

EXPLANATORY NOTES.

The purpose of clause 1 of the bill is to widen the investment powers of the Company to include the power to acquire and hold personal property of all kinds.

The purpose of clause 2 of the bill is to increase the capital stock of the Company to \$4,059,551.00 in order that stock dividends of redeemable preferred shares may be paid to the shareholders from time to time.

Section 4 of chapter 88 of the statutes of 1893, incorporating the Company, provided that the capital stock of the Company should be \$7,443,875.00, divided into 59,551 preferred shares of \$100.00 each and 59,551 common shares of \$25.00 each. Subsection (3) of section 4 of chapter 88 of the statutes of 1893 provided as follows:—

“3. The capital stock shall be subject to reduction as hereinafter provided by the cancellation of preferred shares given in exchange for land or purchased.”

Section 3 of chapter 93 of the statutes of 1903 amended section 11 of the principal Act by adding subsection (3) as follows:—

“3. After the cancellation of the preference stock the board of directors may, from time to time, repay capital out of the funds of the Company to the holders of the common shares, *pari passu*, provided that no capital shall be repaid to holders of the common shares unless all liabilities of the Company be first duly paid.”

Pursuant to subsection (3) of section 4 and subsection (3) of section 11 of the principal Act as amended, the capital stock of the Company was reduced from \$7,443,875.00 to \$59,551.00 divided into 59,551 common shares of \$1.00 each. This was accomplished by cancellation of the preferred shares pursuant to subsection (3) of section 4 of the principal Act as amended, and by the reduction of the par value of the common shares from \$25.00 per share to \$1.00 per share by resolutions of the Board of Directors adopted from time to time providing for the repayment of capital to the holders of the common shares *pari passu* pursuant to subsection (3) of section 11 of the principal Act as amended. All the capital stock of the Company is presently issued and outstanding.