTENDENT

A. INTRODUCTION

1. NLS Leasing ULC (NLS) is licensed as a financing corporation pursuant to *The Trust and Loan Corporations Act, 1997* (the “Act”).
2. On February 16, 2023, I served NLS a Notice of Opportunity to be Heard (the “Notice”) under section 29(1) of Act. The Notice was issued to the mailing address NLS last provided to my office, the address for service in Saskatchewan provided by NLS, and was sent by email to persons at NLS that my office had previously communicated with. The Notice provided NLS with an opportunity to be heard before I made a decision respecting its licence. In the Notice, I proposed to cancel its licence because it appeared NLS failed to comply with *The Trust and Loan Corporations Regulations, 1999* (the “Regulations”) when it did not pay its annual fees in advance for the calendar years 2021, 2022 and 2023 as was required by the Regulations. NLS was provided with the opportunity to make representations to me as to why I should not take the proposed action.
3. NLS did not respond to the Notice.
4. I find NLS has failed to comply with the Regulations when it failed to pay its annual fee for the 2021, 2022 and 2023 calendar years. My decision is to cancel licence #315433 issued to NLS.
5. My decision to cancel NLS’s licence is based on the facts and legal authority set out in detail below.

B. MATERIALS AND INFORMATION CONSIDERED IN DECISION

6. I considered the following materials and information to make my decision to cancel NLS’s licence:
 - a) The Notice;
 - b) The disclosures binder provided with the Notice containing the following information:
 - ISC Corporate Profile Reports,



- Email correspondence to NLS,
 - Email correspondence with office identified as the address for service by NLS,
 - Alberta Corporate Profile Report, and,
- c) Confirmation of service to the office identified as the address for service by NLS.
- d) Any responses made to the issuance of the Notice by NLS. As stated above, NLS did not provide a response to my office.

C. LEGISLATIVE FRAMEWORK

7. The activities and conduct of financing corporations are regulated in Saskatchewan under the Act and the Regulations. As Deputy Superintendent of Financial Institutions appointed pursuant to the Act, I have the responsibility of administering the Act and the regulations made under it. As set out in section 2(1)(t) of the Act, any reference to the Superintendent includes any Deputy Superintendent.
8. Section 17 of the Act requires that a person be licensed as a financing corporation prior to carrying on business as a financing corporation. NLS applied for licensing and was licensed as a financing corporation pursuant to section 25 of the Act.
9. Pursuant to section 27 of the Act, a licence continues in force indefinitely if allowed pursuant to the regulations unless it is suspended or cancelled in accordance with this Act:

Expiry of licence

27(1) Subject to subsection (2), a licence expires on the date prescribed in the regulations unless it is sooner suspended or cancelled in accordance with this Act.

(2) If allowed pursuant to the regulations, a licence continues in force indefinitely unless it is suspended or cancelled in accordance with this Act.

10. As set out in section 39(1) of the Regulations, a licence continues in force indefinitely unless it is suspended or cancelled pursuant to the Act.
11. Section 87(1)(b) of the Act provides the Lieutenant Governor in Council the authority to make regulations that prescribe the fees payable for a licence.
12. Section 40 of the Regulations states:

Fees

40 The fees set out in column II of Table 2 of the Appendix are payable for the matters set out in column I.

13. Section 1.2 of Table 2 of the Regulations sets out the amount of the annual fee, and establishes the annual fee is to be paid in advance by December 31 of the previous year:



Column I

Column II

1. Trust Corporations, Loan Corporations, and Financing Corporations

...

1.2 Annual Fee, for 2014

- | | |
|--|-------|
| (a) if the total assets of the corporation are less than \$10,000,000 | 2,000 |
| (b) if the total assets of the corporation are greater than \$10,000,000 | 7,500 |

Annual Fee, for 2015 and any subsequent year to be paid in advance by December 31 of the previous year

- | | |
|--|--------|
| (a) if the total assets of the corporation are less than \$10,000,000 | 2,000 |
| (b) if the total assets of the corporation are greater than \$10,000,000 | |
| (i) for a financing corporation | 8,500 |
| (ii) for a trust corporation or loan corporation | 10,000 |

NOTE: The Annual Fee for first-time applicants will be prorated on a monthly basis for the first year

14. If a corporation fails to pay its annual fees as required by the Regulations, it has failed to comply with the Regulations.
15. Under section 28 of the Act, I may suspend, cancel, or amend a licence if a licensee fails to comply with the Regulations, including failure to pay the annual fee:

28 Subject to section 29, the superintendent may amend, suspend or cancel a licence where, in the opinion of the superintendent, the corporation that holds the licence:

- (a) has failed to comply with:
- (i) any provision of this Act or the regulations, any other Act of Saskatchewan or of any other jurisdiction pursuant to which the corporation is incorporated or continued or any other Act of any jurisdiction where the corporation is authorized to carry on business;

or

...



D. BACKGROUND FACTS

16. NLS was issued licence #315433 to operate as a financing corporation in Saskatchewan on April 28, 2008.
17. My records show NLS'S annual fees required by section 40 of the Regulations due December 31, 2020, for the 2021 calendar year, due December 31, 2021, for the 2022 calendar year and December 31, 2022, for the 2023 calendar year have not been received by my office.
18. NLS has not responded to inquiries from my office.
19. My office obtained Profile Reports for NLS from the Information Services Corporation ("ISC") on April 19, 2021, January 17, 2022, and on June 8, 2022 ("Profile Reports"). ISC is responsible for maintaining the Saskatchewan Corporate Registry. The June 8, 2022, Profile Report identified that the Entity Status for NLS was Inactive (Struck Off) effective June 2, 2022.
20. The Profile Reports show that NLS was registered as an extra-provincial corporation, and that the home jurisdiction is Alberta. The Government of Alberta Corporate Registration System report, dated January 18, 2023, identifies that NLS was Struck effective June 2, 2022.
21. Based on the Saskatchewan Profile Reports and the information from the Government of Alberta Corporate Registration System, NLS has ceased being registered as a corporate entity.
22. I received no response to the Notice to cancel NLS's licence.

E. ISSUES

23. The issues I will determine are:
 - a. Has NLS failed to comply with the Act or Regulations because it has failed to pay its annual fees?
 - b. If NLS failed to comply, should I suspend or cancel NLS's licence?

F. ANALYSIS AND DECISION

- a. Has NLS failed to comply with the Act or Regulations because it has failed to pay its annual fees?



24. The Act and the Regulations, among other things, set up a regulatory scheme whereby corporations intending to operate as a financing corporation in Saskatchewan can apply under the Act for an appropriate licence to enable them to carry on the activities authorized by such a licence within the framework of the Act. Applying for a licence is a voluntary act by an entity that chooses to engage in a business that requires a licence, and which involves regulation. Once a licence is issued under the Act, the licensee, becomes subject to all the duties and obligations associated with the holding of such licence, including an acceptance that the Superintendent may hold that entity accountable for any departures from the requirement of the Act. As noted by Wagner J in the Supreme Court decision of *La Souveraine, Compagnie d'assurance générale v. Autorité des marchés financiers*, [2013] 3 SCR 756 at para. 49, “[t]hose who engage in regulated activities agree in advance to adhere to strict standards, and they accept that they will be rigorously held to those standards, which are typical of such spheres of activity.”
25. In my view payment of annual fees under the Regulations are an important part of the duties and obligations accepted by a licensee associated with holding a licence under the regulatory scheme.
26. As noted above, NLS did not respond to the Notice which set out that my records showed that the fees due December 31, 2020, December 31, 2021, and December 31, 2022, were not received by my office.
27. The requirement for the payment of the annual fee is established in the Regulations. My records show that NLS has not paid the annual fees that were due December 31, 2020, December 31, 2021, and December 31, 2022. By not paying the required fees, I find that NLS has failed to comply with section 40 of the Regulations and placed itself in jeopardy of having its licence suspended or cancelled under section 28 of the Act.
- b. If NLS failed to comply, should I suspend or cancel NLS’s licence?
28. As noted above, a review of the Saskatchewan Corporate Registry, maintained by ISC, shows that NLS is “Inactive (Struck Off)”. This means that NLS is no longer authorized to carry on business in Saskatchewan. Similarly, NLS’s status in its home jurisdiction of Alberta shows that its status is “struck”.
29. The licence issued to NLS continues in force indefinitely unless suspended or cancelled pursuant to the Act. NLS is not meeting its ongoing requirements and is not responding to my office’s inquiries and did not respond to the Notice. As a result, it is my view that suspension of the licence is not an appropriate response as that would simply prevent NLS from operating in Saskatchewan but noncompliance with the ongoing requirement to pay the annual fee would continue.
30. Based on the lack of responses to my office’s inquiries, NLS being struck from the corporate registry in Saskatchewan and in its home jurisdiction of Alberta, the office identified by NLS as the address for service for NLS not being able to reach NLS during the typical follow-up carried out by my office, and NLS not



responding to the Notice, the appropriate regulatory response to NLS's noncompliance is to cancel its licence.

G. DECISION AND CONCLUSION

31. In light of the above discussion, I hereby cancel licence #315433 issued to NLS pursuant to section 28(a)(i) of the Act. NLS has not complied with section 40 of the Regulations which requires that annual fees be paid by December 31, 2020, for the 2021 calendar year, by December 31, 2021, for the 2022 calendar year, and by December 31, 2022, for the 2023 calendar year.

32. By virtue of section 80 of the Act, NLS has the right to appeal my decision to the Court of King's Bench on a question of law only. This section sets out that NLS must exercise its right of appeal within 30 days after my decision. Where NLS decides to proceed with an appeal, NLS is required to serve me with a notice of appeal.

Dated at the City of Regina in the Province of Saskatchewan this 8th day of May, 2023.

Cory Peters

Deputy Superintendent of Financial Institutions