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No. 83.

5th Session, 1st Parliament, 35 Victoria, 1872.

BILL.

An Act to incorporate the Imperial Guarantee and Loan Society.

PRIVATE BILL.

Mr. MORRISON,
Niagara.

OTTAWA:

Printed by I. B. TAYLOR, 29, 31 and 33, Rideau Street.
1872.

An Act to incorporate the Imperial Guarantee and Loan Society.

WHEREAS the persons hereinafter named have by their petition prayed that they may be incorporated as a Guarantee and Loan Society, having for its object the making of contracts by way of guarantee, indemnity, or suretyship, the borrowing and lending of money, the purchase and dealing in public securities, and in the stocks, bonds and debentures of corporate bodies, the receiving and holding of property upon trust, and exercising the office of trustees, and the acting as agents for the investing of money and otherwise; and it is expedient to grant their prayer; Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

Preamble.

1. (who are hereby named provisional directors), and all other person or persons, body or bodies politic, who shall, from time to time, be possessed of any share or shares in the undertaking hereby authorized to be carried on shall be and are hereby constituted a society, and shall be one body politic, or incorporate by the name of "The Imperial Guarantee and Loan Society," and by that name shall have perpetual succession and a common seal with power to break and alter such seal, and by that name may sue or be sued, plead or be impleaded in all courts whatsoever.

Certain persons incorporated.

2. The head office of the Society shall be in Toronto; but the Directors may have offices and transact business in any part of the Dominion of Canada.

Head Office

3. The capital stock of the Society shall be \$500,000, divided into 5,000 shares of \$100 each, provided always that it shall and may be lawful for the said Society to increase its capital stock to a sum not exceeding two million dollars as a majority of the shareholders at a general meeting, to be expressly convened for that purpose, or at a regular annual meeting, shall agree upon.

Capital Stock.

4. For the purpose of organizing the Society, the Provisional Directors or a majority of them, may cause stock books to be opened, after giving due public notice thereof, in which stock books shall be recorded the names and subscriptions of such persons as desire to become shareholders in the Society, and such books shall be opened in the City of Toronto and elsewhere at the direction of the said Provisional Directors, and shall remain open so long as they deem necessary.

Stock books.

5. When and so soon as \$250,000 of the said capital stock shall have been subscribed, and ten per cent. of the amount so subscribed paid in the said Provisional Directors may call a general meeting of shareholders at some place in the City of Toronto, giving at least ten days' notice of the time and place for holding such meeting by publishing the same in the *Canada Gazette* and also in some daily newspaper published in said city, at which general meeting the shareholders present or represented

First meeting of shareholders

by proxy shall elect nine directors in the manner hereinafter provided, who shall constitute a Board of Directors, and shall hold office until the first Thursday in July, in the year following their election.

Directors.

6. The said Directors shall be shareholders residing in Canada, and they shall be elected—except as above provided—at the annual general meeting of shareholders, to be holden in Toronto on the first Thursday in July in each year, or such other day as may be appointed by by-law, not less than ten days' notice of such meeting being given as provided in the next preceding section; and all elections of directors shall be held and made by each of the shareholders present or represented by proxy as shall have paid the ten per cent. above prescribed, and all calls made by the Directors and then due; and all such elections shall be by ballot—and the persons who shall have the greatest number of votes at any such election shall be directors except as hereinafter directed; and if there is any doubt or difficulty in such election by reason of two or more persons receiving an equal number of votes then there shall be a rebalot, as between such persons, which rebalot may be repeated as often as deemed advisable by the meeting; or instead of a rebalot, the Directors, as to whose election there is no such doubt or difficulty, may, if deemed advisable by the meeting, determine which of the persons having an equal number of votes shall be director or directors; and the said Directors, so soon as may be after their election, shall proceed in like manner to elect by ballot one of their number to be President, and one to be Vice-President. But shareholders not residing within the Dominion of Canada shall be ineligible; and if any director shall move his domicile out of Canada, or shall be absent from Canada more than six months at one time, his seat shall thereby become vacant; and if any vacancy should at any time happen amongst the said Directors by death, resignation, disqualification or removal or otherwise during the current year of office, such vacancy shall be filled for the remainder of the year, by the remaining directors or a majority of them electing in such place or places a shareholder or shareholders eligible for such office: Provided 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 Society to the amount of ten shares, whereof at least ten per cent. shall have been paid, in and shall have paid all calls made upon his stock and all liability incurred by him with the said Society: Provided further that notwithstanding anything in this Act contained it shall be competent to the shareholders at any special or general meeting to reduce to not fewer than five or to increase to not more than thirteen the number of directors; in case that it should at any time happen that an election of directors of the said Society should not be made on any day when pursuant to this Act it should have been made, the said Society shall not for this cause be deemed to be dissolved, but it shall be lawful on any other day to hold and make an election in such a manner as may be regulated, directed and appointed by the directors for the time being, and the Directors in office shall still continue until a new election is made.

President and Vice-President.

Proviso.

Proviso.

Paid up capital to be invested.

7. Immediately after the said election and before the Society goes into other business, the paid up capital shall be invested, in the name of the Manager or in the name of such of the Directors as are named by the Board, in the public securities of the Dominion of Canada or the Province of Ontario, or in municipal debentures, or in mortgages on real estate, or partly in one class and partly in another, which security shall be deposited in any of the present chartered banks in Canada doing business in Toronto as the Directors may direct; and the dividends or interest thereon shall be paid to the Manager, or to such person as may be appointed by the Directors; but no part of such securities shall be sold, changed or given up without the consent of the Board signed in writing under the corporate seal.

Investment to S. In case it shall at any time become necessary to convert any of the

said securities into money for the purpose of paying any debt, liability, or engagement of the society, the amount so withdrawn shall be immediately replaced either out of the available assets of the society, or by means of a special call upon the shareholders. ^{become unimpaired.}

5 **9.** At all general meetings of the said Company, each shareholder shall be entitled to give one vote for every share, held by him for not less than fourteen days prior to the time of voting upon which all calls then due have been paid: Such votes may be given either in person or by proxy, the holder of any such proxy being himself a shareholder; and no shareholder shall be entitled to give more than one hundred votes upon proxies held by him. And all questions proposed for the consideration of the shareholders shall be determined by the majority of votes, the chairman presiding at such meeting having the casting vote in case of an equality of votes; Provided that no clerk or other employée of the said Society, shall vote either in person or by proxy at the election of Directors. ^{Votes. Proxies. Proviso.}

10. If any shareholder shall refuse or neglect to pay the instalments due upon any share or shares held by him, the Directors may forfeit such share or shares together with the amount previously paid thereon, in such manner as may be provided by the by-laws; and such forfeited share or shares may be sold at public or private sale by the Directors, after such notice as they may direct, and the monies arising therefrom shall be applied for the purposes of this Act: Provided always, that in case the money realized by any sale of shares be more than sufficient to pay all arrears and interest, together with the expenses of such sale, the surplus of such money shall be paid on demand to the owner, and no more shares shall be sold than what shall be deemed necessary to pay such arrears, interest, and expenses. If payment of such arrears of calls, interest, and expenses be made before any share so forfeited shall have been sold, such share shall revert to the owner as if the same had been duly paid before forfeiture thereof; and in all actions or suits for the recovery of such arrears or calls, it shall be sufficient for the Society to allege that the defendant, being the owner of such shares, is indebted to the said Society in such sum of money as the calls in arrear amount to for such and so many shares, whereby an action hath accrued to the Society by virtue of this Act; and on the trial it shall only be necessary to prove that the defendant was owner of the said shares in the Society, that such calls were made, and that notice was given as directed by this Act; and it shall not be necessary to prove the appointment of the Directors who made such calls, or any other matter whatsoever other than what is before mentioned; a copy of any by-law, rule, regulation or minute, or of any entry in any book of the Society certified to be a true copy or extract under the hand of the President, or a Vice-President or the Manager or Secretary of the Society, and sealed with the corporate seal, shall be received in all courts and proceedings as *prima facie* evidence of such by-law, rule, regulation, minute, or entry, without further proof thereof, and without proof of the official character or signature of the officer signing the same, or of the corporate seal. ^{Forfeiture of shares.}

11. At all meetings of Directors there shall be a quorum for the transaction of business, and all questions before them shall be decided by a majority of votes, and in case of an equality of votes the President, Vice-President, or presiding Director shall give the casting vote. ^{Quorum.}

12. The Directors shall have full power and authority to make and from time to time alter such by-laws; rules and regulations and ordinances as shall appear to them proper and needful touching the well ordering of the Society. They shall also have full power and authority over the management and disposition of its stock, property, estate, and effects, the regulation of the rates, terms, and conditions on which guarantee and other agreements shall be undertaken by the Society, the calling of ^{Powers of Directors.}

special general meetings, the regulation of the meetings of the Board of Directors, the appointment and removal of sub-boards to facilitate the details of business, and the definition of the duties and powers of the sub-boards, the making of calls upon the subscribed capital, the appointment and removal of all officers and agents of the Society, the regulation of their powers and duties, and the salaries to be paid to them, the regulation of the transfer of stock and the form thereof, the compensation of Directors, the establishment and regulation of agencies, and generally the Directors may, in addition to the powers expressly conferred upon them, exercise all such powers, give all such covenants, make all such engagements and agreements, and do all such acts and things as are and shall be necessary and proper for the due management of the affairs of the Society, and for carrying out the provisions of this Act according to its true meaning and spirit: Provided always, that all such by-laws, rules, regulations, and ordinances may be varied, altered, or cancelled at the next general annual meeting, and shall be presumed to have been approved of by such meeting, except in so far as they shall be varied, altered, or cancelled, and shall thereafter have force and effect as if approved: Provided further, that no such variation, alteration, or cancellation shall invalidate anything done in pursuance or by virtue of such by-laws, rules, regulations, and ordinances, whereby the position or rights of any person may be injuriously affected, and provided further, that such by-laws do not contravene the provisions of this Act.

Proviso. 5

Proviso. 10

Proviso. 15

Proviso. 20

13. The Society is hereby empowered, by way of guarantee, indemnity, suretyship, or otherwise, to make, draw, endorse, or accept promissory notes or bills of exchange, and to make any other contract by way of guarantee, indemnity, or suretyship, which a private individual may make. They may take, receive, accept, and hold any security or indemnity, real or personal, against loss or injury, from any guarantee or transaction hereby authorized, which a private individual may take, receive, and hold. They are hereby authorized with respect to any such matters to make valid and binding contracts, and to do all acts and things whatsoever that may be necessary for realizing the said securities and indemnities, and for enforcing all such contracts, and also for enforcing any conditions, fines, and forfeitures imposed by any rules, regulations, or by-laws, and generally to do and exercise in relation to the premises all acts and powers which any private individual may do or exercise in like circumstances.

Society may become parties to notes, &c. 25

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14. The Society may from time to time lend or advance money, by way of loan or otherwise, upon any security, real or personal, which they may deem satisfactory, and they shall have power to do all acts that may be necessary for the advancing of such money for realizing of such securities and the repayment of the monies lent or advanced thereon, with interest; for enforcing all agreements made in relation thereto, as to sale, forfeiture, or otherwise, and for all and any and every of the foregoing purposes, and for every and any other purpose in this Act mentioned, or referred to; the Society may lay out the capital and property for the time being of the Society, or any part thereof, or any of the monies authorized to be received, raised, or borrowed by the Society, with power to do, authorize, and exercise all acts and powers whatsoever, in the opinion of the Directors, requisite or expedient to be done or exercised in relation thereto.

May advance and lend money. 40

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15. The Society is empowered to act as an Agency Association, and may hold, invest, and deal in its own name, or otherwise, with such monies, mortgages, hypothèques, securities, or evidences of debt as shall from time to time be transferred or delivered to them as agents, and may exercise all the rights which the parties so transferring or delivering the same might or could exercise, and the society may give such guarantee as may be agreed upon for repayment of principal or interest,

And act as Agency Association. 55

or both, of any such monies, mortgages, hypotheques, securities or evidences of debt.

16. The Society may purchase, acquire, hold or dispose of public securities, stocks, bonds, or debentures of any corporate bodies, the bonds and debentures and other evidences of debt of the Government, municipal debentures, or debentures issued by the Government of Canada, in exchange for those of any Town, City, or Municipality, and shall by the acquisition thereof be subrogated in, and have all the rights of the parties from whom the same or any of them shall be acquired. May purchase and sell securities.

17. The Society may take, receive, and hold all estates and property real and personal, which may be granted, committed, transferred, and conveyed to them with their consent upon any trust or trusts whatsoever (not contrary to law), at any time or times, by any person or persons, body or bodies corporate, or by any Court of the Dominion, and to administer, fulfil, and discharge the duties of such trusts for such remuneration as may be agreed upon, and they are also authorized to act generally as agents or attorneys for the transaction of business, the management of estates, the collection of rent, interests, dividends, mortgages, bonds, bills, notes, debts, and securities, therefor, and also to act as agents for the purpose of issuing or countersigning the certificates of stock, bonds and other obligations of any Corporation, Association, or Municipality, and to receive and manage any sinking fund therefor, on such terms as may be agreed upon. May hold property in trust.

18. The Society are also authorized to accept and execute the offices of executor, administrator, trustee, receiver, assignee, guardian of any minor, committee of any lunatic, and in all cases when application shall be made to any court for the appointment of any master, trustee, receiver, guardian, administrator, or committee, it shall be lawful for any such court to appoint the said society with their consent, to hold such office or offices, and the accounts of the Society, as such trustee, receiver, guardian, administrator, or committee, shall be regularly settled and adjusted by the proper officers and tribunals, and all proper, legal, usual, and customary charges, costs, and expenses; shall be allowed to the Society for the care and management of the estates so committed to them. In case of such appointment by any court the Society shall not be required to give any security, but such court, if it deem it necessary, may from time to time appoint a suitable person to investigate the affairs and management of the Society who shall report thereon to the court, and also as to the security afforded to them, by or for whom its engagements are held, the expenses of such investigation to be in the discretion of the court; or the court may direct the Society to furnish a statement of its affairs and may thereon examine the officers or directors of the Society under oath as to the correctness of such statement and the security afforded. May exercise certain civil powers.

19. It shall be lawful for any person, or persons, or body corporate holding or having the custody or control of trust monies, to invest the same in the debentures of the Society, or to entrust the same to the Society for investment, or to lend the same to the Society, upon such terms as to the repayment thereof and as to interest, as they shall agree upon. And such disposition of the said monies shall not render the parties making such disposition liable for a breach of trust, but the same shall in all courts be deemed a proper disposition of such monies. The Directors may receive deposits, and may from time to time borrow money, at such rates of interest and upon such terms as they may think proper. And the Directors may for the purpose of borrowing money make any mortgages, bonds, debentures, or other instruments under the common seal for sums of not less than four hundred dollars each, or assign and transfer any of the documents of title, deeds, muniments, mortgages, securities, and property or assets of the Society, May receive trust moneys for investment. Deposits.

either, with or without power of sale and other special provisions as the Directors shall deem expedient, and no lender shall be bound to enquire into the occasion of such loan, or the validity of any resolution authorizing the same or the purpose for which such loan is wanted.

Power to hold
real estate.

20. The Society may hold such real estate as may be necessary for the transaction of their business, not exceeding in annual value the sum of \$4,000. They may also hold such real estate, as being mortgaged or hypothecated to them may be acquired by them, or as may be acquired by them in satisfaction of any debt, or otherwise, provided that as to all real estate except such as may be necessary for their business, it shall be incumbent upon them to sell the same within five years after the same shall have been so acquired. 5 10

Calls.

21. The directors shall at the expiration of six months from the organization of the society, make a call upon the shareholders of the Society of ten per cent upon each share held by them, and at the expiration of each six months thereafter they shall make a like call, but so soon as any shareholder shall have paid fifty per cent of the shares held by him, he shall not be liable to any further or other call, unless in the opinion of the Directors it is necessary for the payment of the debts or obligations of the Society, or unless the Directors are authorised to make such further call or calls at a special meeting of the shareholders to be called to consider that matter, or at a regular annual meeting; the money so raised or collected shall be invested and dealt with in the same manner, and shall be subject to the same rules and restrictions hereinbefore declared with respect to the first payment made by the shareholders upon their shares. 15 20 25

Notice of calls.

22. No call shall be made without giving notice to the shareholder, by mailing the same to his last known address, at least thirty days before the day on which such call shall be payable.

Liabilities of
Shareholders.

23. Each shareholder shall be liable to pay the amount of any call lawfully made upon him to such person, and at such time and place, as the Directors shall appoint. 30

Interest on
calls.

24. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed, and if a shareholder shall fail to pay any call due from him, before, or on the day appointed for payment, he shall pay interest for the same at the rate of six per cent per annum from the day appointed for payment to the time of actual payment. 35

Recovery of
calls.

25. The Society may institute and carry on suits or actions against any shareholder for the recovery of arrears and calls, or for any other debt or engagement, and in such suits or actions it shall not be necessary to set forth the special matter, but it shall be sufficient for the Society to declare that the defendant is a shareholder, and is indebted to Society in respect of one call or more, or other money due, whereby an action hath accrued to the Society by virtue of this act, and on the trial it shall only be necessary to prove that the Defendant was owner of the said shares in the Society, that such calls were made or such debt due, that notice was given as directed by this act, and in all actions or suits be or against the Society, it shall not be necessary to prove the appointment of the Directors, and a copy of any by-law, rule, regulation, or minute, or of any entry in any book of the Society, certified to be a true copy or extract under the hand of the President, Vice-President, Manager, or Secretary of the Society, and sealed with the Corporate seal, shall be received in all Courts and proceedings as *prima facie* evidence thereof, without further proof, and without proof of the official character or signature of the officer signing the same, or of the Corporate Seal. 40 45 50 55

26. No transfer of any share of the stock of the said society shall be valid until entered into the books of the society according to such form as may from time to time be fixed by By-Laws; Provided always that no shareholder indebted to the society shall be permitted to make or transfer or receive a dividend, until such debt is paid and secured to the satisfaction of the Directors, and no transfer of stock shall at any time be made until all calls thereon shall have been paid.

Transfer.

Proviso

27. In the event of the property and assets of the society being insufficient to pay its debts, liabilities, and engagements, the shareholders shall be liable for the deficiency, so far as that each shareholder shall be so liable to an amount (over and above any amount not paid up on their respective shares) equal to the amount of their shares respectively. And if the Directors are unable out of the available assets of the society to pay all its debts and liabilities, and the same remain unpaid for the period of six months after payment shall have been demanded, the Directors may and shall make calls on such shareholders to the amount they may deem necessary to pay all the debts and liabilities of the society without waiting for the collection of any debts due to it, or the sale of any of its assets and property. Such calls shall be made at intervals of thirty days, and upon notice to be given thirty days at least prior to the day on which such call shall be payable, but any such call shall not exceed twenty per cent on each share, and payment thereof may be enforced in the manner hereinbefore provided, and the first of such calls shall be made within ten days after the expiration of the said six months. And any failure on the part of any Shareholder liable to such call to pay the same when due, shall operate as a forfeiture by such shareholder of all claim in or to the assets of the Society, such call, and any further call thereafter, being nevertheless recoverable from him, as if no such forfeiture had been incurred. Provided always that nothing in this section shall be construed to alter or affect the liabilities of the Directors for any malfeasance or misconduct in office.

Liability of shareholders in the event of assets being insufficient to meet liabilities

Proviso.

28. It shall be the duty of the Directors of the Society, to declare and make quarterly or half yearly dividends of so much of the profits of the Society as to the majority of them may seem advisable, and to give public notice of the payment of such dividends at least ten days previously.

Dividends.

29. At every annual meeting of the shareholders the outgoing Directors shall submit a clear and full statement of the affairs of the Society, showing in detail on the one hand the debts, liabilities, and engagements of the Society, and on the other the assets and resources thereof. They shall also exhibit a full statement as to each separate transaction of the Society, giving such particulars as to the standing of all parties concerned, the extent and value of the security held by the Society, and such other information as will enable the Shareholders to judge of the true position of the Society with respect to each of such transactions, and the average rate of interest derived therefrom. Such statement, however, shall not disclose the names or private affairs of any person doing business with the said Society.

Statement of affairs.

30. The Directors shall cause a similar statement to be prepared at the expiration of every month, which statement shall be verified by the affidavit of the Manager or Chief Officers in charge of the head offices (who shall be punishable as in other cases of perjury for any wilfully false statement therein) and the said statement shall be open to the inspection of all parties interested therein, and to Shareholders without fee or charge.

Monthly statements.

31. So soon as twenty per cent of the subscribed capital shall have been paid in invested, and deposited as, aforesaid, it shall be lawful for the

Power to give guarantees.

Society to give guarantees, in such form as the Directors may determine for the integrity, faithful accounting, and conduct of any officers, servants or employé of the Crown, or of any Corporation, firm or person; and in the case of any public officers, the bond or instrument of guarantee, shall be made to Her Majesty, Her Heirs and Successors, and shall be made subject to such conditions as shall be required by the principal officers of the office or department to which the officers or employé belongs, and such guarantee when given shall be in lieu of the security required by any Act, Rule or Regulation now in force, the acceptance of all guarantee given by the Society under this section, shall in the case of public officers be sufficiently proved by the signature of such principal officer, written upon the margin of the bond or instrument of guarantee, or by the signature of the Head of his department, when the guarantee is for or on behalf of such principal officer, and in the case of corporations by the signature of the President, Cashier or Manager thereof, and in the case of firms by the signature of any member thereof, and in the case of private persons by the signature of such persons.

Guarantee in any one case limited.

32. No guarantee shall be given under the next preceding section of this Act, for or on behalf of any one individual to an extent exceeding twenty thousand dollars. In the case of public officers, it shall be lawful for the said principal officer, or when he himself shall be the defaulter for the head of his department, by certificate to declare that the public revenue has been and to what extent denuded or to state the loss; and such certificate for all purposes shall be final and conclusive evidence of such loss or damage; and in any case on payment to the party or parties entitled to the amount of any loss or damage all the rights and remedies to which the employer is or may be entitled with respect to the defaulter shall vest in the Society and may be pursued and prosecuted in their Corporate name in all courts of law and equity.

Directors may close guarantee branch,

33. The Directors may at any time, by giving three months' notice to the Departments, Corporation, or persons, to whom guarantees have been given under the thirty-first section of this Act, close that branch of their business and cancel all such guarantees; Provided always that the Society shall be and remain liable for any default or misconduct committed up to the time of such cancellation; Provided further that the Society shall repay to the parties entitled a just proportion of the premiums paid by them; Provided further that the Society shall not be liable for any default or misconduct of which notice shall not be given at least six months after such cancellation.

Or may transfer guarantees to other offices.

34. Instead of cancelling the guarantees according to the provisions contained in the next preceding section, the Directors may transfer all such guarantees as may be subsisting at the expiration of the said three months to other offices to be approved of by the parties entitled to such guarantees upon such terms as may be agreed upon. And upon such transfer so approved of being made, all liability for default or misconduct not then or previously thereto made known to the Society, shall be at an end so far as the Society is concerned, and shall be deemed to have been assumed by the Company or Companies to whom the guarantees shall have been so transferred.

Conveyances.

35. All conveyances to be made by the Society under or by virtue or in pursuance of the several powers and authorities given to it by this Act, may be made according to the form in the schedule (A) to this Act annexed, or as near thereto as the circumstances will admit.

Interpretation of terms of conveyance.

36. In any such conveyance of lands to be made by the Society the word "grant" shall operate as express covenants by the Society for themselves and their successors, with the respective grantees therein named, and the successors, heirs, executors, administrators and assigns of such grantees, according to the quality or nature of such

grants and of the estate or interest therein expressed to be thereby conveyed, as follows, except so far as the same shall be restrained or limited by express words contained in any such conveyance, that is to say ; A covenant that, notwithstanding any act, or default done by the Society, they were at the time of the execution of such conveyance seized or possessed of the lands or premises thereby granted for an indefeasible estate of inheritance in fee simple, free from all encumbrances done or occasioned by them or otherwise, for such estate or interest as therein expressed to be thereby granted, free from incumbrances done or occasioned by them ; A covenant, that the grantee of such lands, his heirs, successors, executors, administrators and assigns, (as the case may be) shall quietly enjoy the same against the Society and their successors and all other persons claiming under them, and be indemnified and saved harmless by the Society and their successors from all encumbrances created by the Society ; A covenant for further assurance of such lands, at the expence of such grantee, his heirs, successors, executors, administrators or assigns, (as the case may be) by the Society, or their successors and all other persons claiming under them ; and all such grantees, and their several successors, heirs, executors, administrators and assigns respectively according to their respective quality or nature, and the estate or interest in such conveyance expressed to be conveyed, may, in all actions brought by them, assign breaches of covenant, as they might do if such covenant were expressly inserted in such conveyance.

37. Every mortgage for securing money borrowed from the Society may be made according to and in pursuance of the Act of the late Parliament of Canada, intituled " An Act respecting short forms of Mortgages," and the provisions of the said Act shall apply thereto, and may be executed under seal or before Notaries Public, as shall be most in accordance with the laws of the portion of the Province of Ontario within which the said real estate intended to be mortgaged shall be situate ; and in the Province of Quebec, obligations with hypothèques in favour of the Society may be executed according to such form and in such manner as is now recognized by law in that Province, as being valid and effectual.

38. The Society may stipulate for and demand and receive in advance, half-yearly, the interest from time to time accruing on any loans granted by the Society ; and may also receive an annual or semi-annual payment on any loans, by way of a sinking fund for the gradual extinction of such loan, upon such terms and in such manner as may be regulated by the bylaws of the Society.

39. A register of all securities held by the Society shall be kept, and within fourteen days after the taking of any security, an entry or memorial specifying the nature and amount of such security and the names of the parties thereto with their proper additions shall be made in such register ; and such register may be perused at all reasonable times by any of the members, without fee.

40. The Society shall keep in a book or books a register of the members of the Society, and therein shall be fairly and distinctly entered from time to time the following particulars :—the names and addresses, and the occupations, if any, of the members of the Society, and the number of shares held by each member, distinguishing each share by its number, and the amount paid or agreed to be considered as paid on the shares of each member.

41. Every person who agrees to become a member of the Society, and whose name is entered on the register of members shall be deemed to be a member of the Society.

42. The register of members shall be *prima facie* evidence of any matters by this Act directed or authorized to be inserted therein.

Trusts.

43. Notice of any trust, expressed, implied or constructive, shall not be entered on the register, nor shall such notice in any way affect the Society.

Allotment of shares to constitute applicant a member.

44. Where any person makes application in writing, signed by him, for an allotment of shares, and any shares or share, are or is allotted to him in pursuance of such application, he shall be deemed conclusively to have agreed to become a member of the Society in respect of the shares so allotted, and he shall be entered on the register of members in respect thereof accordingly. 5

Certificate of membership.

45. Every member of the Society shall, on payment of Twenty Cents or such less sum as the Directors shall prescribe, be entitled to receive a certificate under the common seal of the Society; specifying the share or shares held by him, and the amount paid up thereon, and on evidence to the satisfaction of the directors being given, that any such certificate is worn out, destroyed or lost, it may be renewed on payment of the sum of Twenty Cents, or such lesssum as the Directors shall prescribe, such certificate shall be *prima facie* evidence of the title of the member therein named to the share or shares therein specified. 10 15

Shares standing in name of two persons.

46. If any share stands in the name of two or more persons, the first named in the register of such person, shall, as regards voting at meetings, receipt of dividends, service of notices, and all other matters connected with the Society, (except transfers), be deemed the sole holder thereof; no share in the Society shall be sub-divided. 20

Register of transfers.

47. There shall be a book called the register of transfers provided, and in such book shall be entered the particulars of every transfer of shares in the capital of the Society. 25

Transfers.

48. No transfer of shares shall be made without the consent and approval of the Directors,

Execution of transfer.

49. Every instrument of transfer of any share in the Society shall be executed by the transferrer and transferee, and the transferrer shall be deemed to remain the holder of such share and a member of the Society in respect thereof, until the name of the transferee shall be entered in the register of members in respect thereof. 30

Form of transfer.

50. Shares in the Society shall be transferred in the form in the Schedule (C.) to this Act annexed. 35

Directors may decline to register transfer.

51. The Directors may decline to register any transfer of shares belonging to any member who is indebted to the Society.

Title to shares of deceased members.

52. The executors or administrators of any deceased member shall be the only persons recognized by the Society as having any title to his share.

Transmission of shares otherwise than by transfer.

53. Any person becoming entitled to a share in consequence of the death, bankruptcy, or insolvency of any member, or in consequence of the marriage of any female member, may be registered as a member, upon such evidence being produced as shall from time to time be required by the Directors, and, on production of a request, in writing, in that behalf signed by him, (his signature being attested by at least one witness), which shall be conclusive evidence of his having agreed to become a member. 40 45

Another person may be substituted.

54. Any person who has become entitled to a share in consequence of the death, bankruptcy, or insolvency, of any member, or in consequence of the marriage of any female member, may, instead of being registered himself, elect to have some person to be named by him registered as a member in respect of such share. 50

55. The person so becoming entitled, shall testify such election by executing to his nominee an instrument of transfer of such share. Provision in such case.

56. Every such instrument of transfer shall be presented to the Directors accompanied by such evidence as the Directors may require, to prove the title of the transfer, and shall be retained by the Society. Directors to examine transfer.

57. Any transfer of the share or other interest of a deceased member made by his personal representative, shall notwithstanding such personal representative may not himself be a member, be of the same validity as if he had been a member at the time of his execution of the instrument of transfer. Executor may transfer.

58. A declaration in writing by the manager of the society, that a call was made and notice thereof duly served, and that default in payment of the call was made in respect of any share, and that the forfeiture of such share was made by a resolution of the Directors to that effect, shall be sufficient evidence of the facts therein stated, as against all persons entitled to such share; and such declaration and the receipt of the society for such price of such share shall constitute a good title to such share, and the purchaser shall thereupon be deemed the holder of such share discharged from all calls due prior to such purchase and shall be entered into the registers of members in respect thereof, and he shall not be bound to enquire or see to the application of the purchase money, nor shall his title to such share be impeached or effected by any irregularity in the proceedings of such sale. Transfer after forfeiture.

59. There shall be paid in respect of every transfer or transmission of shares such a fee not exceeding fifty cents, as the Directors shall from time to time prescribe. Fee for transfer.

60. The Directors may with the previous sanction of the society in general meeting, convert any paid up shares into stock, which shall from thenceforth form part of the ordinary stock of the Company, and shall entitle the holders thereof to the like privileges and advantages. Shares may be converted into stock.

61. On the conversion of any shares into stock all the provisions of this Act, applicable to shares only, shall cease as to so much of the capital as is converted into stock, and the register of members shall shew the amount of stock held by each member instead of the amount of shares and particulars relative thereto. Changes in registers in such case.

62. The Directors may from time to time appoint one or more members of their Board to accept and hold any lands or property in trust for the Society, and to cause all such deeds and things to be made and done as shall be requisite to vest such lands or property in the person so appointed, and they may from time to time remove any such person or persons, and appoint another or others instead. Directors may appoint trustees.

63. Every Director of the Society and his heirs, executors, administrators, and estate and effects, respectively, shall from time to time, and at all times be indemnified and saved harmless out of the funds of the Society, from and against all costs, charges, and expenses whatever, which he shall or may sustain, or incur, in or about any action, suit or proceeding, which shall be brought, commenced, or prosecuted against him for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of the duties of his office; and also from and against all other costs, charges and expenses, which he shall sustain or incur in or about, or in relation to the affairs thereof, except such costs, charges or expenses as shall be occasioned by his own wilful neglect or default. Protection of directors.

64. Every Director of the Society, his heirs, executors, and administrators Directors not

to be liable for each other ;

nor for officers.

trators and estate and effects respectively, shall be charged and chargeable only with so much money as he shall actually receive, and shall not be answerable or accountable for his Co-Directors, or any of them, but each of them for his own acts, deeds, and defaults only ; nor shall the Directors, or any of them, respectively, be answerable or accountable for any person or persons who may be appointed under or by virtue of any such Act or By-laws as aforesaid, or otherwise under and by virtue of the rules and regulations of the Society for the time being in force, to collect or receive any moneys payable to the Society, or in whose hands any of the moneys or properties of the Society shall or may be deposited or lodged for safe custody, nor for the insufficiency or deficiency of any title to any property which may from time to time be purchased, taken, or leased, or otherwise acquired by order of the Directors, or otherwise, for or on behalf of the Society, nor for the insufficiency or deficiency of any security, in or upon which any of the moneys of the Society shall be invested ; nor shall any Director be answerable for any loss, damage, or misfortune whatsoever which shall happen in the execution of the duties of the office of such Director, or in relation thereto, unless the same shall happen through his own wilful neglect or default.

Profits of society, how disposed of.

65. The profits of the Society, so far as the same shall extend, shall be divided and disposed of in manner following, videlicet : there shall in the first place be set apart for the purposes of forming a Reserve Fund to meet contingencies, or for equalizing dividends, such sum not less in any year than two and a half per centum upon the net profits of the business of such year as the Directors shall from time to time think fit, and the residue of such profits shall be divided amongst the members, and in such manner as the Directors with the sanction of the Society in general meeting shall determine.

Investment of reserve fund.

66. The Directors may from time to time invest the sum set apart as a Reserve Fund in such good and convertible securities as they in their discretion may select.

Dividend not to reduce capital.

67. The Society shall not make any dividend whereby their Capital Stock will be in any way reduced.

Calls to be deducted from dividends.

68. The Directors may deduct from the dividends payable to any member, all such sums of money as may be due from him to the Society on account of call or otherwise.

Notice of dividend.

69. Notice of any dividend that may have been declared shall be given to each member ; and no dividend shall bear interest against the Society.

Service on society.

70. Any summons, notice, order or other document required to be served upon the Society, may be served by leaving the same at the said office in Toronto, with any grown person in the employ of the Society, but not otherwise.

Notice by the society.

71. Any summons, notice, order, or proceeding, requiring authentication by the Society, may be signed by the Manager or any Director, Secretary or other authorized officer of the Society, and need not be under the common seal of the Company, and the same may be in writing or in print, or partly in writing and partly in print.

Notices, how served on society.

72. Notices requiring to be served by the Society upon the members may be served either personally or by leaving the same for, or sending them through the post, in prepaid letters addressed to the members at their registered places of abode.

Service of notice, &c., by Post.

73. A notice or other document served by post by the Society on a member, shall be taken as served at the time when a letter containing it

would be delivered in the ordinary course of post : to prove the fact and time of service, it shall be sufficient to prove that such letter was properly addressed, and was put into the post office, and the time when it was put in, and the time requisite for its delivery in the ordinary course of post.

- 5 74. All notices directed to be given to the members, shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is first named in the register of members, and the notice so given, shall be deemed sufficient notice to all the proprietors of such share. Notice to person first on list to be notice to all his joint holders of share.
- 10 75. Every person who by operation of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by any and every notice, which previously to his name and address being entered upon the register of members, in respect of such share, shall have been given to the person from whom he shall derive his title. Transfer of share to be bound by notice given to previous holder.

Schedules referred to by the foregoing Act.

SCHEDULE A.

FORM OF CONVEYANCE.

By virtue of an Act of the Legislature of Canada, passed in the year of the reign of Queen Victoria, intituled (here set forth the title of this Act). We the Imperial Guarantee and Loan Society, in consideration of the sum of _____ to us paid, by A. B. of _____ do hereby grant to the said A. B. his heirs and assigns, all (describing the premises to be conveyed), together with all the ways, rights, and appurtenances, thereunto belonging, and all such estate, right, title and interest, in and to the same, as we the said Company are, or shall become possessed of, or are by the said Act empowered to convey. To hold the said premises to the said A. B., his heirs and assigns for ever.

Given under the Common Seal of the said Company, this _____ day of _____ in the year of our Lord _____

SCHEDULE B.

FORM OF A MORTGAGE DEED.

By virtue of an Act of the Legislature of Canada, passed in the year of the reign of Queen Victoria, intituled, (here insert the title of this Act). I, A. B. of _____ in consideration of the sum of _____ paid to me by the Imperial Guarantee and Loan Society, do hereby pursuant to the said Act, convey to the said Society, their successors and assigns, all (describing the real or personal property to be conveyed) and all such estate, right, title, and interest in and to the same as I am, or shall become or be possessed of. To hold the same to the said Society, their successors and assigns, for ever, subject to redemption on payment to the said Society, their successors or assigns, of the said sum of _____ on the _____ day of _____ eighteen _____ with interest for the same at the rate of _____ for every one hundred _____ by the year, payable half yearly on the _____ day of _____ and the _____ day of _____ in every year, (add any special powers which may be agreed on).

In witness whereof, I have hereunto set my hand and seal the _____ day of _____ in the year of our Lord _____

FORM OF BOND.

By virtue of an Act of the Legislature of Canada passed in the year of the reign of Queen Victoria, intituled (here insert the title of this Act.) I, A. B., in consideration of the sum of _____ to me in hand paid by the Imperial Guarantee and Loan Society, and held and firmly bound to the said Society, their successors and assigns, in the penal sum of _____ to be paid to the said Society, their successors and assigns.

The condition of the above obligation is such, that if the said A.B. his heirs, executors, or administrators, shall pay to the said Company their successors, or assigns on the _____ day of _____ which will be in the year one thousand eight hundred and _____ the principal sum of _____ together with the interest for the same, at the rate of _____ per centum per annum, payable half yearly, on the _____ day of _____ and the _____ day of _____ then the above written obligation is to become void, otherwise to remain in full force and virtue.

In witness whereof I have hereunto set my hand and seal, the day of _____ in the year of Lord _____

 SCHEDULE C.

 INSTRUMENT OF TRANSFER OF SHARE. IMPERIAL GUARANTEE
AND LOAN SOCIETY.

I, A. B., of _____ in consideration of the sum of _____ paid to me by (C. D.) of _____ do by this writing transfer to the said (C.D.) the share (or shares), number _____ now standing in my name in the books of the above-named Society, to hold him, his executors, administrators and assigns, subject to the conditions on which I now hold the same, and I the said (C.D.) do by this writing accept the said share (or shares) subject to the conditions aforesaid, and agreed to become a member of the said Society. As witness our respective hands this day of _____ one thousand eight hundred and _____

A. B.

C. D.

Signed by the above-named A.B. and C.D. respectively, in presence of _____ (N.O. with description and address.)