

9. (1) Every company not incorporated under the laws of Canada or Ontario or licensed under The Extra Provincial Corporation Act, shall file its written consent, irrevocable, that actions may be commenced against it, in the Supreme Court of Ontario, by the service of process on the commissioner, and stipulating and agreeing that such service shall be taken and held, in all courts, to be valid and binding as if service had been made upon the company.

(2) Such consent shall be authenticated as may be prescribed.

(3) The commissioner forthwith after being served with process under this section, shall immediately notify the company by mailing a copy of such process addressed to the company as the address of its head office, appearing on record, with the commissioner.

10. (1) It shall be the duty of the commissioner to examine the statements and documents so filed and if deemed advisable he shall make or cause to be made an examination of the affairs of the company at the expense of the applicant for registration and unless it appears to him that the company is insolvent or that its articles of incorporation or association, its constitution and by-laws, its plan of business, contracts and shares do not contain and provide for a fair, just and equitable plan for the transaction of business or do not promise a fair return on the shares to be offered for sale, the commissioner shall register the company and thereafter it shall be lawful to sell the shares of such company in Ontario; otherwise the commissioner shall refuse to register the company.

(2) Upon any application, the commissioner may grant registration in respect of any class or classes of shares of a company, and exclude the others therefrom.

(3) If the commissioner registers a company he shall issue a certificate of registration to the applicant, and shall upon request issue a duplicate or duplicates thereof on payment of the prescribed fee.

(4) The certificate shall be in the prescribed form and shall state in bold-faced type that "the commissioner of shares does not recommend the purchase of any shares of this or any other company."

(5) Any reference to the said certificate or to the fact that the company has been registered under this act contained in any prospectus, circular, advertisement or other written document, shall state in bold-faced type in a prominent position—"The registration of this company and the issue of a certificate under The Sale of Shares Act does not constitute or imply a recommendation of the purchase of the shares of the said company, and the commissioner of shares does not recommend the purchase of any shares of this or any other company."

Control Over Companies Under Act

11. (1) This section shall apply to a company incorporated under the laws of the Dominion of Canada or of the province of Ontario or licensed under The Extra Provincial Corporation Act or The Ontario Insurance Act.

(2) Where it is made to appear to the commissioner that the objects of any such company are the establishment or undertaking of commercial, manufacturing or industrial enterprises in Canada, or the development of the natural resources of any province in Canada, and it has not at the time of application for registration yet appeared that the business of the company promises a fair return upon its shares, the commissioner may, if he considers that the company is organized in good faith for such a purpose and will be managed with due consideration for the rights and interests of persons acquiring its shares, grant to it registration upon such terms and conditions as he may think proper.

(3) The terms and conditions which may be imposed may include the following:—

(a) Limiting the proportion of the proceeds of shares which may be applied in organization or preliminary expenses or other purposes than direct application to the actual object of the company;

(b) Requiring the payment of all money, consideration for such shares, to a trustee pending payment in of a cer-

tain aggregate sum and providing for the *bona fide* application thereof by means of such trustee and fixing a time within which such application shall be made;

(c) Requiring any person who has subscribed for or underwritten, or to whom has been allotted or to whom it is proposed to allot the whole or part of any issue of the company's shares, to set aside a portion of the proceeds thereof for the actual objects of the company;

(d) Requiring the approval of the commissioner to the selling, mortgaging, charging or leasing of the whole or major part of the property and assets of the company;

(e) Providing for equality of rights of investors of each class and defining the relative rights of each class of investors;

(f) Limiting the nominal value of shares which may be issued for property or services or otherwise than for cash;

(g) Regarding the rendering of accounts and reporting upon affairs of the company to the commissioner as he may require from time to time;

(h) Providing other safeguards of investment by way of amplification of such terms and conditions or otherwise as to the commissioner may seem proper.

(4) In case of non-observance of or of departure from any of the terms or conditions so imposed the commissioner may after notice to the company and hearing what may be said in its behalf, revoke the registration granted to it.

(5) The offering to sell shares of any such company in disregard of any of the terms or conditions so imposed, shall be an offence against this act.

12. (1) Every registered company shall file with the commissioner at least once in every period of twelve months and at such other times as may be required by the commissioner, a statement setting forth in such form as may be prescribed, its financial condition and the amount of its assets and liabilities, and furnishing such other information concerning its affairs as the commissioner may require.

(2) Each such statement shall be accompanied by the prescribed fee.

(3) Any company failing to file such statement or failing to file any other or special report herein required within thirty days after the receipt of a request or requisition therefor, shall forfeit its right to continue its business of selling its shares in Ontario.

13. (1) The affairs of every registered company shall be subject to examination by the commissioner at any time the commissioner may deem it advisable, and the commissioner for that purpose shall have all the powers of a commissioner appointed under The Public Inquiries Act, and the commissioner may order that such company or any applicant for such examination, shall pay the costs and expenses of such examination as fixed by the commissioner.

(2) Such costs and expenses may be recovered in the manner prescribed, and in addition thereto the failure or refusal of any such company to pay such costs and expenses shall work a revocation of the registration granted to it and such revocation shall be effectual upon notice to that effect published in the Ontario Gazette.

Registration May be Revoked

14. Whenever it is made to appear to the commissioner that the assets of any registered company are impaired so that they do not equal its liabilities, or that it is conducting its business in an unsafe, inequitable or unauthorized manner, or is jeopardizing the interests of the holders of any of its shares, or whenever any such company fails or refuses to file any papers, statements or documents required by this act, without giving satisfactory reasons therefore, or violates any provision of this act or of any regulation, decision order, term or condition made by him, the commissioner may revoke the registration granted to such company and may cause notice of such revocation to be published in the Ontario Gazette, and thereafter no shares of such company shall be sold in Ontario.

15. The commissioner may reinstate any company, the registration of which has been revoked or suspended, upon