

not apply, the company fails to make application to the Minister for a certificate of registry within the time provided in subsection (2) or (3) of that section that is applicable to it,

(b) notice of a special report made by the Superintendent under subsection (1) of section 13 is given to the company to which the report relates in accordance with subsection (2) of that section, or

(c) the certificate of registry

(i) of a company is withdrawn pursuant to section 15, or

(ii) of an investment company has lapsed and has not been renewed by the Minister,

the company shall not thereafter borrow money on the security of its bonds, debentures, notes or other evidences of indebtedness, unless a certificate of registry is issued to it by the Minister or, except where the certificate of registry of a company is withdrawn pursuant to section 15, the company ceases to be an investment company.

(3) The extension or renewal of any indebtedness that was incurred by a company to which subsection (2) applies prior to the expiration of the time provided in subsection (2) or (3) of section 11 that is applicable to it or prior to the giving of notice of the special report of the Superintendent under subsection (2) of section 13 or the withdrawal or expiry of its certificate, as the case may be, shall, if the extension or renewal does not increase the indebtedness of the company that was outstanding immediately before such time, be deemed not to be a violation of subsection (2).

(4) Where any money has been borrowed by an investment company in violation of subsection (1) or paragraphs (b) or (c) of subsection (2), the persons who were directors of the company at the time money was so borrowed are jointly and severally liable to the lenders from whom such money was borrowed and their successors in title,

(a) in the case of a violation of subsection (1), for the amount so borrowed; and

(b) in the case of a violation of paragraphs (b) or (c) for the amount by which the indebtedness of the company was increased by borrowing.

13.(1) Where, in the opinion of the Superintendent, the financial condition and affairs of an investment company that applies to the Minister for a certificate of registry are such

that the ability of the company to repay all moneys borrowed by it on the security of its bonds, debentures, notes and other evidences of indebtedness that are then outstanding and to pay all interest thereon is inadequately secured, he shall make a special report to the Minister recommending against the issuing of a certificate to the company and setting forth his reasons therefor.

(2) The Superintendent shall give notice to a company to which a special report under subsection (1) relates of the making of the report and a copy of the report shall be sent to the company with the notice.

(3) After receipt of a special report made by the Superintendent under subsection (1), and after affording to the company to which the report relates an opportunity to be heard in connection therewith, the Minister, if he agrees with the opinion of the Superintendent, may,

(a) refuse to issue a certificate of registry to the company, or

(b) postpone the decision whether or not to issue a certificate of registry to the company and, by order, specify a period of time within which the company may endeavour to improve its financial condition and affairs to a state that is satisfactory to the Minister.

(4) The period of time allowed by an order made under paragraph (b) of subsection (3) may be extended by the Minister or the order may at any time be revoked by him upon notice of such extension or revocation being given to the company to which the order relates.

(5) Where a company in respect of which an order has been made under paragraph (b) of subsection (3) satisfies the Minister, before the expiration of the time allowed under the order or any extension thereof or before the revocation of the order, that it has so improved its financial condition and affairs that its ability to repay all moneys borrowed by it on the security of its bonds, debentures, notes and other evidences of indebtedness that are then outstanding and to pay all interest thereon is adequately secured, the Minister may issue a certificate of registry to the company in accordance with section 10.

14. Where it comes to the attention of the Superintendent, by any means whatever, that any assets that appear on the books or records of an investment company may not be satisfactorily accounted for and upon investigation the Superintendent believes that any of those assets are not satisfactorily