

Senator Walker: Since the acquiring of these shares by these people.

Mr. Land: I believe that they acquired these shares over rather an extended period of time last year.

Senator Benidickson: Well, Mr. Land, the report in the *Globe and Mail* may be wrong, but somebody must have filed with the Ontario Securities Commission a statement saying that Carena Bancorp Inc. bought 6,600 shares in August and 49,600 shares in September. Either the report is wrong or—

Mr. Land: No, senator, I am not suggesting that the report is wrong. Perhaps I misinterpreted Senator Walker's question. My reference was to the acquisition through the course of last year.

Senator Benidickson: In other words, it may be a longer period than is referred to in this news item.

Mr. Land: No, Senator Benidickson. The figures you have there, I have no doubt, are accurate. But to answer your question with regard to price, Senator Walker, there has not been any significant change either upwards or downwards in the market price of our shares. There are variations of a quarter or an eighth or a half from day to day, or perhaps a dollar over a period of time.

Mr. Melloy: I think the high this year has been 20½, and I believe the low was 16%. It is a little over 18 now.

Senator Walker: I understand. Then since September, when they were purchased, or August, when the shares were referred to in the *Globe and Mail*, the shares have not significantly risen in price.

Mr. Melloy: No.

The Chairman: Were these persons who were interested in the purchase, at the time of the purchase, directors of IAC?

Mr. Melloy: With regard to the purchase to which Senator Benidickson has referred, they were directors when those shares were purchased, yes.

Senator Walker: Surely these people, with such large holdings, would have been consulted early in the game? It is not a game, of course, it is a very serious business. Would they have been consulted about the proposed change-over from IAC to a bank?

Mr. Land: No, sir, they were not consulted in advance of any of our other outside directors.

Senator Walker: I appreciate that, but when did the board of directors, as such, first learn of it?

Mr. Land: As I recall, September 22.

Senator Connolly: This year?

Mr. Land: This year.

The Chairman: A committee of the board had been dealing with it before that?

Mr. Land: Yes. The executive committee of the board, on which these particular shareholders are not represented.

Senator Macnaughton: You have already said you were very careful to keep the whole matter confidential until such time as you made the presentation to the board.

Mr. Land: Yes, senator, until such time as management was convinced that this was a proper recommendation to the board.

Mr. Melloy: There are also, of course, because we are a public corporation, disclosure provisions with regard to any material change, and we were in the position that when we made a recommendation to the board we had to disclose this immediately to the public. A public announcement was made on September 22.

The Chairman: Are there any other questions on that point?

Will you proceed, Mr. Baillie?

Mr. Baillie: I only have one other clause to refer to. I commented on the possibility that the indebtedness of IAC might have to be carried forward into the amalgamated bank. Correspondingly, IAC Limited has outstanding some convertible debentures, which it would not be permissible for a chartered bank to have. The conversion privilege would not be permissible for a chartered bank. Those convertible debentures can be redeemed on or after July 15, 1984. We will be introducing an amendment to this section, because the bill before you speaks of July 14, whereas the actual date should be July 15.

What the clause says is that if the amalgamation takes place prior to that date, and only if it takes place before that date, and again with the Minister of Finance's consent, he can allow that conversion right to remain outstanding as a conversion right of the shares of the bank. However, the exemption would operate only from the date of the amalgamation until July 15, 1984, again in keeping with our theme that the redemption provision must be implemented at the earliest possible date.

The Chairman: The obligation on the convertible debentures is an obligation of IAC. Is that right?

Mr. Baillie: That is right.

The Chairman: And the bank, I would assume, if it has the right to carry on business at that time, could redeem them directly, or indirectly?

Mr. Baillie: Only after July 15, yes, sir.

Senator Walker: There should not be any problem there, should there?

Mr. Baillie: We hope not.

Senator Walker: Do you anticipate any trouble?

Mr. Baillie: No, senator.

The Chairman: Go ahead.

Mr. Baillie: The question I was called on to reply to concerned the exemptions in the bill, and I believe I have covered them all.

The Chairman: Very well. What I would like to do now is this. It is intended to make a number of amendments to this bill arising out of conferences between the petitioners and our acting law clerk. In connection with these amendments, Mr. Baillie or Mr. Land, or perhaps I should say "and/or" Mr. Land, can tell the committee whether these are amendments which they support and would like to see added to the bill by way of amendment. What do you say, Mr. Baillie?