

Technical and Bibliographic Notes / Notes techniques et bibliographiques

The Institute has attempted to obtain the best original copy available for filming. Features of this copy which may be bibliographically unique, which may alter any of the images in the reproduction, or which may significantly change the usual method of filming are checked below.

- ☐ Coloured covers / Couverture de couleur
- ☐ Covers damaged / Couverture endommagée
- ☐ Covers restored and/or laminated / Couverture restaurée et/ou pelliculée
- ☐ Cover title missing / Le titre de couverture manque
- ☐ Coloured maps / Cartes géographiques en couleur
- ☐ Coloured ink (i.e. other than blue or black) / Encre de couleur (i.e. autre que bleue ou noire)
- ☐ Coloured plates and/or illustrations / Planches et/ou illustrations en couleur
- ☒ Bound with other material / Relié avec d'autres documents
- ☐ Only edition available / Seule édition disponible
- ☒ Tight binding may cause shadows or distortion along interior margin / La reliure serrée peut causer de l'ombre ou de la distorsion le long de la marge intérieure.
- ☐ Blank leaves added during restorations may appear within the text. Whenever possible, these have been omitted from filming / Il se peut que certaines pages blanches ajoutées lors d'une restauration apparaissent dans le texte, mais, lorsque cela était possible, ces pages n'ont pas été filmées.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Additional comments /
Commentaires supplémentaires: | Cover title page is bound in as last page in
book but filmed as first page on fiche.
Cover title page is cut off. |
|--|---|

L'Institut a microfilmé le meilleur exemplaire qu'il lui a été possible de se procurer. Les détails de cet exemplaire qui sont peut-être uniques du point de vue bibliographique, qui peuvent modifier une image reproduite, ou qui peuvent exiger une modification dans la méthode normale de filmage sont indiqués ci-dessous.

- ☐ Coloured pages / Pages de couleur
- ☐ Pages damaged / Pages endommagées
- ☐ Pages restored and/or laminated / Pages restaurées et/ou pelliculées
- ☒ Pages discoloured, stained or foxed / Pages décolorées, tachetées ou piquées
- ☐ Pages detached / Pages détachées
- ☒ Showthrough / Transparence
- ☒ Quality of print varies / Qualité inégale de l'impression
- ☐ Includes supplementary material / Comprend du matériel supplémentaire
- ☐ Pages wholly or partially obscured by errata slips, tissues, etc., have been refilmed to ensure the best possible image / Les pages totalement ou partiellement obscurcies par un feuillet d'errata, une pelure, etc., ont été filmées à nouveau de façon à obtenir la meilleure image possible.
- ☐ Opposing pages with varying colouration or discolourations are filmed twice to ensure the best possible image / Les pages s'opposant ayant des colorations variables ou des décolorations sont filmées deux fois afin d'obtenir la meilleure image possible.

**This item is filmed at the reduction ratio checked below /
Ce document est filmé au taux de réduction indiqué ci-dessous.**

10x 14x 18x 22x 26x 30x
12x 16x 20x 24x 28x 32x

No. 102.

6th Session, 9th Parliament, 24 Victoria, 1861.

BILL.

An Act to Incorporate The Merchants Bank.

(PRIVATE BILL.)

Received and read, 1st time Tuesday 6th
April, 1861.

Second Reading Wednesday, 10th April 1861.

Mr. ABBOTT

QUEBEC.

PRINTED BY THOMPSON, HUNTER, & CO.,
ST. URSULE STREET.

An Act to Incorporate The Merchants Bank.

WHEREAS, Hugh Allan, the Honorable Louis Renaud, Harrison Stephens, the Honorable John Young, Hannibal Hodges Whitney, Damase Masson, Edwin Atwater, William Edmonstone, Andrew Allan, John Smith, Ira Gould, Robert Anderson, and others, have by their petitions prayed that they and their legal representatives might be incorporated for the purpose of establishing a Bank in the City of Montreal; 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 advice and consent of the Legislative Council and Assembly of Canada, enacts as follows:

1. The several persons herein above named, and such other persons as may become Shareholders in the Company to be by this Act created, and their assigns, shall be and they are hereby created, constituted and declared to be a Corporation, body corporate and politic, by the name of "The Merchants' Bank," and shall continue such Corporation, and shall have perpetual succession and a Corporate Seal, with 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 may do, and shall have the power to acquire and hold real and immoveable Estate for the management of their business, not exceeding the yearly value of two thousand five hundred pounds currency, and may sell, alienate or exchange the same and acquire other instead, and may, when duly organized as hereinafter provided, make, ordain and establish such rules, regulations and by-laws as to them shall seem meet and necessary for the due and proper administration of their affairs, and the due 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 rules, regulations and by-laws shall be submitted for approval to the Stockholders or Shareholders in the said Bank, at their regular annual Meetings.

Preamble.

Certain persons incorporated.

Corporate Name and general powers.

Real property limited.

May make By-laws.

Proviso: That they must be approved by Stockholders.

2. The Capital Stock of the said Bank hereby incorporated shall be Two Millions of Dollars divided into twenty thousand shares of One Hundred Dollars each, which said shares shall be and are hereby vested in the several persons who shall subscribe for the same, their heirs, legal representatives and assigns: Provided always, that if within the period of five years after the said Bank shall have commenced the business of Banking, it be resolved at any annual general meeting of the Shareholders of the said Bank, that the Capital Stock thereof be reduced to the amount thereof, then actually subscribed, or to the sum of one million of dollars, if the amount of stock then subscribed thereon be less than one million of dollars, and if notice of such resolution be forthwith thereafter given in the *Canada Gazette*, then, and thereupon, the capital of the said Bank shall be held to be reduced to the said sum of \$1,000,000 or to

Capital \$2000,000 in shares of \$100 each.

The remainder to be paid

within a certain time.

such sum of money exceeding \$1,000,000 as shall then have been subscribed, and this Act shall be construed and enforced, as if the capital thereof had been herein fixed at the sum to be named in such resolution.

Stock Books may be opened.

3. For the purpose of organizing the said Bank, and of raising the amount of the said Capital Stock, the first seven of the persons hereinbefore mentioned and hereby incorporated shall be provisional Directors thereof, and they, or the majority of them, may cause Stock Books to be opened after 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 be opened at Montreal, 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 five hundred thousand dollars of the said Capital Stock shall have been subscribed upon the said Stock Books, and \$200,000 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 Montreal, such meeting to be held at such time as such notice shall indicate; and at such meeting the subscribers shall proceed to elect seven Directors, having the requisite stock qualification, who shall from thenceforward manage the affairs of the said corporation, shall take charge of the Stock Books herein above 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 had 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.

At Montreal and elsewhere

First Meeting for election of Directors.

Shares to be paid in by instalments.

4. The shares of the Capital Stock subscribed for shall be paid in and by such instalments, and at such times and places as the said Directors shall appoint; and executors, administrators, and curators paying instalments upon the shares of deceased Shareholders, shall be and are hereby 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, at least, to ten per centum on the amount subscribed for, be actually paid at the time of subscribing. Provided further, that the remainder of the Capital Stock over and above the said sum of \$500,000 shall be subscribed for, and paid up within five years after the said Bank shall have so commenced the business of banking, under penalty of forfeiture of their charter:

Proviso. Ten per cent. to be paid on subscribing.

Shareholders neglecting to pay instalments to forfeit ten per cent on amount of shares.

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, 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 be lawful for the Directors of the said Corporation (without any previous formality, other than thirty days of 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 so sold, and such transfers being ac-

Shares may be sold to pay Instalments.

cepted, 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 conditionally 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 lien of forfeiting the same.

Proviso: forfeiture may be remitted.

6. The chief place or seat of business of the said Corporation shall be in the City of Montreal aforesaid; but it shall and may be lawful for the Directors of the Corporation to open and establish in other Cities, Towns, and places in this Province, branches or offices of discount and deposit of the said Corporation, under such rules and regulations for the good and faithful management of the same as to the Directors shall, from time to time, seem meet, and as shall not be repugnant to any Law of this Province, to this Act, or to the By-laws of the said Corporation.

Chief place of business to be Montreal.

Branches elsewhere

7. For the management of the affairs of the said Corporation, there shall be seven Directors, who shall be annually elected by the Shareholders of the capital stock of the corporation, at a general meeting of them, to be held annually on the first Monday in July, beginning on the first Monday in July which shall be next after the first election of Directors hereinbefore provided for, at which meeting each Shareholder shall have one vote for every share by him held in the Stock of the said Bank; and the Directors elected by a majority of votes shall be capable of serving as Directors for the ensuing twelve months, and at their first meeting after such election shall choose out of their number a President and a Vice-President, who shall hold their offices, respectively, during the same period; and in case of vacancy occurring in the said number of seven Directors, the remaining Directors shall fill the same by election from among the Shareholders, and the Director so elected shall be capable of serving as a Director until the next Annual General Meeting of the Shareholders; and if the vacancy occurring in the said number of seven Directors shall also cause the vacancy of the office of President, or Vice-President, the Directors at the first meeting after their number shall have been completed as aforesaid, shall fill the vacant office by choice or election from among themselves, and the Director so chosen or elected shall fill the office to which he shall be so chosen or elected until the next General Annual Meeting of the Shareholders. Provided always, that each of the Directors shall be the holder and proprietor, in his own name, of not less than forty shares of the capital stock of the said Corporation, upon which not less than four thousand dollars shall have been paid up, and shall be a natural born or naturalized subject of Her Majesty, and shall have resided seven years in Canada.

Affairs to be managed by seven Directors, to be elected yearly

President and Vice-President.

Vacancies how filled.

Proviso:—Qualification of Directors.

8. If at any time it shall happen that an election of Directors shall not be made or take effect on the day fixed by this Act, the said Corporation shall not be deemed or taken thereby to be dissolved; but it shall be lawful at any subsequent time to make such election at a General Meeting of the Shareholders to be duly called for that purpose.

Election not taking place, Corporation not thereby dissolved.

9. The books, correspondence, and funds of the Corporation, shall at all times be subject to the inspection of the Directors, but no shareholder, not being a Director, shall inspect or be allowed to inspect the account or accounts of any person or persons dealing with the Corporation.

Books, &c., of Corporation to be subject to inspection of Directors.

Three Directors to constitute a quorum

10. 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 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 Director, and, if there be an equal division on any question, shall have a casting vote.

Casting Vote.

Directors may make By-laws &c.

11. It shall and may be lawful for the Directors of the Corporation hereby constituted from time to time to make and enact By-laws, rules and regulations (the same not being repugnant to this Act, or to the laws of this Province) for the proper management of the affairs of the said Corporation, and from time to time to alter or repeal the same, and others to make and enact in their stead: Provided always, that no By-law, rule or regulation so made by the Directors shall have force or effect until the same shall, after six weeks' public notice, have been confirmed by the Shareholders at an Annual General Meeting, or a Special General Meeting called for that purpose.

Proviso.

By-laws subject to confirmation by Stockholders.

Director not to act as private Banker.

President and Directors may be paid.

12. No Director of the Corporation, hereby constituted, shall, during the period of his services, act as a private Banker, or Director of any other Bank, but the President and Directors may be compensated for their services, either by an annual vote of a sum of money by the shareholders, at their annual General Meetings, or if not so provided for, then in such manner, and at such rates as the Directors may see fit, to fix and regulate by resolution: Provided always, that the sum of money to be appropriated by the Directors for that purpose, shall not in any one year exceed the sum of \$5,000.

Directors may appoint Cashiers and Officers.

Proviso: They must take security from Officers.

13. The Directors of said Corporation shall have power to appoint such Cashiers, Officers, Clerks and servants under them, as shall be necessary for conducting the business of the Corporation, and to allow reasonable compensation for their services, respectively; and also shall be capable of exercising such power and authority, for the well governing and ordering of the affairs of the Corporation, as shall be prescribed by the By-laws thereof: 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 every such Cashier, Officer, Clerk, or servant, to give bond, to the satisfaction of the Directors, in such sum of money as the Directors consider adequate to the trust to be reposed, with conditions for good and faithful behavior.

Directors may make half-yearly dividends.

Proviso.

14. It shall be the duty of the Directors to make half-yearly dividends, of so much of the profits of the Corporation, as to them shall appear advisable; and such dividends shall be payable at such place, or places, as the Directors shall appoint, and of which they shall give public notice, thirty days previously: Provided always, that such dividend shall not in any manner lessen or impair the Capital Stock of the Corporation.

Annual meeting of Stockholders for election of Directors.

Statement of affairs to be made.

15. The annual general meeting of the Shareholders of the Corporation to be held in the City of Montreal on the first Monday in the month of July in each year for the purpose of electing Directors in the manner ~~hereinbefore~~ provided, shall also take into consideration all other matters generally touching the affairs and the management of the affairs of the Corporation; and at each of the said annual general

- meetings of the Directors shall submit a full and clear statement of the affairs of the Corporation, containing, on the one part, the amount of Capital Stock paid in, the amount of notes of the Bank in circulation, the net profits in hand, the balances due to other Banks and Institutions, and the Cash deposited in the Bank, distinguishing deposits leaving interest from those not bearing interest; and, on the other part, the amount of current coins and gold and silver bullion in the vaults of the Bank, the value of Buildings and other real estate belonging to the Bank, the balance due to the Bank from other Banks or Institutions, and the amount of debts owing to the Bank, including and particularizing the amounts so owing on bills of exchange, discounted notes, mortgages and hypothecues, and other securities; thus exhibiting, on the one hand, the liabilities of or 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 their last dividend declared by the Directors, the amount of profits reserved at the time of declaring such dividend, and the amount of debts to the Bank overdue and not paid, with an estimate of the loss which may probably be incurred from the non-payment of such debts.
- 16.** At all meetings of the Corporation, the shareholders shall be entitled to give one vote for every share held by them; and it shall be lawful for absent shareholders to give their votes by proxy, such proxy being also a shareholder, and being provided with a written authority from his constituent or constituents, in such form as shall be established by a By-law, and which authority shall be lodged in the Bank; Provided always, that a share or shares of the Capital Stock of the said Corporation, that shall have been held for a less period than three calendar months immediately prior to any meeting of the Shareholders, except the first meeting, shall not entitle the holder or holders to vote at such meeting either in person or by proxy; Provided also, that where two or more persons are joint holders of shares, it shall be lawful that only one 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 accordingly.
- 17.** 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, or hold a proxy for that purpose.
- 18.** Any number not less than twenty, of the Shareholders of the said Corporation, who together shall be proprietors of at least five hundred shares of the paid up Capital Stock of the Corporation, by themselves or proxies, or the Directors of the Corporation or any four of them shall respectively have power at any time to call a special general meeting of the Shareholders of the Corporation, to be held at their usual place of meeting in the City of Montreal, upon giving six weeks' previous public notice thereof, and specifying 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 of the President or Vice-President or of a Director or Directors of the Corporation, for mal administration or other specified and apparently just cause, then and in such cases, the person or persons whom it shall be so proposed to remove, shall, from the day on which the notice shall first be published, be suspended from the duties of his or their office or offices; and if it be the President or Vice-President, whose removal shall be proposed as aforesaid, his office shall be filled up by the remaining
- Its form and contents.
- Last dividends and reserved fund.
- Shareholders' ratio of votes in proportion to number of shares.
- Proviso.
- Shares must have been held a certain time.
- Proviso as to joint holders.
- Officers to have no votes at any election of Directors.
- Special meetings may be called by twenty shareholders.
- Notice.
- Suspension from office of officers whose removal is the

subject of
such meeting.

Directors (in the manner hereinbefore provided in the case of a vacancy occurring in the office of President,) who shall choose or elect a Director to serve as such President or Vice-President, during the time such suspension shall continue or be undecided upon.

Stock to be
deemed per-
sonal estate.

Assignment
—manner of
effecting.

Parts of
shares not as-
signable.

Sale of share
under seizure
and transfer
to purchaser.

19. The shares of the Capital Stock of the said Corporation shall be held and adjudged to be personal estate and be transmissible accordingly, and shall be assignable and transferable at the Bank according to the form of Schedule A., annexed to this Act; but no assignment or transfer shall be valid and effectual unless it be made and registered in a book or books, to be kept in the office of the said Bank for that purpose, nor until the person or persons making the same shall previously discharge all debts actually due and exigible by him, her, or them, to the Corporation, which may exceed in amount the amount paid up on the remaining Stock (if any) belonging to such person or persons; and no fractional part or parts of a share, or other 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 Corporation, 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 by the original holder or holders of the said shares to the Corporation 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 original holder or holders of the said shares—any law or usage to the contrary notwithstanding.

Bank to have
preferential
lien upon
shares and
deposits.

20. The said Bank shall have a preferential lien for any debt due to it by any Shareholder thereof, upon the shares of such Shareholder, and upon the dividends on such shares; and shall at any time be entitled to appropriate any deposits to or towards the payment of any debt due to it by the depositor thereof, notwithstanding that such shareholder or depositor may be insolvent.

In what busi-
ness only the
Bank shall
engage, and
what species
of property it
may hold.

21. The said Corporation hereby constituted shall not, either directly or indirectly, hold any lands or tenements (save and except such as by the first section of this Act they are specially authorized to acquire and hold) or any ships or other vessels, or any share or shares of the Capital Stock of the Corporation, nor in any other Bank in this Province, nor shall the said Corporation, either directly or indirectly, lend money or make advances upon the security, mortgage or hypothecation (hypothèque) 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 the Corporation, or of any goods, wares or merchandize; nor shall the said Corporation, either directly or indirectly, raise loans of money or deal in the buying, selling or bartering of goods, wares or merchandize, or be engaged in any trade whatever, except as dealers in gold and silver bullion, bills of Exchange, discounting of promissory Notes and negotiable Securities, and in such trade generally as legitimately appertains to the business of Banking: Provided always, that the fifty-fourth chapter of the Consolidated Statutes of Canada, intituled, "An Act respecting incorporated Banks," and each and every of the provisions thereof shall apply to the Corporation hereby created as fully and completely as if incorporated in the present Act.

Proviso: That
54th Cap. of
Consolidated
Statutes of
Canada shall
apply to Cor-
poration.

22. The aggregate amount of discounts and advances made by the said Corporation upon commercial paper or securities bearing the name of any Director or Officer, or the copartnership name or firm of any Director of the said Corporation, shall not at any one time exceed one-tenth of the total amount of discounts or advances made by the Corporation at the same time.

Amount of advances on securities of Directors or Officers, limited.

23. It shall and may be lawful for the said Corporation to allow and pay interest upon moneys deposited in the Bank ; and also, it shall and may be lawful for the Corporation, in discounting promissory notes or other negotiable securities, to receive or retain the discount thereon, at the time of discounting or negotiating the same ; any law or usage to the contrary notwithstanding.

Corporation may pay interest on deposits in Banks and take discount.

24. The bonds, obligations, and bills obligatory and of credit of the said Corporation, signed by the President or Vice-President and countersigned by the Cashier thereof, which shall be made payable to any person or persons, shall be assignable by indorsement thereon, under the hand or hands of such person or persons, and of his, her or their assignee or assignees, and so as absolutely to transfer and vest the property thereof in the several assignees successively, and to enable such assignee or assignees to bring and maintain an action or actions thereupon in his, her or their own name or names ; and signification of any such assignment by indorsement shall not be necessary, any law or usage to the contrary notwithstanding ; and bills or notes of the Corporation signed by the President or Vice-President, and countersigned by a Cashier thereof, promising the payment of money to any person or persons, his, her or their order or to the bearer, though not under the seal of the Corporation, shall be binding and obligatory upon the same, in the like manner and with the like force and effect as they would be upon any private person or persons, if issued by him, her or them in his, her or their private or natural capacities, and shall be assignable or negotiable in the like manner as if they were so issued by such private person or persons :

Bonds, &c., of Corporation may be assigned by indorsement.

Provided always, that nothing in this Act contained shall be held to debar the Directors of the Corporation from authorizing or deputing, from time to time, any Cashier or officer of the Corporation, or any Director other than the President or Vice-President, or any Cashier, Manager, or local Director of a branch or office of discount or deposit of the said Corporation, to sign, and any Cashier, Accountant or Book-keeper of the said Corporation, or of any branch or office of discount and deposit thereof, to countersign the bills or notes of the said Corporation intended for general circulation, and payable to order, or bearer, on demand.

Proviso: Officers may be deputed to sign bank notes.

25. The notes or bills of the said Corporation made payable to order or bearer and intended for general circulation, whether the same shall issue from the chief place or seat of business of the Corporation in the city of Montreal or from any of the branches, shall bear date at the place of issue and not elsewhere ; and shall be payable on demand in specie at the same place of issue ; and each and every office of discount and deposit established or hereafter to be established shall be subject to the restriction as to the issuing and redemption of notes provided in this section.

Notes to bear date and be payable at place of issue.

Suspension
for sixty days
to effect a for-
feiture of
charter.

26. A suspension by the said Corporation (either at the chief place or seat of business or at any of their branches or offices of discount and deposit at other places in this Province) of payment, on demand, in specie of the notes or bills of the said Corporation, payable on demand, shall, if the time of suspension extend to sixty days, consecutively or at intervals, within any twelve consecutive months, operate as and be a forfeiture of this Act of Incorporation, and all and every the privileges hereby granted.

5

Total amount
of notes under
five dollars is-
sued, not to
exceed one-
fifth of Capital
Stock paid in.
Proviso: No
note to be un-
der one dollar.

27. The total amount of the notes or bills of the said Corporation, being for a less sum than five (5) dollars, current money of Canada, each, that shall be or may have been issued and put in circulation, shall not exceed at any one time one-fifth of the amount of the Capital Stock of the Corporation then paid in: Provided always, that no notes under the nominal value of one dollar shall, at any time, be issued or put into circulation by the Corporation, nor shall any further limitation by the Legislature of the total amount of notes to be issued or re-issued by the said Corporation be held to be any infringement upon the privileges hereby granted.

19

15

Total liabili-
ties of Bank
limited, and of
its Bank notes

28. The total amount of the debts which the said Corporation shall, at any time, owe, whether by bond, bill, note or otherwise, shall not exceed three times the aggregate amount of the Capital Stock paid in, and the average amount of the deposits made in the Bank in specie and Government securities for money; and at no one period after the passing of this Act shall the notes or bills of the said Bank in circulation, payable on demand or to bearer, exceed the amount of the actually paid up Capital Stock of the Corporation; and if any time the Directors of the said Bank shall willfully and knowingly contract such debts or issue or cause to be issued such notes or bills to an amount exceeding that hereinafter limited; then and in that case the said Corporation shall forfeit this Act of Incorporation and all the privileges hereby granted, and those of the directors with whose knowledge and participation such contracting of debts or issue of such notes or bills in such excess shall have taken place, shall be liable, jointly and severally, for such excess in their private capacities, as well to the shareholders as to the holders of the bonds, bills and notes of the Corporation, 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 Corporation, or their lands, tenements, goods or chattels from being also liable for such excess.

20

25

30

35

40

Penalty for
excess.

Liability of
Directors.

Liability of
Shareholders
defined and
limited.

Proviso.

29. In the event of the property and Assets of the Corporation hereby constituted, becoming insufficient to liquidate the liabilities and engagements or debts thereof, the Shareholders of the Corporation, in their private or natural capacities, shall be liable and responsible for the deficiency, but to no greater extent than to double the amount of Capital Stock held by them, that is to say; that the liability and responsibility of each Shareholder shall be limited to the amount of his or her share or 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 of the Corporation hereinbefore mentioned and declared.

45

50

Monthly state-
ments of the
affairs of the

30. Besides the detailed Statement of the affairs of the said corporation, hereinbefore required to be laid before the Shareholders thereof, at their annual general meeting, the Directors shall make up and pub-

- lish on the first day of each month, in every year, statements of the assets and liabilities of the corporation, in the form of the Schedule B. hereto annexed, shewing under the heads specified in the said form, the average of the amount of the notes of the corporation in circulation, and other liabilities, at the termination of each month, and the average amount of specie and other assets which, 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, Lieutenant Governor, or person administering the Government of this Province, a copy of each such monthly statements; and if by him required to verify all or any part of the said Statements, the said Directors shall verify the same by the production of the monthly balance sheet, from which the said statement shall have been compiled; and furthermore, the said Directors shall from time to time, when required, furnish to the said Governor, Lieutenant Governor, or person administering the Government of this Province such further information respecting the state and proceedings of the corporation, and of the several branches and offices of discount and deposit thereof, as such Governor, Lieutenant Governor, or person administering the Government of this Province, may reasonably see fit to call for: Provided always, that the monthly balance sheet, and the further information that shall be so produced and given, shall be held by the said Governor, Lieutenant Governor, or person administering the Government of this Province, as being produced and given in strict confidence that he shall not divulge any part of the contents of the said monthly balance sheet or of the information that shall be so given; And provided also, that the Directors shall not, nor shall anything herein contained to 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 corporation.
- 31.** It shall not be lawful for the corporation hereby constituted, at any time whatever, 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, authorities, rights, privileges and advantages hereby granted shall cease and determine, anything in this Act to the contrary, notwithstanding.
- 32.** 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 the City of Montreal, and in the *Canada Gazette*, or such other Gazette as shall be generally known and accredited as the Official Gazette for the publication of Official documents, and notices emanating from the Civil Government of this Province.
- 33.** 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 in like manner as such shares and dividends are respectively made transferable and payable at the Bank, in the City of Montreal; 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.
- 34.** If the interest in any share 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, the Directors may require such transmission to be
- Bank to be made and published.
- How verified.
- Governors may require further information.
- Proviso.
- Proviso.
- Bank not to lend money to Foreign Powers.
- How notices shall be published.
- Transfer of shares in Great Britain.
- Providing for the transmission of shares otherwise than by regular transfer.

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 or other instrument so signed, made and acknowledged, shall be left at the Bank 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, nor to vote in respect of any such share or shares as the holder thereof: 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 in the Bank, and as shall be made in any other country than in 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 other accredited representative: And provided also, that nothing in this Act containing 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: as to authentication of such proof.

Proviso: as to fuller evidence.

If the change of ownership be by marriage of a female Shareholder, or by Will, &c.

35. If the transmission of any share in the 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 the will itself, if authentic, or the Letters of administration, or of tutorship, or curatorship, or an official extract therefrom, or the requisite certificates of Birth and Marriage, shall, together with such declaration, be produced and left with the Cashier, or other Officer, or Agent of the Bank, who shall then enter the name of the party entitled under such transmission, in the Register of Shareholders.

Mode of obtaining the decision of the Court as to title to shares, when the Bank entertains reasonable doubt.

36. Whenever the interest in any share, or shares, of the said Bank, or in the dividend accrued thereon, or the right of property in any deposit therein, shall be transmitted by the death of any shareholder, or otherwise, or whenever the ownership of, or legal right of possession in any such share, or shares, dividend, or deposit, shall change by any lawful means, other than by transfer, according to the provisions of this act, or shall be disputed, and the Directors of the said Bank shall entertain reasonable doubts as to the legality of any claim, to and upon such share, or shares of stock, dividend, or deposit, then, and in such case, it shall be lawful for the said Bank to make and file, in the Superior Court for Lower Canada, a declaration and petition in writing, addressed to the Justices of the said Court, setting forth the facts, and the number of shares previously belonging to the party, in whose name such shares stand in the books of the Bank, or the amount of deposits standing in the name of the depositor thereof, and praying for an order or judgment, adjudicating and awarding the said shares, dividends, or deposits, to the party, or parties, legally entitled to the same; by which order, or judgment, the Bank shall be guided, and held fully harmless, and indemnified and released from all and every other claim, for the said shares, or deposits, or arising therefrom: Provided always, that notice of such petition shall be given to the party claiming such

Proviso.

- shares, dividends, or deposits, who shall upon the filing of such petition, establish his right to the shares, dividends, or deposit, referred to in such petition, and the delays to plead, and all other proceedings in such cases shall be the same as those observed in interventions, in cases
 5 pending before the said Superior Court: Provided also, that the costs and expenses of procuring such order and adjudication, shall be paid by the party, or parties to whom the said shares, dividends, or deposit, shall be declared lawfully to belong, and such shares, dividends, or deposit, shall not be transferred until such costs and expenses be paid,
 10 saving the recourse of such party, against any party contesting his right.

Proviso.

37. The Bank shall not be bound to see to the execution of any trust, whether express, implied, or constructive, to which any of the shares of the Bank may be subject, and the receipt of the party in
 15 whose name any share shall stand in the Books of the Bank, or if it stand in the names of more parties than one, the receipt of one of the parties shall, from time to time, 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
 20 the Bank shall not be bound to see to the application of the money paid upon such receipt. And the transfer of any share, or the payment of any dividend or deposit shall not cause any liability on the part of the said Bank to the rightful owner or administrator of such shares,
 25 dividend or deposit, if such transfer be made by, or such payment be made to, the person in whose name such share shall stand in the books of the said Bank, or to whose credit such deposits may appear therein; whether such person be ordinarily competent to make such transfer or receive such payment or not.

Bank not bound to see to execution of trusts to which shares may be subject.

- 30 38. It shall be the duty of the Directors 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 of the Consolidated Municipal Loan Fund, one-tenth part of the whole paid up capital of the
 35 said Bank.

One-tenth of paid up Capital to be invested in debentures of certain kinds. Return to be made.

39. The said Bank shall be organized and put in operation within five years from the passing of this Act, and this Act shall be and remain in force until the first day of July, which will be in the year of our Lord, One Thousand Eight Hundred and Eighty, and from that time until the
 40 then next session of the Parliament of this Province, and no longer.

Duration of this Act.

40. This Act shall be deemed a Public Act.

Public Act.

FORM OF SCHEDULE A.,

Referred to in the Nineteenth Section of the foregoing Act.

For value received from I, (or we,) of do hereby assign and transfer unto the said shares, (on each of which have been paid dollars, cents, currency, amounting to the sum of dollars, cents,) in the Capital Stock of The Merchants' Bank, subject to the rules and regulations of the said Bank.

Witness my (or our) hand (or hands) this day of
 in the year One Thousand Eight Hundred and

(Signature.)

I, (or we) do hereby accept the foregoing assignment of
 shares in the stock of The Merchant's Bank, assigned to me (or us) as
 above mentioned, at the Bank, this day of One
 Thousand Eight Hundred and

(Signature.)

FORM OF SCHEDULE B.,

Referred to in the thirtieth Section of the foregoing Act.

Return of the average amount of liabilities and assets of The Merchants'
 Bank during the period from first to , one
 thousand eight hundred and

Promissory Notes in circulation, not bearing Interest,	\$
Bills of Exchange in circulation, not bearing Interest,	\$
Bills and Notes in circulation, bearing Interest, - - -	\$
Balance due to other Banks, - - - - -	\$
Cash deposits, not bearing Interest, - - - - -	\$
Cash deposits, bearing Interest, - - - - -	\$
Total average Liabilities, - - - - -	\$

ASSETS.

Coin and Bullion, - - - - -	\$
Landed or other property of the Bank, - - - - -	\$
Government Securities - - - - -	\$
Promissory Notes or Bills of other Banks - - - - -	\$
Balances due from other Banks - - - - -	\$
Notes and Bills discounted, or other debts due to the Bank, not included under the foregoing heads -	\$
Total Average Assets, - - - - -	\$