

No. 175.

4th Session, 8th Parliament, 29th Vict., 1865.

BILL.

**An Act to incorporate "The Union Bank of
Lower Canada."**

Received and read, first time, Friday, 25th
August, 1865.

Second reading, Monday, 28th August 1865.

Mr. IRVINE.

QUEBEC:

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An Act to Incorporate the Union Bank of Lower Canada. Preamble.

WHEREAS Charles E. Levey, John Burstall; John Sharpley, Joseph Roberts, Timothy Dunn, Mathew G. Mountain, and others, have, 5 by their petition, prayed that they and their legal representatives might be incorporated for the purpose of establishing a Bank in the City of Quebec; and whereas it is desirable and just that the said persons and others who see fit to associate themselves with them, should be incorporated for the said purpose: Therefore, Her Majesty, by and with the 10 advice and consent of the Legislative Council and Assembly Canada, enacts as follows :

1. The several persons hereinbefore named, and such other persons 1 Incorporation as may become shareholders in the company to be by this Act created, and their assigns, shall be and are hereby created, constituted and de- 15 clared to be a corporation, body corporate and politic, by the name of "The Union Bank of Lower Canada," and shall continue such corpora- Corporate name and tion, and shall have perpetual succession and a corporate seal, with powers. power to alter and change the same at pleasure, and may sue and be sued, implead or be impleaded, in all courts of law as other corporations 20 may, and shall have the power to acquire and hold real and immovable estate for the management of their business, not exceeding the yearly value of ten thousand dollars, and may sell, alienate or exchange the Real estate same and acquire other instead, and may, when duly organized as here- limited. inafter provided, make, ordain and establish such Rules, Regulations and 25 By-laws as to them shall appear proper and necessary for the right ad- By-laws. ministration of their affairs, and the proper management of the said Bank (such By-laws and Regulations not being inconsistent with this Act, or contrary to the laws of this Province); Provided, however, that such 30 Rules, Regulations and By-laws shall be submitted for approval to the Proviso: for approval. stockholders or shareholders in the said Bank, at their regular annual meeting.

2. The capital stock of the said Bank shall be one million of dollars 3 Capital and divided into twenty thousand shares of one hundred dollars each, which shares. said shares shall be and are hereby vested in the several persons who 35 shall subscribe for the same, their legal representatives or assigns.

3. For the purpose of organizing the said Bank and of raising the 1 Provisional amount of the said capital stock, the persons hereinbefore mentioned directors. and hereby incorporated shall be provisional Directors thereof; and they, or the majority of them, may cause stock books to be opened, after 40 giving due public notice, upon which stock-books shall and may be received the signatures and subscriptions of such persons or parties as desire to become shareholders in the said bank; and such books shall Subscription of stock. be opened at Quebec and elsewhere at the discretion of the said provisional directors, and shall be kept open so long as they shall deem

necessary; and so soon as two hundred thousand dollars of the said capital stock shall have been subscribed upon the said stock-books and fifty thousand dollars thereof actually paid in thereupon, a public meeting shall be called of the subscribers thereof by notices published at least two weeks in two of the newspapers of the City of Quebec, such meeting to be held at such time and place in the said county as such notice shall indicate; and at such meeting the subscribers shall proceed to elect seven directors having the requisite stock qualifications, who shall from thenceforward manage the affairs of the said corporation, and who shall take charge of the stock-books hereinbefore referred to, and shall continue in office until the first Monday in July next thereafter, and until their successors in office shall be duly elected; and the said election shall be conducted in the same manner as the annual election hereinafter provided for as respects the regulating of votes according to the number of shares subscribed for; and immediately upon such election being had the functions of the said provisional directors shall cease.

First meeting for election of directors.

Election of directors.

Retirement of provisional directors.

Payment of stock.

Proviso: ten per cent. on subscribing.

Proviso: when to commence business.

Proviso: payment of remainder of stock.

4. The shares of the capital stock subscribed for shall be paid in by such instalments and at such times and places as the said directors shall appoint, and executors, administrators and curators paying the instalments upon the shares of deceased shareholders shall be and are respectively indemnified for paying the same; provided always that no share or shares shall be held to be lawfully subscribed for, unless a sum equal to at least ten per centum on the amount subscribed for be actually paid at the time or within thirty days after the time of subscribing; provided further that it shall not be lawful for the subscribers to the capital stock hereby authorized to be raised to commence the business of banking until a sum not less than fifty thousand dollars shall have been duly paid in by such subscribers; and that the balance of the two hundred thousand dollars required to be subscribed for under the next preceding section shall be duly paid in within two years from such commencement; provided further that the remainder of the said capital stock shall be subscribed and paid up as follows: the sum of one hundred thousand dollars within three years, the further sum of one hundred thousand dollars within four years, the further sum of one hundred thousand dollars within five years, and the remainder of the stock when the directors shall appoint.

Forfeiture for non-payment of instalments on stock.

Proviso: forfeiture may be remitted.

5. If any shareholder or shareholders shall refuse or neglect to pay any or either of the instalments upon his, her or their shares of the said capital stock, and at the time or times as aforesaid, such shareholder or shareholders shall incur a forfeiture to the use of the said corporation of a sum of money equal to ten per centum on the amount of such shares, and, moreover, it shall and may be lawful for the directors of the said corporation (without any previous formality other than thirty days' public notice of their intention) to sell at public auction the said shares, or so many of the said shares as shall, after deducting the reasonable expenses of the sale, yield a sum of money sufficient to pay the unpaid instalments due on the remainder of the said shares, and the amount of forfeitures incurred upon the whole; and the president or vice-president or cashier of the said corporation, shall execute the transfer to the purchaser of the shares of stock sold; and such transfer, being accepted, shall be as valid and effectual in law as if the same had been executed by the original holder or holders of the shares of stock thereby transferred; provided always, that nothing in this section contained shall be held to debar the directors or shareholders, at a general meeting, from remitting, either in whole or in part, and condi-

tionally or unconditionally, any forfeiture incurred by the non-payment of instalments as aforesaid, or to prevent the said bank from enforcing the payment of any call or calls by suit, in lieu of forfeiting the same.

6. The stock, property, affairs and concerns of the said bank shall be managed by seven directors, who shall choose from among themselves a president and vice-president, who, excepting as is hereinbefore provided, shall hold their offices for one year, which directors shall be stockholders residing in the Province and natural born or naturalized subjects of Her Majesty, and be elected on the first Monday in July in each year, at such time of the day and at such place in the City of Quebec aforesaid, as a majority of directors for the time being shall appoint; and public notice shall be given by the directors as hereinbefore provided in the third section of this Act previous to the time of holding such election; and said election shall be held and made by such of the shareholders of the said bank as have paid all calls made by the directors, and as shall attend for the purpose in their own proper persons or by proxy, such persons being or having been, in either case, holders of such shares for three months previous; and all elections for directors shall be by ballot; and the said proxies shall only be capable of being held and voted upon by shareholders then present: and the seven persons who have the greatest number of votes at any election shall be directors; except as hereinafter directed; and in case of a vacancy occurring in the number of directors, the remaining directors shall fill the same by appointing the person or persons who, at the last general meeting next preceding such vacancy, had the largest number of votes; and if the vacancy so created shall be that of president or vice-president, the directors, at the first meeting after the completion of their number, shall, from among themselves, choose a president or vice-president who shall continue in office for the remainder of the year; and if it should happen at any election that two or more persons have an equal number of votes, then the directors who shall have had a greater number of votes or the majority, shall determine which of the said persons so having an equal number of votes shall be the director or directors, so as to complete the whole number of seven; and the said directors, as soon as may be after the said election, shall proceed in like manner to elect by ballot two of their number to be the president and vice-president: provided always that no person shall be eligible to be or continue as director, unless he shall hold in his name and for his own use stock in the said bank to the amount of twenty shares, on which all calls have been paid in.

Board of directors, their qualification and annual election.

Mode of filling up vacancies.

President and Vice-President.

Proviso.

7. In case it should happen that an election of directors should not be made on any day when pursuant to this Act it ought to have been made, the said corporation shall not for that cause be deemed to be dissolved; but it shall and may be lawful on any other day to hold and make an election of directors in such manner as shall have been by the by-laws of the said bank provided.

Failure of election not to dissolve corporation.

8. Each shareholder shall be entitled to a number of votes proportioned to the number of shares which he or she shall have held in the said Bank in his or her own name at least three months prior to the time of voting, according to the following scale, that is to say: One share and not more than two, one vote; and for every two shares above two and not exceeding ten, one vote, making five votes for ten shares; for every four shares above ten and not exceeding thirty, one vote, making ten votes for thirty shares; for every six shares above thirty, and not exceeding sixty, one vote, making fifteen votes for sixty shares; and for every eight shares above sixty and not exceeding

Scale of votes by shareholders.

one hundred, one vote, making twenty votes for one hundred shares; and no shareholder shall be entitled to give a greater number of votes than twenty, nor to represent more than five hundred votes by proxies; and all questions proposed for the consideration of the said shareholders shall be determined by the majority of their votes; the chairman 5
 Chairman. elected to preside at any such meeting of the said shareholders shall vote as a shareholder only; and where two or more persons are joint
 Joint holders of shares. holders of shares it shall be lawful that one only of such joint holders be empowered by letter of attorney from the other joint holder or holders, or a majority of them, to represent the said shares and vote accord- 10
 Bank officers not to vote. ingly; provided always that no cashier, bank clerk, or other officer of the Bank shall either vote in person or by proxy at any meeting for the election of directors.

9. Any number not less than twenty-five of the shareholders of the said Bank, who together may be proprietors of at least one hundred shares of 15
 Calling of special general meetings. the capital stock of the said Bank, having all calls paid up by themselves or by proxies, or the directors of the said Bank, or any four of them, shall have power at any time to call a special general meeting of the shareholders of the said Bank, to be held at their usual place of meeting 20
 in Quebec, upon giving six weeks previous public notice, specifying 20
 in such notice the object or objects of such meeting; and if the object of any such special general meeting be to consider of the proposed removal
 If for removal of President. of the president, vice-president, or of a director or directors of the said Bank, for maladministration or other specified and apparently just cause 25
 —then and in any such case the person or persons whom it shall be so
 Suspension of officers whose removal is proposed. proposed to remove, shall, from the day on which the notice shall be first published, be suspended from the duties of his or their office or offices; and if he be the president or the vice-president whose removal shall be 30
 proposed, his office shall be filled up by the remaining directors (in the manner provided in case of a vacancy occurring in the office of president 30
 or vice-president), who shall choose or elect a director to serve as such president during the time such suspension shall continue to be undecided upon.

10. The books, correspondence, and funds of the corporation shall at all times be subject to the inspection of the directors; but no share- 35
 Inspection of books, &c. holder not being a director, shall be allowed to inspect the account of any person dealing with the Bank.

11. At all meetings of the directors of the said corporation, not less than three of them shall constitute a board or quorum for the transaction of business; and at the said meetings the president, or in his 40
 Quorum of directors. absence the vice-president, or in their absence one of the directors present, to be chosen *pro tempore*, shall preside: and the president, vice-president, or president *pro tempore* so presiding, shall vote as a 40
 Who shall preside. director, and if there be an equal division on any question shall have
 Casting vote. a casting vote. 45

12. It shall be the duty of the directors of the said bank to make half-yearly dividends of so much of the profits of the said Bank as to the majority of them may seem advisable.

13. The directors for the time being, or a majority of them, shall have power to make such by-laws and regulations (not repugnant to 50
 Directors may make by-laws for certain purposes. the provisions of this Act or the laws of this Province) as to them shall appear needful and proper, touching the management and disposition of the stock, property, estate, and effects of the said Bank, and touching the duties and conduct of the officers, clerks, and servants employed

- therein, and all such other matters as appertain to the business of a Bank, and shall also have power to appoint as many officers, clerks, and servants for carrying on the said business, and with such salaries and allowances as to them may seem meet, and shall also appoint a director or directors, who shall each be the absolute owner of at least twenty shares in his own right, for any branch which they may establish, and shall have power to make such calls of money from the several shareholders from the time being, upon the shares subscribed for in the said Bank by them respectively as the said board find necessary, and in the corporate name of the said Bank to sue for, recover, and get in all such calls, or to cause and declare such shares to be forfeited to the said Bank in case of non-payment of any such call; and an action may be brought to recover any money due on any such call, and it shall not be necessary to set forth the special matter in the declaration, but it shall be sufficient to allege that the defendant is holder of one share or more, as the case may be, in the capital stock of the said Bank, and is indebted for calls upon the said share or shares to the said Bank in the sum to which the call or calls amount, as the case may be, stating the amount and number of such calls, whereby an action hath accrued to the said corporation to recover the same from such defendant by virtue of this Act; and it shall be sufficient to maintain such action to prove by any one witness, a shareholder being competent, that the defendant at the time of making such call, was a shareholder in the number of shares alleged, and to produce the by-law or resolution of the board making and prescribing such call, and to prove notice thereof given in conformity with such by-law or resolution; and it shall not be necessary to prove the appointment of the said board of directors or any other matter whatsoever; provided that each such call shall be made at intervals of thirty days, and upon notice to be given at least thirty days prior to the day on which such call shall be payable; and any such call shall not exceed ten per cent. of each share subscribed; and provided always that before permitting any cashier, officer, clerk, or servant of the corporation to enter upon the duties of his office, the directors shall require him to give bond or other security to the satisfaction of the directors, for the due and faithful performance of his duties.
- 14.** The directors, including the said president and vice-president, shall be entitled to such emolument for their services as may be fixed by any by-law or resolution passed at the usual annual meeting of shareholders.
- 15.** No bill or note for any sum whatever shall be issued or put into circulation by the said Bank until fifty thousand dollars of the capital stock of the said Bank shall have been actually paid in, and shall be held by and in the actual possession of the said Bank in gold or silver coin current in this Province.
- 16.** The chief place or seat of business of the Bank shall be in the City of Quebec, but the directors may open and establish in other cities, towns and places in this Province, branches or offices of discount and deposit of the said Bank, under such rules and regulations for the good and faithful management of the same, as to the said directors shall from time to time seem meet.
- 17.** At every annual meeting of the shareholders of the said Bank to be held in the City of Quebec in manner hereinbefore provided, the directors shall submit a clear and full statement of the affairs of the said Bank, containing on the one part the amount of capital stock paid in, the amount of the notes of the Bank in circulation and net profits made, and
- Appoint officers and local directors.
- Make calls and sue for them;
- And forfeit shares;
- Actions for calls.
- Declaration.
- What to be proved.
- And what need not be proved.
- Proviso as to calls.
- Proviso, security from officers.
- Condition precedent to issue of notes
- Place of business.
- Directors to submit statement of affairs to annual meetings.

What such statement must show.

the balance due to other banks and institutions, and the cash deposited in the Bank, distinguishing deposits bearing interest from those not bearing interest; and on the other part the amount of the current coin, the gold and silver bullion in the vaults of the Bank, the balances due to the Bank from other banks and institutions, the value of the real and other property of the Bank, and the amount of debts owing to the Bank, including and particularizing the amounts so owing upon bills of exchange, discounted notes, mortgages and other securities, thus exhibiting on the one hand the liabilities of or the debts due by the Bank, and on the other hand the assets and resources thereof; and the said statement shall also exhibit the rate and amount of the last dividend declared by the directors, the amount of reserved profits at the time of declaring the said dividend, and the amount of debts to the Bank overdue and not paid, with an estimate of the loss which may probably accrue thereon.

Rates of dividend.

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Shares to be personal estate; assignment of shares

18. The shares of the capital stock of the said Bank shall be held and adjudged to be personal estate, and shall be assignable and transferable at the chief place of business of the said Bank or any of its branches which the directors shall appoint for that purpose, and according to such form as the directors shall prescribe; but no assignment or transfer shall be valid unless it be made and registered in a book or books to be kept by the directors for that purpose, nor until the person or persons making the same shall previously discharge all debts or liabilities due or contracted and not then due by him, her or them to the Bank which may exceed in amount the remaining stock, if any belonging, to such person or persons, and no fractional part or parts of a share, or less than a whole share shall be assignable or transferable; and when any share or shares of the said capital stock shall have been sold under a writ of execution, the sheriff by whom the writ shall have been executed shall, within thirty days after the sale, leave with the cashier of the Bank an attested copy of the writ with the certificate of such sheriff endorsed thereon, certifying to whom the sale has been made, and thereupon (but not until after all debts due or liabilities contracted or not then due by the holder or holders of the shares to the Bank shall have been discharged as aforesaid) the president or vice-president or cashier of the corporation shall execute the transfer of the share or shares so sold to the purchaser; and such transfer being duly accepted shall be to all intents and purposes as valid and effectual in law as if it had been executed by the holder or holders of the said share or shares, any law or usage to the contrary notwithstanding.

Sale of shares under execution.

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What the Bank may not do.

19. The said Bank shall not, either directly or indirectly, hold any lands or tenements (save and except such as by the first and thirty-eighth sections of this Act it was specially authorized to acquire and hold), or any ships or other vessels, or any share or shares of the capital stock of the said bank or of any other bank, nor shall the said Bank, either directly or indirectly, lend money or make advances upon the security, mortgage or hypothecation of any lands or tenements, or of any ships or other vessels, nor upon the security or pledge of any share or shares of the capital stock of said Bank, or of any goods, wares or merchandize, except as authorized in chapter fifty-four of the Consolidated Statutes of Canada, nor shall the said Bank, either directly or indirectly, raise loans of money or deal in the buying and selling or bartering of goods, wares or merchandize, or engage or be engaged in any trade whatever, except as a dealer in gold and silver bullion, bills of exchange, discounting of promissory notes and negotiable securities, and in such trade generally as appertains to the business of banking; provided always, that the said Bank may take and hold mortgages and

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liens, and assignments of mortgages and liens, and hypothèques on real estate and on ships, vessels and other personal property, by way of additional security for debts contracted to the Bank in the course of its dealings, and also for such purpose may purchase any outstanding mortgages, judgments or other charges upon the real or personal property of any debtor of the said Bank. Proviso, as to mortgages and liens.

20. The aggregate amount of discounts and advances made by the said Bank upon commercial paper, or securities bearing the name of any director of the said Bank, or the name of any co-partnership or firm in which any director of the said Bank shall be partner, shall not at any one time exceed one-thirtieth of the total amount of discounts made by the Bank at the same time. Proportion of discount for directors limited.

21. The Bank may allow and pay interest upon money deposited in the Bank; and in discounting promissory notes, bills or other negotiable securities or paper, may receive or retain the discount thereon at the time of discounting or negotiating the same; and the rate of discount then charged shall continue until the said note or negotiable paper, so discounted, be paid or satisfied, or any judgment thereon, and when notes, bills or other negotiable securities or paper are *bonâ fide* payable at a place within the Province different from that at which they are discounted, may also, in addition to the discount, receive or retain an amount not exceeding one-half per centum of the amount of each such note, bill or other negotiable security or paper, to defray the expense of agency and exchange, subject to the regulations and rules provided in section one hundred and ten of chapter fifty-five of the Consolidated Statutes of Canada; and the Bank may charge any note or bill held by, or made payable at the Bank against the deposit account of the maker or acceptor of such note or bill, at the maturity thereof. Discount and charges for agency and exchange. Overdue notes may be changed to deposit account.

22. The bonds, obligations, and bills obligatory or of credit, of the said Bank under its corporate seal, and signed by the president or vice-president and countersigned by a cashier or assistant cashier, which shall be made payable to any person or persons, shall be assignable by the endorsement thereon; and bills or notes of the said Bank signed by the president, vice-president, cashier, or other officer appointed by the directors of the said Bank to sign the same, promising the payment of money to any person or persons, his, her, or their order, or to the bearer, though not under the corporate seal of the said Bank, shall be binding and obligatory on it in like manner, and with the like force and effect as they would be upon any private person if issued by him in his private or natural capacity, and shall be assignable in like manner as if they were so issued by a private person in his natural capacity; provided always that nothing in this Act shall be held to debar the directors of the said Bank from authorizing or deputing from time to time, any cashier, assistant cashier, or officer of the Bank, or any director other than the president or vice-president, or any cashier, manager or local director of any branch or office of discount and deposit of the said Bank, to sign the bills of the corporation intended for general circulation, and payable to order or to bearer on demand. Bonds &c., assignable by endorsement. Bills and notes need not be sealed. Proviso as to authority to sign notes.

23. And whereas it may be deemed expedient that the name or names of the person or persons intrusted and authorized by the Bank to sign bank notes and bills on behalf of the Bank, should be impressed by machinery in such form as may from time to time be adopted by the bank, instead of being subscribed in the handwriting of such person or persons respectively; and whereas doubts might arise respecting the validity of such notes; be it therefore declared and enacted, that all Recital.

Name of person authorized to sign notes may be impressed by machinery. bank notes and bills of the "Union Bank of Lower Canada," whereon the name or names of any person or persons intrusted and authorized to sign such notes or bills on behalf of the Bank shall or may become impressed by machinery provided for that purpose, by or with the authority of the Bank, shall be and shall be taken to be good and valid to all intents and purposes, as if such notes and bills had been subscribed in the proper handwriting of the person or persons intrusted and authorized by the Bank to sign the same respectively, and shall be and be deemed and taken to be bank notes and bills within the meaning of all laws and statutes whatever, and shall and may be described as bank bills or notes in all indictments and civil or criminal proceedings whatsoever, any law, statute, or usage to the contrary notwithstanding. 5 10

Notes payable in specie at place of issue. 24. The notes or bills of the Bank made payable to order or bearer and intended for general circulation, whether the same shall issue from the chief seat or place of business in Quebec, or from any of its branches, shall be payable on demand in specie at the place where they bear date; and each and every office of discount and deposit hereafter to be established under the management or direction of a local board of directors, shall be held to be a branch bank. 15

Branch banks

Charter to be forfeited by long suspension of payment in specie. 25. A suspension of the said Bank, either at its chief place of business in Quebec or at any of its branches, or offices of discount and deposit at any other place in this Province, of payment on demand in specie of the notes or bills of the said Bank payable there on demand, shall, if the time of suspension extends to sixty days consecutively or at intervals within any twelve consecutive months, operate as and be a forfeiture of its charter and of all and every the privileges granted to it by this Act. 20 25

Proportion of notes &c., in circulation to stock, gold &c., on hand. 26. The total amount of the bills or notes of the Bank of all values in circulation at any one time shall never exceed the aggregate amount of the paid-up capital stock of the Bank paid in, and the gold and silver coin and bullion and debentures, or other securities reckoned at par, issued or guaranteed by the Government under the authority of the Legislature of this Province, on hand; and of the bank notes and bills in circulation at any one time not more than one-fifth of the said aggregate amount shall be in bank notes or bills under the nominal value of four dollars; but no bank note or bill of the Bank under the nominal value of one dollar shall be issued. 30 35

One fifth of notes may be under \$4.
None in \$1.

Debts of bank not to exceed three times the amount of stock and deposits; forfeiture of charter and liabilities of directors in case of contravention. 27. The total amount of the debts which the said Bank shall at any one time owe, whether by bond, bill, note or otherwise, shall not exceed three times the aggregate amount of its capital stock paid in and the deposits made in the Bank in specie and government securities for money; and in case of excess, or in case the total amount of the bills or notes of the said Bank of all values in circulation shall at any time exceed the amount hereinbefore limited, the said Bank shall forfeit its charter and all the privileges granted to it by this Act of incorporation, and the directors under whose administration the excess shall happen shall be liable, jointly and severally, for the same in their private capacity, as well to the shareholders as to the holders of the bonds, bills or notes of the said Bank; and an action or actions in this behalf may be brought against them or any of them, and the heirs, executors, administrators or curators of them or any of them, and be prosecuted to judgment and execution according to law; but such action or actions shall not exempt the said Bank or its lands, tenements, goods and chattels from being also liable for such excess; provided always, that if any director present at the time of contracting any such excess of debt 40 45 50 55

do forthwith, or if any director absent at the time of contracting any such excess of debt do, within twenty-four hours after he shall have obtained a knowledge thereof, enter on the minutes or register of the Bank, his protest against the same, and do, within eight days thereafter, publish such protest in at least one newspaper published in Quebec, such director may thereby, and not otherwise, exonerate and discharge himself, his heirs, executors, administrators or curators from the liability aforesaid, anything herein contained or any law to the contrary notwithstanding; provided always that such justification shall not exonerate any director from his liability as a shareholder.

Proviso, how a director may avoid liability.

Proviso.

28. In the event of the property or assets of the said Bank becoming insufficient to liquidate the liabilities and engagements or debts thereof, the shareholders of the said Bank shall be liable and responsible for the deficiency to the extent of double the amount of their stock, that is to say, the liability and responsibility of each shareholder shall be limited to the amount of his, her, or their shares of the said capital stock, and a sum of money equal in amount thereto; provided always that nothing in this section contained shall be construed to alter or diminish the additional liabilities of the directors hereinbefore mentioned and declared.

Double liability of shareholders.

Proviso, as to Directors.

29. Besides the detailed statements of the affairs of the said Bank hereinbefore required to be laid before the shareholders thereof, at their annual general meetings, the directors shall make up and publish on the first Monday of each month, a statement of the assets and liabilities of the said Bank in the form of the schedule A herunto annexed, shewing, under the heads specified in the same form, the average amount of the notes of the Bank and the other liabilities at the termination of each month during the period to which the statement shall refer, and the average amount of specie and other assets that at the same time were available to meet the same; and it shall also be the duty of the directors to submit to the Governor of this Province, if required, a copy of each of such monthly statements; and if by him required to verify all or any part of the said statement, the said directors shall verify the same by the production of the weekly or monthly balance sheets from which the said statement shall have been compiled; and furthermore the said directors shall from time to time, if required, furnish to the said Governor such further reasonable information as he may see fit to call for; provided always that the directors shall not nor shall anything herein contained be construed to authorize them or any of them, to make known the private account or accounts of any person or persons whatever having dealings with the said Bank.

Monthly statement of assets and liabilities to be published and submitted to the Governor.

Governor may require further information.

Proviso, as to private accounts.

30. It shall not be lawful for the corporation hereby constituted, directly or indirectly, to advance or lend to or for the use of or on account of any foreign prince, power or state, any sum or sums of money or any securities for money; and if such unlawful advance or loan be made, then, and from thenceforth, the said corporation shall be dissolved; and all the powers and privileges hereby granted shall cease.

Advance or loan to foreign states prohibited.

31. The several public notices by this Act required to be given, shall be given by advertisement in one or more of the newspapers published in Quebec, and in the *Canada Gazette* or such other gazette as shall be generally known and described as the Official Gazette, for the publication of official documents and notices emanating from the Civil Government of this Province, if any such Gazette be then published.

Public notice by advertisements in certain papers.

Subscription and transfer of shares and payment of dividends in United Kingdom.

32. Books of subscription may be opened, and shares of the capital stock of the Bank may be made transferable, and the dividends accruing thereon may be made payable in the United Kingdom of Great Britain and Ireland, in like manner as such shares and dividends are respectively made transferable and payable at the Bank in the City of Quebec; and to that end the directors may from time to time make such rules and regulations, and prescribe such forms, and appoint such agent or agents, as they may deem necessary.

Authentication of transmission of shares in certain cases.

33. If the interest in any share or shares in the said Bank become transmitted in consequence of the death, or bankruptcy or insolvency of any shareholder, or in consequence of the marriage of a female shareholder, or by any other lawful means than by a transfer according to the provisions of this Act, such transmission shall be authenticated by a declaration in writing as hereinafter mentioned, or in such other manner as the directors of the Bank shall require; and every such declaration shall distinctly state the manner in which, and the party to whom, such share shall have been transmitted, and shall be by such party made and signed; and every such declaration shall be by the party making and signing the same acknowledged before a Judge of a Court of Record, or before the mayor, provost or chief magistrate of a city, town, borough or other place, or before a public notary where the same shall be made, and signed; and every declaration so signed and acknowledged shall be left with the cashier or other officer or agent of the Bank, who shall thereupon enter the name of the party entitled under such transmission, in the register of shareholders; and until such transmission shall have been so authenticated, no party or person claiming by virtue of any such transmission shall be entitled to receive any share of the profits of the Bank, or to vote in respect of any such share or shares; provided always, that every such declaration and instrument as by this and the following section of this Act is required, to perfect the transmission of a share or shares in the Bank, which shall be made in any other country than this or some other of the British Colonies in North America, or in the United Kingdom of Great Britain and Ireland, shall be further authenticated by the British Consul or Vice-Consul, or other the accredited representative of the British Government in the country where the declaration shall be made, or shall be made directly before such British Consul or Vice-Consul, or other accredited representative; and provided also, that nothing in this Act contained shall be held to debar the directors, cashier or other officer or agent of the Bank from requiring corroborative evidence of any fact or facts alleged in any such declaration.

Proviso, before whom declaration may be made.

Proviso, as to further proof.

Transmission of shares by marriage of female shareholder or by testamentary instrument or by intestacy.

34. If the transmission of any share of the said Bank be by virtue of the marriage of a female shareholder, the declaration shall contain a copy of the register of such marriage, or other particulars of the celebration thereof, and shall declare the identity of the wife with the holder of such share; and if the transmission have taken place by virtue of any testamentary instrument, or by intestacy, the probate of the will, or any letters of administration, or act of curatorship, or an official extract therefrom, shall together with such declaration, be produced and left with the cashier or other officer or agent of the Bank, who shall thereupon enter the name of the party entitled under such transmission in the register of shareholders.

Transmission of shares by death of shareholder.

35. If the transmission of any share or shares of the capital stock of the said Bank be by decease of any shareholder, the production to the directors and the deposit with them of any probate of the will of the deceased shareholder, or of letters of administration of his estate granted by any Court in this Province having power to grant such

probate or letters of administration, or by any prerogative diocesan or peculiar court or authority in England, Wales, Ireland, or any British Colony, of any testament, testamentary or testamentative expedite in Scotland; or if the deceased shareholder shall have died out of her Majesty's dominions, the production to and deposit with the directors of any probate of his or her will, or letters of administration of his or her property, or other document of like import granted by any court or authority having the requisite power in such matters, shall be sufficient justification and authority to the directors for paying any dividend, or transferring, or authorizing the transfer of any share or shares, in pursuance of, and in conformity to such probate, letters of administration, or other such document as aforesaid.

36. The Bank shall not be bound to see to the execution of any trust whether expressed, implied, or constructive, to which any of the shares of its stock shall be subject; and the receipt of the party in whose name any such share shall stand in the books of the Bank, or if it stands in the name of more parties than one, the receipt of one of the parties shall be a sufficient discharge to the Bank for any dividend or other sum of money payable in respect of such share, notwithstanding any trust to which such share may then be subject, and whether or not the Bank have had notice of such trust; and the Bank shall not be bound to see to the application of the money paid upon such receipt.

37. It shall be the duty of the said Bank to invest as speedily as the debentures hereinafter mentioned can be procured from the Receiver General, and to keep invested at all times in the Debentures of this Province, payable within the same, or secured upon the Consolidated Loan Fund, one-tenth part of the whole paid-up capital of the said Bank, and to make a return of the numbers and amounts of such debentures verified by the oaths and signatures of the president and chief cashier, or manager of the said Bank, to the Finance Minister of Canada, in the month of January in each year, under the penalty of the forfeiture of the charter of the Bank in default of such investment and return; Provided always, that the said directors shall not commence the ordinary business of banking, until the sum of five thousand dollars shall have been invested in such debentures.

38. Chapter fifty-four of the Consolidated Statutes of Canada intituled: *An Act respecting incorporated Banks*, save and except section three and the amendments thereto, shall extend to the said "The Union Bank of Lower Canada," and shall be read and taken to be, and form a part of the charter of the said "The Union Bank of Lower Canada."

39. On complaint made on the oath of one credible witness to the effect that there is just cause to suspect that any person is or has been concerned in making or counterfeiting any bank notes or bills of the Bank, any magistrate may, by warrant under his hand, cause the dwelling-house, room, workshop, out-house, or other building, yard, garden, or other place, where such person shall be suspected of carrying on such making or counterfeiting to be searched; and all such counterfeit bank bills, notes and such plates, dies, rolling-presses, tools, instruments, and materials used in, or apparently adapted to the making or counterfeiting of such bills or notes, as shall be found therein or thereon, shall forthwith be carried before the same or any other magistrate, who shall cause them to be returned and produced upon any prosecution in relation thereto, in any Court of Justice; and the same after being so produced in evidence, shall be defaced or destroyed, or otherwise disposed of at the discretion of the Court.

Bank not to be bound to see to the execution of any trust or the application of any money.

One tenth of capital to be invested in Provincial Debentures.

Annual return to be made on oath.

Proviso.

Cap. 54 of Con. Stat. Can. to apply

Search warrant for and seizure and destruction of counterfeit notes &c.

Embezzlement by officer of bank to be felony. 40. If the cashier, assistant cashier, manager, clerk or servant of the Bank shall secrete, embezzle or abscond with any bond, obligation, bill obligatory, or of credit or other bill or note, or any security for money, or any money or effects intrusted to him as such cashier, assistant cashier, manager, clerk or servant, whether the same belong to the said Bank, or belong to any person or persons, body or bodies politic or corporate, or institution or institutions, and be lodged with the said Bank, the said cashier, assistant cashier, manager, clerk or servant so offending and being thereof convicted in due form of law shall be deemed guilty of felony. 10

Punishment of such felony 41. Any person guilty of felony under this Act shall be punished by imprisonment at hard labor in the Provincial Penitentiary for any term not less than two years, or by imprisonment in any other gaol or place of confinement for any term less than two years in the discretion of the Court. 15

Duration of Act. 42 This Act shall remain in force until the first day of June, which will be in the year of Our Lord one thousand eight hundred and seventy, and from that time until the end of the then next session of the Parliament of this Province. 20

Public Act 43. This Act shall be deemed a Public Act.

SCHEDULE A.

(Referred to in the foregoing Act.)

Return of the average amount of liabilities of "The Union Bank of Lower Canada" during the period from the first of _____, one thousand eight hundred and _____ to the last day of the said month.

LIABILITIES.

Promissory Notes in circulation not bearing interest.....	0
Bills of Exchange in circulation not bearing interest.....	0
Bills and Notes in circulation bearing interest.....	0
Balances due to other Banks.....	0
Cash deposits not bearing interest.....	0
Cash deposits bearing interest.....	0
Total average liabilities.....	0

ASSETS.

Coin and Bullion.....	0
Landed or other property of the Bank.....	0
Government securities.....	0
Promissory Notes or Bills of other Banks.....	0
Balances due from other Banks.....	0
Notes and Bills discounted.....	0
Other debts due to the Bank, not included under the foregoing heads.....	0
Total average assets.....	0