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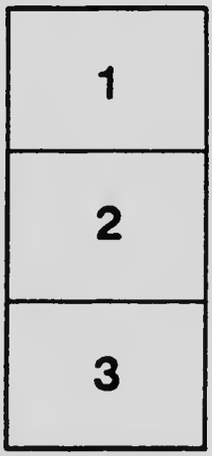

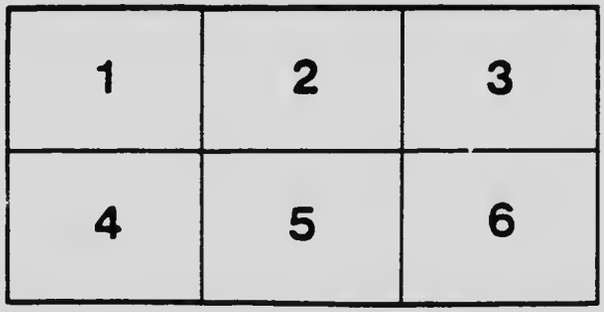

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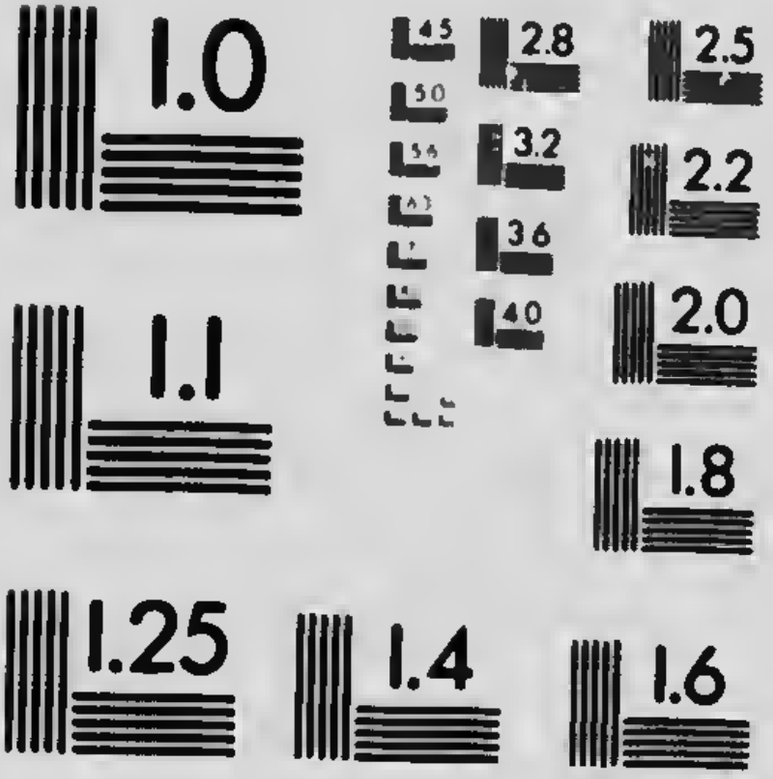

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The Quebec Companies Act, 1920

(10 GEORGE V CHAPTER 72)

Published under the direction of J.-A. Hudon, K. C.

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EXPLANATORY NOTES

The Quebec Companies, Act, 1920, passed at the last session of the Legislature, makes a considerable change in our system of company law.

It is opportune to examine the reasons which have governed the alterations, and to see what are the amendments which have been made to the company law heretofore existing in the Province of Quebec. Following that will be found a few remarks which are calculated to assist applicants for the incorporation of new companies.

REASONS FOR THE ACT

For several years past joint stock companies have increased very rapidly in number, to such an extent that the number of partnerships in which each of the partners assists, either by his work, his property or his credit, that is to say commercial partnerships governed by the provisions of the civil code, is diminishing from day to day. This tendency is due to the fact that the investment of capital under the former system offers advantages which are not available under the latter.

The incorporated joint stock company possesses a continuity of existence which is not possessed by the commercial partnership. The former limits the liability of its shareholders to the amount of their respective subscriptions, while the latter, in many cases, renders liable the whole property of the partner. The joint stock company, acting through its board of directors, under the control of its shareholders, has a better system for the conduct of business, and allows the placing in control of such persons as have greater business ability. It is very difficult to obtain the same practical result where there are two or more persons, each having the same powers, and with the same right to control, without regard to the inequality of the different interests at stake.

Our business is being carried on more and more by means of companies. It might be said that it is the company which

is the most important factor in the development of commerce and industry. No doubt the future will see this tendency more and more accentuated.

Owing to the fact that the public have shown such a tendency to take advantage of the company system of doing business, the Legislature felt that it should put at the disposal of the commercial and industrial world a system of company law suited to their requirements. It is for that reason that the existing laws have been amended in such a way as to facilitate the incorporation and administration of joint stock companies as well as of corporations having no share capital. The Legislature has understood the important role which companies and corporations are called upon to play in the commercial and industrial world.

In addition to the new requirements which arise each day and which cannot but increase in the period of reorganisation through which we are now passing, the judgments of the Privy Council in important cases which it has been called upon to decide (the companies' reference and the insurance reference—Bonanza case) having recognized that a provincial company has the same right to carry on business outside the limits of its province as a dominion company, the whole rendered necessary new provincial legislation appropriate to the needs of the hour.

Our legislation could well bear comparison with most other systems of the same nature ; however, in order not to be surpassed, it must, at the proper time, join in the march of progress and keep place with modern requirements.

The nature of modern business and the up-to-date methods which are now followed have given rise, of latter years, to commercial and financial transactions which were not foreseen by the laws of the other provinces of the Dominion. There again it was necessary to take a step further to put at the disposal of business men and financiers whatever was required to aid in the complete developement of their industry and commerce.

It is in that spirit that the Canadian Bar Association in the last few years has favored the doctrine of uniformity of the provincial and dominion laws governing joint stock companies in this country. Certain of our business men are of the opinion that our commercial relations with England will be improved in proportion as the resemblance between our laws and theirs is increased. The Boards of Trade of England and of Australia have

pronounced themselves to the same effect. Without following blindly in every respect, still it is well for us to endeavor to make use of whatever part of their law we believe will be advantageous to us.

The Quebec Companies, Act, 1920, meets the needs above mentioned by facilitating the formation of new companies, by suppressing certain non-essential initial formalities. Furthermore this Act will tend to assist in the easy working of the company after its formation, because it no longer contains useless and out-of-date restrictions which are incompatible with modern methods. The legislator has introduced in the Act new provisions intended for the protection of the public. Such, for example, are the provisions relating to access to the books and to trust deeds, to the auditing of accounts, to inspection and registration.

HISTORICAL

Let us examine briefly the history of company legislation in the province of Quebec.

The first act respecting joint stock companies dates from 1868. The legislature at that time passed two acts, one, 31 Victoria, Chap. 24 : "The Joint Stock Companies General Clauses Act" relating to companies incorporated by an act of the Legislature ; the second, 31 Victoria, Chap. 25 : "An Act respecting the incorporation of joint stock companies". This latter act applied to companies incorporated by letters patent of the Lieutenant-Governor in Council, and later, by amendment, of the Lieutenant Governor. (38 Victoria, Chap. 39 and 44-45 Victoria, Chap. 11), These laws and their amendments were consolidated into articles 4651 to 4753 of the Revised Statutes of the Province of Quebec, 1888.

In 1907 a completely new act respecting companies incorporated by letters patent, the act 7 Edward VII, chapter 48, was passed. It was to a great extent a reproduction of the Dominion Act, and the latter had followed the English Act of 1862. It was this act 7 Edward VII, chapter 48, which, with slight modifications, became the Quebec Companies' Act (Articles 6002 to 6090 inclusive, of the Revised Statutes, 1909). Since that revision there has been no considerable amendment.

On the other hand, the law respecting companies created by special acts of the Legislature has been very slighty amended

since the revision of 1888, so that although originally such provisions were in all respects similar to the corresponding provisions for companies incorporated by letters patent, these two acts at the present time differ considerably one from the other.

In order to bring about a similarity which is from every point of view desirable, the new act, whether dealing with the issue of letters patent, or the granting of a charter by a special act, contains similar provisions on every point except those which must necessarily be different owing to the difference in the manner of incorporation. Each offers identical advantages, and confers the same powers as those accorded by the Dominion Act.

The Privy Council has declared, in its judgment on the company reference, that the letters patent of the Lieutenant Governor were assimilated to the former royal charter; that companies incorporated by such letters patent had, like individuals, the right to carry on business in every place, and that provisions in proper terms could grant the same powers to companies incorporated by special act. It was on account of that judgment and to take advantage of that declaration that the act 7 George V, Chapter 43, was passed. That act declares that every company or corporation incorporated by or under a general or special act of the Legislature of the former province of Lower Canada or of the former province of Canada, for one or more of the objects within the jurisdiction of the Legislative authority of the province of Quebec, or heretofore or hereafter incorporated by or under a general or special act of the Legislature, has, has always had, and shall have, subject to any restrictions in that regard contained in its charter, the capacity to acquire, possess and exercise, outside of the province of Quebec, the rights and powers which may be recognized or be conferred upon it by the laws in force in any other province or in any foreign country.

It is the legislation respecting companies incorporated by letters patent which has served as a point of departure for the act with which we are now dealing.

Over and above the amendments made to these acts, there are new provisions allowing the formation of corporations which have no capital stock, but which are incorporated, not for the purpose of gain, but rather for patriotic, religious, national, litterary or athletic objects, or the like. Corporations governed by the provisions of the Civil Code must, for the most part

apply to the Legislature to obtain a legal existence and the powers necessary to attain the proposed objects. The new act allows of their incorporation by letters patent, a much easier, quicker and less costly manner of attaining the desired object.

The law is, accordingly, divided into three parts : the first relating to companies incorporated by letters patent (Articles 5958 to 6040) ; the second respecting joint stock companies created by special act of the Legislature (Arts. 6041 to 6081) and lastly part III, which deals with corporations without share capital, to which reference has just been made (Arts. 6082 to 6090).

ANALYSIS OF THE ACT

Part one is preceded by two general provisions which apply to the whole act. One refers to the name under which this part of the Revised Statutes, 1909, may be cited. The other is to the effect that the Lieutenant-Governor may appoint a competent person to sign in his place any document that he is authorized to sign in virtue of this act. This provision of the act is enacted principally to facilitate the carrying on of business.

Three systems were presented for the choice of the Legislature, viz : registration, letters patent signed by the Secretary of State or the provincial Secretary, and letters patent signed by the Lieutenant-Governor.

By the former, which has been adopted in England, in the provinces of Nova Scotia, Saskatchewan, Alberta and British Columbia, the applicants, after having set forth the objects proposed, and having prepared a deed of agreement, are, by registration, incorporated. This manner of procedure has given rise to discussion with respect to the powers of the Secretary of State to refuse registration or not. It has been argued that registration was not a favor but an absolute right of the applicants. The second method is the issue of letters patent signed by the Secretary of State. The procedure is the same as that followed for obtaining letters patent from the Lieutenant-Governor. It is this second system which is in force at Ottawa.

Then we have the third system, incorporation by letters patent signed by the Lieutenant-Governor. The latter system has been in force up to now, and that is the system at present in force in the provinces of Ontario, New Brunswick and Prince Edward Island.

Owing to the judgment of the Privy Council, it was found inexpedient to adopt either of the first two systems. Mention has already been made of the consequences of the assimilation recognized by this judgment as to the powers of companies to carry on their operations outside the territorial limits of their province of origin.

The only advantage which follows from incorporation by registration is that resulting from the rapidity of procedure in obtaining letters patent. With the delegation of the power of the Lieutenant-Governor to another person to sign on his behalf every document which he is authorized to sign under the act, the same result is achieved, the only desideratum, without running the risk of losing the advantage which such judgments have established in our favour.

We are retaining the letters patent from the Lieutenant-Governor, and such letters patent are still of the same character, and confer the same powers, as the royal charters of olden-time.

After these preliminary provisions which have just been referred to, we have the beginning of Part I of the act.

AMENDMENTS

This FIRST PART, in respect to companies incorporated by letters patent, applies to every company to be hereafter incorporated for any object falling within the legislative jurisdiction of the Province, except for the construction and working of railways, the business of insurance, or the transaction of trust business. This part applies also to every company which has been incorporated in that manner under the act of 1868 (31 Victoria, chapter 25), and under articles 4694 to 4753 of the Revised Statutes 1888, the act 7 Edward VII, chapter 48, or the Quebec Companies' Act (articles 6002 to 6090 of the Revised Statutes 1909. Companies of a special character, governed by special acts, for example mining, telephone, telegraph or other similar companies, are not made subject to the provisions of this part.

As to railway, insurance and trust companies, which by their nature require a special control, more strict than that of the ordinary company, it is obviously impossible to have them subject to the same law as the latter.

A very important amendment, already adopted in the session of 1919 (9 George V, chapter 63), respecting advertisements in newspapers, has been continued in the act under consideration. Originally a notice prior to the application for incorporation was required. Then this rule was departed from (44-45 Victoria, chapter 11, section 2) and from that time on no notice was required until after the granting of the letters patent. Such publications, which entailed considerable expense, were the cause of considerable justifiable criticism. For that reason, following the example of the Dominion Act and also of most of the provincial legislatures, the advertisements, other than those published in the *Official Gazette*, have been done away with.

Several other innovations have been put in force in the new act. For instance, the letters patent, and likewise supplementary letters patent, may authorize the issue of shares without nominal or par value. Such authorization however is subject to such restrictions as to ensure that shareholders and third parties who have business dealings with the company so authorized, are sufficiently protected (Article 5967*e*).

It may happen that the corporation originally incorporated without share capital, with a patriotic, philanthropic, athletic or other object, without hope of gain, may, for one reason or another, desire to be transformed into a joint stock company governed by the provisions of Part I of the Act, instead of being subject to the provisions of Part III. This privilege is granted to such corporations by article 5967*e*.

In the same way, a company existing under any special or general act, other than the acts under which companies have been heretofore incorporated by letters patent, or in other words, a company which has not been incorporated under the act 31 Victoria, chapter 25 (articles 4694 to 4753 of the Revised Statutes, 1888) or the act 7 Edward VII, chapter 48, or the Quebec Companies' Act, (Arts. 6002 to 6090 of the Revised Statutes, 1909), may obtain letters patent authorizing it to carry on business under part I of this act, and it has the advantage, without having to go to the Legislature, of extending its powers to such other objects permitted by law, which it may deem expedient to ask to have inserted in its letters patent.

Article 5967*f* allows two companies to amalgamate in such a way that the identity of each company shall cease to exist, and that both shall be replaced by a new organization. This

power of amalgamation, however, has been surrounded with precautions so that the liability towards creditors of the amalgamated companies is not in any way limited.

When a company has achieved the object for which it has been incorporated, the shareholders, if they deem it necessary, after having settled accounts among themselves, may renounce their charter without having recourse to the expensive procedure of liquidation, and may obtain cancellation of such charter. Article 5973*a* sets forth the conditions to which such company is subject, and how it must proceed to obtain the official confirmation of such renunciation. It is necessary in the first place that the company shall have neither debts nor obligations, or that it shall have made adequate provision for the same. It is necessary also that it shall have proceeded to the distribution of its assets among its shareholders. After such conditions are fulfilled, and shown to the satisfaction of the Provincial Secretary, the Lieutenant-Governor in Council may allow the surrender of such charter and order the cancellation thereof.

In order that the general public may be informed as to the situation of the principal place of business or head office of the company, the law requires the publication in the *Official Gazette* of a notice of such situation, and of any change therein. This information, which may at first sight appear unimportant, is really of considerable importance, for instance, with respect to the service of proceedings upon a company which has its principal place of business in a populous town, where it would be almost impossible to find its office if such notice had not been published.

The articles concerning the powers and duties of a company, save as to some changes in the drafting, are practically the same as those of the old act. Thus, on observing the provisions of article 5978 and following, a company may obtain supplementary letters patent extending its powers to such other objects for which letters patent may be obtained, or restricting or offering such powers as therein indicated.

Article 5982 has altered the recourse that a creditor of the company may, under the former article 6030 of the Revised Statutes, 1909, exercise, at his option, against any individual shareholder. Heretofore, instead of applying in the first place to the company itself, a creditor could take action directly against a shareholder for the recovery of the amount due him, up to the amount of the calls not yet paid by such shareholder.

This manner of proceeding, which added nothing to the security of the creditor, might be a source of annoyance to a shareholder who had subscribed for a considerable number of shares.

To-day the creditor must first apply to the company, and the latter, in order to avoid liquidation, must call in the instalments necessary to satisfy such claim, and in such case every shareholder whose shares are not fully paid up must contribute, in proportion to the amount due on his shares, but only up to such amount, to the payment of the claim and of the costs incurred.

Article 5989 relates to preferred stock issued by a company. One of the innovations contained in this provision is that the company may to-day purchase its own preferred stock. The act also contains provisions for the protection of holders of preferred stock, which provide for giving them information by the mere reading of their stock certificates, of the rights they have as holders of such stock. A share of preferred stock carries with it only the rights, privileges or restrictions set out at length in the certificate, and, if not so set out, such rights, privileges and restrictions shall be deemed non-existent. The provisions of this article are intended to protect the public against the issue of stock under false representations.

The Legislature has not seen fit to reproduce the articles of the Imperial or of the Dominion act respecting prospectuses issued by companies or the declarations which the latter are bound to make in the place and stead of such a prospectus. It was felt that this complicated procedure, apart from the numerous errors to which it gives rise, has the effect of uselessly increasing the obligations of the company, and does not provide any protection proportionate to the amount of work required.

Companies are bound to furnish to their shareholders certificates of the shares held by them, and application may be made for insertion in the letters patent of provisions authorizing the company, with respect to any fully paid up shares, to issue certificates to bearer. Such certificates are commonly called share warrants, and are transferable by delivery, something which is very common in the United States. It is easy to understand how business can be facilitated in this way. The share warrants may be accompanied by coupons representing future dividends. In that case it offers the same facility of negotiation and the same advantages as a bearer bond, with, in addition,

the advantage that the bearer of the share warrant may, subject to the by-law or to the provisions contained in the letters patent, apply to be registered as a shareholder of the company, upon the surrender of such certificate, and may obtain the same voting rights as the holder of a certificate in his own name.

The provisions respecting the increase or reduction of capital, contained in articles 5992 to 5997 of the Act, set forth in a precise manner what was the practice under former legislation dealing with the same subject, with the exception that the question of the reduction of the capital is put under the control of the Provincial Secretary so as to protect both the shareholders and the creditor who might have reasons to urge in opposition to such reduction.

The provisions contained in article 5994*e* and following have the practical effect of giving to creditors and shareholders every facility for opposing such reduction, and for safeguarding their rights, if they have been unable to exercise them. With respect to the creditors, the responsibility of the shareholders remains the same whether the company be put into liquidation or not.

In the old act provision was made for the floating of loans by the company, and for the creation of hypothecs as security for the said loans. The new act follows pretty much the wording of the old article 6058 of the Revised Statutes, 1909, subject, since the passing of the act 4 George V, chapter 51, to articles 6119*a* and following of the said Statutes.

The present act brings about a proper agreement, respecting hypothecs, mortgages and pledges, between the Companies' Act and these articles 6119*a* and following.

Article 6009*a* of the new act contains a very useful provision. How many persons have been prevented heretofore from taking communication of the terms and conditions of a trust deed relating to a bond issue by a company ? To-day the holder of any bond or other security may himself, without having recourse to assistance from any one, obtain a copy of the deed.

Article 6010*a* allows the directors of the company to order that the amount of any dividend that they may lawfully declare, instead of being paid in money, shall be paid to the shareholders, in whole or in part, in capital stock of the company or credited to the shareholders on any balance due on shares not fully paid up. The exercise of this power by the directors is subject to two conditions, that is, the existence of profits and the existence of unissued

stock. For example, a company with an authorized capital of $500,000.00 has issued shares up to $400,000.00. It will then be lawful for the directors to issue shares for the whole or any part of the remaining $100,000.00 of the capital and to enter them in the names of the shareholders, as fully paid up shares, in proportion to the share of the dividend to which each shareholder is entitled, instead of paying out in cash the amount of profits to be distributed as a dividend, provided always that the operations of the company show a profit equal to the amount to be divided.

This provision allows the company to utilize its profits as additional capital.

Under the old act it was necessary to first obtain the consent of the shareholders and then to credit to each shareholder the amount of his dividend and charge up against him the shares issued to represent such dividend.

The words "in whole or in part" which are inserted in this article 6010*a* allow the directors to pay such dividends while retaining fractions of shares which cannot be allotted. Article 6057*aa* of part II contains a similar provision.

The provisional directors of a company remain in office until replaced by the directors who are duly elected, and, in the absence of any special provision in that respect in the letters patent, the number of such permanent directors shall be the same as the number of provisional directors, until such time as such number is changed by by-law of the company. It was in order to render article 6013 more clear that some words to this effect were added to the first paragraph.

Article 6020*a* relates to the distribution among the shareholders, after publication of a notice in the *Official Gazette*, of the assets of a company which is not in liquidation. This provision is to complete those respecting the surrender of a charter.

The provisions respecting annual and special meetings are much more complete than those of the old Quebec Companies' Act. It will suffice to mention among others the fixing of a date when, failing any provision in the letters patent or by-laws of the company, the annual general meeting shall be held, and the production of a balance sheet which must be laid before the shareholders at every such meeting. This will give an opportunity to the shareholders to obtain full information as to the affairs of the company, as the balance sheet, if drawn

up in accordance with the act, will contain all the necessary details.

The keeping of the registers mentioned in article 6025*a* is a safeguard against any unpleasant surprise for those who are interested in knowing such details as should be contained in such registers. A fairly severe penalty may be imposed upon any person whose duty it is to keep such registers for knowingly or wilfully authorizing or permitting the omission of any entry therein.

Then, always with a view to the protection of the public, a careful inspection of the affairs of the company and a thorough auditing of its accounts are assured by articles 6030 to 6030*k*.

If a shareholder has reason to believe that it is in the common interest that an inspection be had, the provincial Secretary may, upon application to that effect, order such inspection. The cost of such inspection need not necessarily be borne by the applicants, but it was necessary to reserve the power of determining who shall be responsible therefore, in order to prevent unjustifiable applications. The company also has the right, in addition to its obligation of having its accounts audited, to have the same inspection made.

The appointment of auditors is obligatory, and the powers and duties of the latter are set forth in articles 6030*c* and 6030*d*.

As a complement to these provisions, the company is bound to forward every year, in duplicate, to the Provincial Secretary, a statement giving a summary of its affairs. Such statement, of which one duplicate is returned to the company after having been duly endorsed, is accessible to any shareholder who wishes to examine it. This gives to the shareholders another easy method of obtaining information as to the condition of the company. Under the provisions of article 6039 the same right of examination is given to every bond-holder and holder of preferred stock.

The last article of part I provides a penalty for every case for which no special penalty is provided.

Part II of the Act, which refers to joint stock companies incorporated by act of the Legislature, calls for no special comment. With the exception of the provisions which can apply only to companies incorporated by letters patent, part II contains, with respect to all such provisions as it is possible to make

common to all companies, rules which are absolutely identical with those that we have just been examining.

Naturally, there could be no question in part II, which relates to companies incorporated by special act, of provisions dealing only with questions which have to do with letters patent. For instance, part II could not authorize the changing of the name of the company nor of its objects or head office, which are fixed by the special act. Nor do we find in part II all those provisions which in part I deal with the increase and reduction of capital. However, such companies may always come back, as in the past, to the Legislature, to ask for amendments to their charters ; and they have, moreover, if they wish to exercise it, the right of putting themselves within the scope of the provisions of part I by making application for incorporation by letters patent under the provisions of article 5967*b*.

The fact that parts I and II of the act, with the exceptions above mentioned, are absolutely identical, is advantageous from many points of view.

Heretofore certain corporations could not be incorporated in any other manner than by special act of the Legislature. It is now possible, under the provisions of PART III, for persons desirous of being incorporated for objects of a national, patriotic, religious, philanthropic, charitable, scientific and the like character, but without pecuniary gain, to obtain letters patent from the Lieutenant-Governor (articles 6082 and following).

This right is also granted to corporations of the same nature already incorporated by a special act. Every year some corporations have been obliged to apply to the Legislature for amendments to their charters, and they have been obliged, before being able to exercise the additional powers applied for, to await the session of the Legislature, and the sanction of the act. It is easy to understand the inconvenience which this caused, and consequently how welcome and opportune this legislation will prove.

The operation of the bodies politic mentioned in part III is, as far as possible, assimilated to that of joint stock companies, always remembering that these corporations are not incorporated for any commercial purpose, and that they have no capital stock.

It would have been useless to repeat in this part all the provisions of part I which apply to such corporations, and therefore a

mere reference has been made to the articles of part I, excluding those incompatible with the objects of such corporations.

The advantages of this legislation are many : among others the making it easy to secure incorporation without application to the Legislature and the giving of greater uniformity, because such corporations must be satisfied with the general provisions of the law respecting incorporation by letters patent without being able to obtain the exceptional powers that they sometimes obtained under the old system, but which they would never apply for if they were not obliged to apply for the passing of a special act.

Such are the principal modifications introduced into our system of company law by the Quebec Companies' Act, 1920.

PROCEDURE

Although the procedure with respect to the application for incorporation by letters patent has not been altered, save as to the additional powers which may now be applied for, it will be as well, for the assistance of intending applicants, to make the few following remarks, with reference to the names and capacities of the applicants, the name of the proposed corporation, the provisional directors, the head office or principal place of business of the company, the proposed objects, the amount of the capital and its allotment.

APPLICANTS

The names of the applicants must be written out at length and without abreviations. The whole first names must appear with, if any, the initials of other first names serving to distinguish between two persons having the same first name and surname.

Moreover the applicants, who must be of the age of at least twenty-one years, must not be affected by any legal incapacity. It is not necessary that they should be British subjects, as aliens enjoy in this respect the same rights as do the subjects of His Majesty.

The name of each of the applicants must be followed by a statement of his profession or calling and of his domicile. Frequently these particulars are only given in the body of the petition, and this is a compliance with the law, but to mention

them at the beginning is recommended, because it is of assistance in studying a record. Naturally if it is possible to know from the commencement that a person whose name appears as a petitioner is not qualified, the study of the petition is very much simplified.

NAME OF THE COMPANY

The proposed name of the company requires particular attention. The act refers to names which are on public grounds objectionable, etc. Thus, one must not include in the name of a company the words : "Royal" or "Imperial".

Any name already used or any name which resembles a name already in use to such an extent that it is liable to be confounded therewith, must be eliminated. It is for the interest of parties to choose a name which is not objectionable, for, although the Lieutenant-Governor may give the company a name other than that suggested (article 5965), in practice the interested parties are generally consulted upon such alteration, and the delays which this may cause sometimes produce serious consequences.

GENERAL PROVISIONS

The present act has left the decision of many important points to the discretion of the company, by allowing the applicants to apply for certain provisions in the letters patent or in the special act, or, after incorporation, to insert such provisions in the by-laws of the company. It goes without saying that the insertion of a provision in the letters patent or in the special act render such provision permanent until the issue of new letters patent, or supplementary letters patent correcting the original letters patent, or until the passing of an act to amend the special act by which the company was incorporated. For example, it may be set forth in the letters patent or in the charter of the company how the shares of the company shall be allotted. Nevertheless, if no provision is made for such allotment, it may be determined by the directors, by by-law. In the absence of any other provision therefor, the number of directors to be elected shall be that fixed in the letters patent or in the charter (arts. 6013 and 6057*d*). Inasmuch as the number may subsequently be changed, it is not wise to fix the number irre-

vocably by inserting a provision to that effect in the petition for letters patent or in the draft bill, as the case may be.

The election of directors may be dealt with by special provisions in the letters patent or the special act (arts. 6018 or 6061), or in the by-laws. The same applies to the manner of election.

The date and place of holding the annual meeting are fixed in the letters patent or in the special act, if the applicants do not desire to hold such meeting at a date fixed by articles 6024*a* or 6065*a* and at the place where the head office is situated.

In conformity with the provisions of articles 6024*e* and 6065*e* each shareholder is entitled to as many votes as he holds shares. Here again it is possible to derogate from the general law by special provisions in the letters patent or the special act, or by the by-laws.

Articles 5998 and 6055 enact that the first instalment, for an amount equal to at least 10% of the allotted shares, must be called in and made payable within one year from the incorporation of the company. The applicants may have inserted in the letters patent or in the special act, as the case may be, provisions relating to the other calls. If the letters patent or the special act are silent upon that subject, provision may be made for the same by by-law.

There are certain other provisions which it is not necessary to insert, or which it is often preferable to not mention in the petition. Thus any applications with respect to the rights to borrow, to hypothecate, to mortgage, to pledge, to purchase property or to resell the same, to issue, accept, endorse or negotiate bills of exchange, etc., may be entirely omitted, because the act makes provisions therefor.

I might mention further that, except in the case of companies having shares without nominal or par value, it is not necessary to apply for the right to issue shares as preferred stock, and that it is even better to make no such application, because such shares confer upon the holders thereof only the preference and priority clearly set forth, and each amendment of such conditions if inserted in the letters patent or the special act incorporating the company, would require an application for the issue of supplementary letters patent, or for amendments to the charter. It might be said, on the whole, that it is better not to apply in the petition for any of the powers already granted by the general act

Such are the provisions which may be inserted but which it is better not to mention in the letters patent or the special act. Unless there is some serious reason to the contrary, it is more prudent not to bind the company by the charter, and to retain the right of making by by-law such provision for the matters referred to as circumstances may require.

OBJECTS

Following after the foregoing, it appears to be expedient to mention the objects for which the proposed company is to be incorporated. Such objects, with the exception of those relating to the construction and working of railways, the business of insurance or the transaction of trust business, may include anything within the bounds of the legislative authority of the province. It follows that any powers coming within the subjects which the British North America Act has reserved to the Dominion parliament, for example, the business of banking, should not be applied for, as they cannot be granted. It is impossible, in preliminary notes of this nature, to enumerate all the undertakings which might form the object of an application. Let it suffice to say broadly that any business, industry, art or trade may be carried on by a company in the same manner as by an individual.

After having described the principal objects and the nature of the operations of the company, the petition may add the power to acquire any undertaking of a similar nature, the assets or good-will of any other company, to exercise every power which may be ancillary or accessory to that which forms the principal object of the application, to purchase patent rights or franchises, and to exploit and dispose of the same, to enter into co-partnership with any company or person for union of interests, division of profits, cooperation, etc., to lend money for the purpose of guaranteeing contracts made by any person or company, or to assist any such person or company to fulfill such contracts, to purchase shares in any other company, to carry on any work necessary for that purpose, to make advances to its customers, to sell any part or the whole of its undertaking, to assist any organization created for the benefit of the employees of the company, to carry on business as agents, etc., etc.

When the petition contains an application to allow the sale or the supplying of electric power, heat or light, the petitioners must indicate the places in the province (districts or counties) where the company intends to carry on its business.

It is quite useless, and it should never be included in an application, to state that the company should have the right to carry on business outside of the province of Quebec, because the power to do so is conferred by private international law, and is not within the power or our Legislature to grant.

HEAD OFFICE

The petition should mention the place where the head office of the company is to be situated. It may likewise mention the other places where agencies may be established.

CAPITAL STOCK

Next comes the amount of capital stock, and the allottment of the shares composing the same.

Such shares may be preferred shares, common shares, or shares without nominal or par value.

The amount of the authorized capital is that represented by the common or preferred shares, at par, and the company may not commence to carry on business before 10% of such authorized capital has been subscribed and paid in (Art. 5972.). The petition must accordingly state the amount of the proposed capital, and also state how the same is to be divided.

Although the act contains no provision in that respect, the preferred stock and the common stock must be of the same denomination. Such shares may be of five, ten or one hundred dollars at the option of the petitioners. In case an application is made for authorization to issue shares having no nominal or par value, except in the case of preferred stock, the letters patent may fix the prices at which such shares shall be issued. If the letters patent are silent upon this point, the price shall be fixed by the board of directors, if so authorized by the letters patent ; if not, the price shall be fixed by the consent of two-thirds of each class of shares expressed at a meeting summoned for that purpose. Such shares shall be considered to be fully paid up at the price of issue, and the company shall not be

subject to the provisions of article 5972 respecting the commencement of business.

The amount represented by the price of issue is the amount with which the company is authorized to commence business, and it must in no case be less than $500.00. We might note in passing that preferred stock has in the English language two different names. It is known under the name of "preferred shares" and "debenture stock".

I draw attention to the fact that it is known under these two names because certain of the public who are not familiar with these expressions might believe, when they were purchasing stock under the latter name of "debenture stock", that they were purchasing bonds or debentures offering greater security and giving more privileges than given by preferred stock.

Preferred shares may be of different kinds in that they may give different preferences and priority, according to the by-law by which they are created. It will always be easy to ascertain just what preference or priority is attached to such stock, because the law requires that all the rights, privileges, priorities or restrictions attaching to such class of shares shall be set forth at length in the certificate.

The nature of the preference may be infinitely varied. Customarily the dividends declared are to go in the first place to the holders of preferred shares, and, in such cases, the dividends payable on such preferred shares are generally limited to a certain figure. If the profits of the company allow the payment of a dividend greater than that fixed for the preferred shares, the surplus is paid to the holders of the common stock.

Again, it may be provided that the holders of preferred stock shall be entitled, in case of an issue of new stock, to purchase a larger share of the new stock than the holders of the common stock, or, again, that such shareholders shall exercise, over the affairs of the company, a greater control than holders of the common stock, either by the number of directors that they have the right to elect, or in any other manner.

To counterbalance certain advantages,—for instance, the right to a prior dividend,—such shares may be subjected to certain restrictions. Again, it is easy to get all information with respect to such provisions, because they must be set forth either in the letters patent or in the by-law, which is subject to the approval

of the Lieutenant-Governor, and, in addition to that, they must appear on the face of the certificate.

Not much remains to be said respecting common stock. No special denomination is required, but such shares must be paid for in cash, or, if paid for otherwise, the consideration must represent in cash the value of such shares. In the latter case the transaction must appear in the contract deposited at the office of the Provincial Secretary, and the thing transferred must represent fully and entirely the value of the shares given in payment.

An application may be made in the petition for authorization to pay in stock of the company for a property, a franchise or any other thing which may be transferred or sold, but, in such cases, the petition must not mention the value of any such thing, because the letters patent can not and must not fix the value thereof. The deposit of such contract allows every interested party an opportunity of becoming acquainted with the tenor thereof.

THE AMOUNT SUBSCRIBED

After mentioning the amount of the capital stock and the number of shares into which it is divided, there must follow the full names, the addresses and the calling or occupation of the petitioners with, opposite their respective names, the amount of the capital subscribed by each of them.

PROVISIONAL DIRECTORS

The petition must, moreover, mention the names of at least three of the petitioners who shall be directors of the company. Under the old act, it was required that the directors should be at least five in number, but, under the present act, three are sufficient. In the same way, the number of petitioners has been reduced from five to three persons. It is not necessary to fix the number of directors who shall subsequently compose the board, unless it is desired that it should be composed at the first general meeting of a number greater than that of the provisional directors, for, in the absence of any provision in that respect, the number of directors to be elected at the first general meeting shall be the same as that of the provisional directors. Such number may, however, be subsequently changed by by-law.

SIGNATURE OF THE PETITION

All the petitioners must sign the petition and each signature must be witnessed. One witness will suffice for all the signatures. A declaration, under oath, establishing the truth of the facts alleged in the petition shall conclude and accompany the petition.

The forms following the text of the Quebec Companies' Act, 1920, contain all the details necessary for the procedure both before and after incorporation. After these forms appear the provisions of the Revised Statutes, 1909, respecting extra-provincial joint stock companies desirous of carrying on business in our province, and the provisions of the same statutes respecting the voluntary liquidation of joint stock companies.

J.-A. H.

Quebec, February 21st, 1920.

ERRATA

Page 20, article 5994*b*, line 11, read : "for reduction", instead of "or reduction"

Page 26, article 6009, sub-paragraph *d* should read :

"*d*. hypothecate or mortgage the immoveable property of the company, or pledge or otherwise affect the moveable property, or give all such guarantees, to secure the payment of loans made otherwise than by the issue of debentures, as well as the payment or performance of any other debt, contract or obligation of the company."

Page 28, article 6017, line 5, read "they make", instead of "it makes" ;

Page 31, article 6024*a*, line 2 of sub-paragraph *d* of paragraph 2, after the words "letters patent" insert the words "supplementary letters patent" ;

Page 50, article 6054*i*, strike out the words "for increasing or reducing the capital stock of the company, or" ;

Page 52, article 6056, line 5, read "transfers" instead of "transfer" ;

Page 54, article 6056*e*, paragraphs 4 and 5 to be combined and read as paragraph 4 ;

Page 54, article 6056*f*, sub-paragraph *d* should read :

"*d*. Hypothecate or mortgage the immoveable property of the company, or pledge or otherwise affect the moveable property, or give all such guarantees, to secure the payment of loans made otherwise than by the issue of debentures, as well as the payment or performance of any other debt, contract or obligation of the company" ;

Page 67, article 6073, sub-paragraph *o*, read "of debentures" instead of "on debentures" ;

Page 71, article 6085, sub-paragraph *a* of paragraph 2 should read :

"*a*. Conditions for the admission of new members ;" ;

Page 72, article 6086, in the fourth line of the second paragraph, read : "article 6088*c*" instead of "article 6088*a*" ;

Page 74, section 2, should read :

"2. Article 6111 of the Revised Statutes, 1909, is amended by inserting therein, after the word : "company", in the first line thereof, the words : "other than companies incorporated under the Quebec Companies' Act, 1920" ;

Page 75, The annex should be completed by adding at the end thereof, the following : 9 George V, chapter 63, An Act to amend the Quebec Companies' Act respecting certain advertisements. The whole.

QUEBEC COMPANIES' ACT, 1920

10 GEORGE V, CHAPTER 72

[ASSENTED TO 14th OF FEBRUARY, 1920]

HIS MAJESTY, with the advice and consent of the Legislative Council and of the Legislative Assembly of Quebec, enacts as follows:

1. Sections I and II of chapter third of title eleventh of the Revised Statutes, 1909, (articles 5957 to 6090 inclusive, and the forms A, B, C, D and E, following article 6090 of such statutes, as well as the amendments from time to time made thereto) are replaced as follows:

"SECTION I

" CERTAIN COMPANIES AND CORPORATIONS

SHORT TITLE AND GENERAL PROVISIONS

"**5957.** This section may be cited as "The Quebec Companies' Act, 1920. R.S., 1909, art. 6002.

"**5957***a*. The Lieutenant-Governor may appoint under his hand and seal, for such term as he thinks fit, a competent person to sign any document that he is authorized to sign under any provision of this section. The writing by which such appointment is made must be fyled in the department of the Provincial Secretary and Registrar, to form part of the archives of that department."

"PART I

"INCORPORATION OF JOINT STOCK COMPANIES BY LETTERS PATENT

"§ 1.—*Interpretation*

"**5958.** In this Part, and in all letters patent and supplementary letters patent issued under it, as well as in all regulations made by the Lieutenant-Governor in Coun-

cil, or by-laws made by the companies themselves, unless the context otherwise requires,—

a. the word "company" means any company to which this Part applies;

b. the word "undertaking" means the business of every kind which the company is authorized to carry on;

c. the word "shareholder" means every subscriber to or holder of stock in the company, and includes the representatives of the shareholder;

d. The word "manager" includes also the cashier, the secretary, the treasurer and the secretary-treasurer;

e. The word "debentures" includes also bonds and debenture-stock.

R. S., 1909, art. 6003, and *New*.

"§ 2.—*Application of Part I*

"**5959.** 1. This Part shall apply,—

a. to every company incorporated under it;

b. to every presently existing company incorporated by letters patent under any law of this Province at any date whatsoever before the coming into force of this Part for any purpose other than the business of insurance or trust business;

c. to every presently existing company incorporated under any special or general act, and which has subsequently obtained letters patent authorizing it to carry on business under the purview of the act 7 Edward VII, chapter 48, or articles 6002 to 6090 of the Revised Statutes, 1909;

d. to every corporation incorporated without share capital under the provisions of Part III of this section, or under a general or special act, and which, after the creation of a capital divided into shares, obtains supplementary letters patent under the provisions of this Part. (See Art. 5967*e*).

2. If it is necessary for the proper working of any joint stock company created under an act prior to the coming into force of this Part, that amendments be made to its charter, the Lieutenant-Governor may issue supplementary letters patent amending the charter of such company, which letters patent shall be granted on the petition of the president and secretary of the company, accompanied by a resolution of the board of directors authorizing the application. The Provincial Secretary shall give notice thereof by one insertion in the *Quebec Official Gazette*, in the form A. R. S., 1909, art. 6004, pars. 1 and 2, part; *New*.

"§ 3.—*Preliminaries*

"**5960.** The provisions of this Part relating to matters preliminary to the issue of the letters patent or supplementary letters patent, shall be deemed directory only, and no letters patent or supplementary letters patent issued under this Part shall be held void or voidable on account of any irregularity in respect of any matter preliminary to the issue of the letters patent or supplementary letters patent. R. S., 1909, art. 6005;

"§ 4.—*Formation of New Companies*

"**5961.** The Lieutenant-Governor may, by letters patent under the Great Seal, grant a charter to any number of persons, not less than three, who petition therefor, constituting such persons, and others who have become subscribers to the memorandum of agreement hereinafter mentioned and who thereafter become shareholders in the company thereby created, a corporation, for any of the purposes or objects to which the legislative authority of the Province extends, except the construction and working of railways, the business of insurance or the transaction of trust business. R. S., 1909, art. 6006; 3 Geo. V, chap. 44.

"**5962.** The petitioners, who must be of the full age of twenty-one years, shall file in the Department of the Provincial Secretary a petition setting forth the following particulars:

a. The proposed corporate name of the company, which shall not be that of any other known company, incorporated or unincorporated, unless with the consent of the latter, or any name liable to be confounded therewith, or otherwise, on public grounds, objectionable;

b. The purpose or purposes for which its incorporation is sought;

. The place within the Province where its head office is to be situated;

d. The proposed amount of its capital stock;

e. The number of shares and the amount of each share;

f. The names in full and the address and calling of each of the petitioners, with special mention of the names of not less than three of their number, who are to be the first or provisional directors of the company;

g. The amount of stock taken by each petitioner. R.S., 1909. art. 6007, part.

"**5963.** The petition may ask for the embodying in the letters patent of any provision which, under this Part, might be made by by-law of the company or by by-law of

the directors approved by a vote of the shareholders; and such provision so embodied shall not, unless provision to the contrary is made in the letters patent, be subject to repeal or alteration by by-law.

The petition shall be accompanied by a memorandum of agreement, in duplicate, both of which may be similar to—and shall in their essential features conform to—the forms B and C.

Before the letters patent are issued, the petitioners shall establish, to the satisfaction of the Provincial Secretary, the sufficiency of their petition and memorandum of agreement and the truth and sufficiency of the facts therein set forth, and that the proposed name is not the name of any other known incorporated or unincorporated company, unless with the consent of the latter, or any name likely to be confounded therewith; and for that purpose the Provincial Secretary shall take and keep of record any requisite evidence in writing by oath or affirmation. R. S., 1909, art. 6008.

"**5964.** The letters patent shall recite such of the established averments in the petition and memorandum of agreement as the Provincial Secretary thinks proper. R.S., 1909, art. 6009.

"**5965.** The Lieutenant-Governor may give to the company a name different from that proposed by the petitioners if the proposed name is objectionable. R. S., 1909, art. 6010.

"**5966.** Notice of the granting of the letters patent shall be forthwith given by the Provincial Secretary, by one insertion in the *Quebec Official Gazette*, in the form D; and, subject to such publication, but counting from the date of the letters patent, the persons therein named, and such persons as have become subscribers to the memorandum of agreement or who thereafter become shareholders in the company, and their successors, shall be a corporation, by the name mentioned in the letters patent. R. S., 1909, art. 6011, part. R. S. C., c. 79, s. 13; 7-8 Geo. V (Can.), c. 25, s. 5, part.

"**5967.** Whenever the letters patent contain any misnomer, mis-description or other clerical error, the Provincial Secretary may, if there is no adverse claim, direct such letters patent to be corrected or to be cancelled, and correct ones to be issued in their stead.

The new or corrected letters patent shall have the same

effect as if correctly issued at the date of the original letters patent, and acquired rights of third persons shall not be affected by such correction or re-issue.

Notice of the correction of such letters patent or of the issue of new letters patent, shall forthwith be given by the Provincial Secretary in the *Quebec Official Gazette*, in the form E. R. S., 1909, art. 6012.

§ 5.—*Companies having shares without any nominal or par value*

"**5967***a*. 1. The letters patent, and, later, the supplementary letters patent, may provide for the issue of the shares without any nominal or par value, except in the case of preferred stock having a preference as to principal; and

a. If such preferred stock or any part thereof has a preference as to principal, the letters patent shall state the amount of such preferred stock having such preference, the particular character of such preference, and the amount of each share thereof, which shall be five dollars or some multiple of five dollars, but not more than one hundred dollars; and

b. The letters patent shall set out the amount of capital with which the company will carry on business, which amount shall be not less than the amount of preferred stock, if any, authorized to be issued with a preference as to principal, and in addition thereto a sum equivalent to five dollars or to some multiple of five dollars for every share authorized to be issued other than such preferred stock; but in no event shall the amount of such capital be less than five hundred dollars.

2. The statement referred to in paragraph 1 of this article, respecting shares without nominal or par value, contained in the letters patent, shall be in lieu of any statement prescribed by this Part as to the amount of the capital stock or the number of shares into which the same shall be divide', or the amount or the par value of such shares.

3. Each share of the capital stock without nominal or par value shall be equal to every other share of the capital stock, subject to the preferences given to the preferred shares, if any, authorized to be issued. Every certificate of shares without nominal or par value shall have plainly written or printed upon its face the number of such shares which it represents, and the number of such shares which the company is authorized to issue, and no such

certificate shall express any nominal or par value of such shares. The certificates of preferred shares having a preference as to principal shall state briefly the amount which the holder of any of such preferred shares shall be entitled to receive on account of principal from the surplus assets of the company in preference to the holders of other shares, and shall state briefly any other rights or preferences given to the holders of such shares.

4. The issue and allotment of shares authorized by this section, other than shares of preferred stock having a preference as to principal, may be made for such consideration as may be prescribed in the letters patent, or as may be fixed by the board of directors pursuant to authority conferred in the letters patent, or if the letters patent do not so provide, then by the consent of the holders of two-thirds of each class of shares then outstanding given at a meeting called for that purpose. Every share issued as permitted by this article shall be deemed fully paid and non-assessable, and the holder of any such share shall not be liable to the company or to its creditors in respect thereof.

5. A company to which this article applies shall not begin to carry on business nor incur any debts until the amount of capital stated in the letters patent has been fully paid. In case the amount of capital stated in the letters patent is increased as provided by this Part, such company shall not increase the amount of its indebtedness then existing until such increase of its stated capital has been issued and paid for. Any of the directors of the company who assent to the creation of any debt in violation of this article shall be liable jointly and severally for such debt; but no action shall be brought against any such director unless within one year after the debt has been incurred the creditor has served upon the director written notice of intention to hold him personally liable for such debt.

6. A company to which this article applies shall not be subject to article 5972.

7. A company to which this article applies shall not declare any dividend which reduces the amount of its capital below the amount stated in the letters patent or supplementary letters patent as the amount of capital with which the company will carry on business. In case any such dividend shall be declared, the directors in whose administration the same shall have been declared, except those who may have caused their dissent therefrom to be entered upon the minutes

of such directors at the time, or who were not present when such action was taken, shall be liable jointly and severally to such company and to the creditors thereof to the full amount of any loss sustained by such company or by its creditors respectively by reason of such dividend." R. S. C., c. 79, s. 7B; 7-8 Geo. V, (Can.), c. 25, s. 4.

"§ 6.—*Existing Companies*

"**5967***b*. 1. Any company heretofore incorporated for any purpose or object for which letters patent may be issued under this Part, whether under a special or a general act of this Province, other than the act 31 Victoria, chapter 25, or the joint stock companies' incorporation act, being articles 4694 to 4753, inclusive, of the Revised Statutes, 1888, or the act 7 Edward VII, chapter 48, or the Quebec Companies' Act, being articles 6002 to 6090, inclusive, of the Revised Statutes, 1909, and amendments thereto, and now being a subsisting and valid corporation, may apply for letters patent to carry on its business under this Part, and the Lieutenant-Governor may direct the issue of letters patent incorporating the shareholders of the said company as a company under this Part.

2. It shall not be necessary in any such letters patent to set out the names of the shareholders.

3. Notice of the granting of the letters patent shall be forthwith given by the Provincial Secretary, by one insertion in the *Quebec Official Gazette*, in the form F.

4. Subject to such publication, but counting from the issue of such letters patent, all the rights, property and obligations of the former company shall be and become transferred to the new company, and all proceedings may be commenced or continued by or against the new company that might have been commenced or continued by or against the old company.

5. The company shall thereafter be governed in all respects by the provisions of this Part, except that the liability of the shareholders to creditors of the old company shall remain as at the time of the issue of the letters patent. R. S., 1909, art. 6013, part; R. S. C., c. 79, s. 14, part.

"**5967***c*. If an existing company applies for the issue of letters patent under this Part the Lieutenant-Governor may, by the letters patent, extend the powers of the company to such other objects for which letters patent may be issued under this Part as the applicant desires, and as the Lieutenant-Governor thinks fit to include in the

letters patent. R. S., 1909, art. 6014, part; R. S. C., c. 79, s. 15, part.

"**5967***d*. The Lieutenant-Governor may in any letters patent issued under this Part to any existing company name the first directors of the new company, and the letters patent may be issued to the new company by the name of the old company or by another name. R. S., 1909, art. 6014, part; R. S. C., c. 79, s. 16, part.

"**5967***e*. A corporation without share capital incorporated under Part III of this section or under any other special or general act of this Province, may, with the consent in writing of at least four-fifths of its members, provide by by-law for the creation of a capital divided into shares and for the allotment and payment of such shares, and may fix and prescribe the rights and privileges of the shareholders. Such by-law shall be forthwith transmitted to the Provincial Secretary to be confirmed by letters patent or by supplementary letters patent; and the latter shall give notice thereof, by one insertion in the *Quebec Official Gazette*, in the Form G.

Subject to the publication of such notice, but counting from the issue of the letters patent or suplementary letters patent, the corporation shall cease to be governed by the provisions of Part III, and shall in every respect be subject to the provisions of this Part.

In the case of a corporation incorporated under any general or special act, the by-law must, moreover, if not so provided in its charter of incorporation, contain all the declarations contained in article 5962. R. S. Ont., c. 178, s. 9; *New*.

"§ 7.—*Amalgamation of Companies*

5967*f*. 1. Any two or more companies to which this Part applies, having the same or similar objects, may, in the manner herein provided, amalgamate, and may enter into all contracts and agreements necessary to such amalgamation.

2. The companies proposing to amalgamate may enter into a joint agreement for such amalgamation, prescribing the terms and conditions thereof, the mode of carrying the same into effect, and stating the name of the new company, the names, callings and places of residence of the provisional directors thereof, and how and when the subsequent directors shall be elected, with such other details as may be necessary to perfect the amalgamation and to provide for the subsequent management and working of the new com-

pany, and the number of shares of the capital, the par value of each share, and the manner of converting the share capital of each of the companies into that of the new company.

3. The agreement shall be submitted to the shareholders of each of the companies at a general meeting thereof called for the purpose of taking the same into consideration.

4. At such meetings of shareholders the agreement shall be considered, and if two-thirds of the votes of all the shareholders of each of such companies are for the adoption of the agreement, that fact shall be certified upon the agreement by the secretary of each of such companies under the corporate seal thereof.

5. Thereupon the amalgamating companies by their joint petition may apply to the Lieutenant-Governor for letters patent confirming the agreement; if such application is granted, notice thereof shall be given by the Provincial Secretary by one insertion in the *Quebec Official Gazette*, in the form H; and, subject to such notice, but counting from the date of the letters patent, the companies shall be deemed to be amalgamated and to form one corporation by the name in the letters patent provided, and the company so incorporated shall possess all the property, rights, privileges and franchises and be subject to all the liabilities, contracts, disabilities and duties of each of the companies so amalgamated.

6. All rights of creditors against the property, rights and assets of a company amalgamated or re-incorporated under the provisions of this Part, and all liens upon its property, rights and assets shall be unimpaired by such amalgamation, or re-incorporation, and all debts, contracts, liabilities and duties of such company shall thenceforth attach to the new re-incorporated company and may be enforced against it to the same extent as if such debts, contracts, liabilities and duties had been incurred or contracted by it. R. S. Ont. c. 178, ss. 10 and 13.

"§ 8.—*Change of Name*

"**5968.** If it is made to appear, to the satisfaction of the Provincial Secretary, that the name of a company (whether given by the original or by supplementary letters patent, or on amalgamation) is the same as the name of an existing incorporated or unincorporated company, unless with the consent of the latter, or so similar thereto as to be liable to be confounded therewith, or otherwise on public grounds objectionable, the Lieutenant-Governor may direct the

issue of supplementary letters patent, reciting the former letters and changing the name of the company to some other name which shall be set forth in the supplementary letters patent. Notice of the granting of the supplementary letters patent shall be given forthwith by the Provincial Secretary by one insertion in the *Quebec Official Gazette*, in the Form I. R. S. 1909, art. 6015.

"**5969.** When a company desires to adopt another name, the Lieutenant-Governor, upon being satisfied that the change desired is not for any improper purpose, may direct the issue of supplementary letters patent, reciting the former letters patent and changing the name of the company to some other name, which shall be set forth in the supplementary letters patent. R. S., 1909, art. 6016.

"**5970.** No alteration of its name under article 5968 or 5969 shall affect the rights or obligations of the company; and all proceedings may be commenced or continued by or against the company under its new name that might have been commenced or continued by or against the company under its former name. R. S., 1909, art. 6017.

"§ 9. *Tariff of fees and registration of letters patent*

"**5971.** 1. The Lieutenant-Governor in Council may, from time to time, establish, alter, replace or repeal the tariff of the duties and fees to be paid on application for letters patent and supplementary letters patent, as well as for every act to be done by the Provincial Secretary, by the department over which he presides, or by an officer of such department, as well as by the Lieutenant-Governor or by any person whomsoever, under this Part.

2. The amount of the fees may be varied according to the nature of the company, the amount of the capital stock and other particulars, as the Lieutenant-Governor in Council thinks fit.

3. The letters patent or supplementary letters patent issued under this Part shall not be delivered until after all duties and fees payable thereon are duly paid.

4. The Lieutenant-Governor in Council may likewise prescribe, from time to time, the manner in which letters patent and supplementary letters patent shall be registered, and may determine all other matters and prescribe all formalities necessary to ensure the carrying out of the objects of this Part. R. S., 1909, art. 6018; *and New.*

"§ 10.—*Commencement of Business*

"**5972.** The company shall not commence its operations or incur any liability before ten per cent of its authorized capital has been subscribed and paid for.

Every director who expressly or impliedly authorizes the operations of the company being so commenced or liabilities being so incurred, shall be jointly and severally liable with the company for the payment of such liabilities.

Nevertheless, the adoption by a company of the resolutions and other measures necessary for the acquisition of any moveable or immoveable property, right, contract or franchise, in consideration, either altogether or in part only, of shares issued by such company, shall suffice, if the value of such property, or of such right, contract or franchise, is at least equal to the amount which must be subscribed and paid up before the company may commence its operations, and if such acquisition is actually made.

R. S., 1909, art. 6019, part.; 7 Geo. V, c. 42, s. 1.

"§ 11.—*Forfeiture of Charter*

"**5973.** Unless another delay be specified in the letters patent incorporating a company, the charter of the company shall be forfeited *de jure* by non-user during three consecutive years, or if the company does not go into actual operation within three years after it is granted. R. S., 1909, art. 6020.

"§ 12.—*Surrender of Charter*

"**5973***a*. 1. The charter of a company incorporated by letters patent may be surrendered if the company proves to the satisfaction of the Lieutenant-Governor,

a. that it has no debts or obligations; or

b. that it has parted with its property, divided its assets rateably amongst its shareholders or members and has no debts or liabilities; or

c. that the debts and obligations of the company have been duly provided for or protected, or that the creditors of the corporation or their assignees consent; and

d. that the company has given notice of the application for leave to surrender by publishing the same once in the *Quebec Official Gazette* and once in a newspaper published in the French language and once in a newspaper published in the English language at or as near as may be to the place where the company has its head office.

2. The Lieutenant-Governor in Council, upon a due compliance with the provisions of this Part, may accept a surrender of the charter and direct its cancellation, and fix a date upon and from which the company shall be dissolved. Notice of such dissolution shall be given by the Provincial Secretary by one insertion in the *Quebec Official Gazette*, in the Form J, and the company shall thereupon become dissolved from and after the date fixed. R. S., Ont., c. 178, s. 31.

"§ 13. *General Powers and Duties of the Company*

"**5974.** All powers given to the company by the letters patent or supplementary letters patent, shall be exercised subject to the provisions and restrictions contained in this Part. R.S., 1909, art. 6021.

"**5975.** 1. The company may acquire and hold moveable and immoveable property requisite for the carrying on of its undertaking, may sell and alienate such property, both moveable and immoveable, and hypothecate the latter, and shall forthwith become and be vested with all property and rights, moveable and immoveable, held for it up to the date of the letters patent, under any trust created with a view to its incorporation, and with all the powers, privileges and immunities requisite or incidental to the carrying on of its undertaking.

"**5976.** The company shall, at all times, have an office in the place in which its chief place of business is situate, which shall be the legal domicile of the company; and notice of the situation of such office and of any change therein shall be published in the *Quebec Official Gazette* in the form K.

The company may establish such other offices and agencies elsewhere as it deems expedient. R. S., 1909, art. 6023.

"**5977.** Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or indorsed, and every promissory note and cheque made, drawn or indorsed on behalf of the company, by any agent, officer or servant of the company, in general accordance with his powers as such under the by-laws of the company, shall be binding upon the company; and in no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the

same was made, drawn, accepted or indorsed, as the case may be, in pursuance of any by-law, resolution or special order; and the person so acting as agent, officer or servant of the company shall not be thereby subjected individually to any liability whatsoever to any third person therefor; provided always that nothing in this Part shall authorize the company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as a bank-note. R. S., 1909, art. 6024, part.

"§ 14.—*Obtaining of further Powers or a restriction of powers*

"**5978.** The company may, from time to time, by a resolution passed by the votes of shareholders representing at least two-thirds in value of the subscribed stock of the company, at a special general meeting called for the purpose, authorize the directors to apply for supplementary letters patent,—

a. extending the powers of the company to such further or other purposes or objects for which a company may be incorporated under this Part, as set out in such resolution, or

b. reducing, amending or varying such powers, or any provisions of the letters patent or supplementary letters patent, in the manner set out in such resolution. R.S., 1909, art. 6025, part; R.S.C., c. 79, s. 34 part; 3-4 Geo. V (Can.), c. 23, s. 6.

"**5979.** The directors may at any time within six months after the passing of any such resolution, apply to the Lieutenant-Governor for the issue of such supplementary letters patent to confirm it. R. S., 1909, art. 6026.

"**5980.** Before such supplementary letters patent are issued, the petitioners shall establish, to the satisfaction of the Provincial Secretary, the due passing of the resolution authorizing the petition, and for that purpose the Provincial Secretary shall take and keep of record any requisite evidence in writing by oath or affirmation. R. S., 1909, Art. 6027.

"**5981.** Upon due proof so made, the Lieutenant-Governor may grant supplementary letters patent extending the powers of the company to all or any of the objects set out in the resolution, or reducing, amending or varying such powers, according to the tenor of the resolution; and notice thereof shall be forthwith given by the Provincial Secretary, in the *Quebec Official Gazette*, accord-

ing to form L, and, after such publication, but counting from the date of the supplementary letters patent, the undertaking of the company shall extend to and include such other purposes or objects, or such powers shall be reduced, amended or varied, according to the tenor of the supplementary letters patent, as fully as if such other purposes or objects were mentioned in the letters patent or the charter by which the company was incorporated. R. S., 1909, art. 6028; part.

"§ 15.—*Liability of Shareholders*

"**5982.** The shareholders of the company shall not, as such, be responsible for any act, default or liability of the company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing relating to or connected with the company, beyond the amount unpaid on their respective shares in the capital stock thereof. R. S., 1909, art. 6030.

"**5983.** No person holding stock in the company as an executor, administrator, tutor, curator, guardian or trustee of or for any person named in the books of the company as being so represented by him, shall be personally subject to liability as a shareholder; but the estate and funds in the hands of such person shall be liable in like manner, and to the same extent, as the testator or intestate or the minor, ward or interdicted person, or the person interested in such trust fund would be, if living and competent to act and holding such stock in his own name; and no person holding such stock as collateral security shall be personally subject to such liability, but the person pledging such stock shall be considered as holding the same and shall be liable as a shareholder accordingly. R. S., 1909, art. 6032.

"**5984.** Every such executor, administrator, tutor, curator, guardian or trustee, shall represent the stock held by him, at all meetings of the company, and may vote thereon as a shareholder; and every person who pledges his stock may represent the same at all such meetings, and, notwithstanding such pledge, vote thereon as a shareholder. R. S., 1909, art. 6033.

"§ 16.—*Holding Stock of other Companies*

"**5985.** The company shall not use any of its funds in the purchase of stock in any other company unless and until the directors have been expressly authorized by a by-law passed by them for the purpose and sanctioned by a vote of

not less than two-thirds in value of the capital stock represented at a general meeting of the company duly called for considering the subject of the by-law; but if the letters patent authorize such purchase it shall not be necessary to pass such by-law.

This article shall not apply to a company incorporated for the purpose of carrying on the business of buying, selling or dealing in shares, as to shares bought with the intention of reselling them. R. S., 1909, art. 6035, part.; R. S., Ont., c. 178, s. 94, *part.*

"§ 17.—*Capital Stock*

"**5986.** Subscriptions for stock must be paid in cash, unless payment therefor in some other manner has been agreed upon by a contract filed with the Provincial Secretary at or before the issue of such shares or within thirty days thereof.

The amount of paid up capital, from year to year, shall be published annually in a report to the shareholders. R. S., 1909, art. 6036, *part.*

"**5987.** The stock of the company shall be moveable property, and shall be transferable, in such manner, and subject to all such conditions and restrictions, as are prescribed by this section or by the letters patent or by-laws of the company. R. S., 1909, art. 6037.

"**5988.** If the letters patent, or the supplementary letters patent, make no other definite provision, the stock of the company, or any increased amount thereof, so far as it is not allotted thereby, shall be allotted at such times and in such manner as the directors prescribe by by-law. R. S., 1909, art. 6038.

"**5989.** 1. The directors of the company may make by-laws for creating and issuing any part of the capital stock as preferred stock.

2. Any such by-law may give such preferred stock such preference and priority, as respects principal, dividends, or in any other respect, over common stock, as in such by-law declared; or may limit the right of the holders thereof to specific dividends, profits or repayments; or may provide that the holders of such shares shall have the right to select a certain stated proportion of the board of directors, or that they shall have greater or less control over the affairs of the company than the holders of common stock, which control shall be stated in the by-law; or may

restrict or extend the rights of holders of such shares in any other way not contrary to law or to these provisions; or may provide for the purchase of such shares by the company in the manner set forth in the by-law.

The provisions of any by-law granting rights or privileges to the holders of such shares, or restricting those conferred upon them by law, shall be set out at length in the certificate of such shares, and, if not so set out, such rights, privileges and restrictions shall be deemed non-existent.

3. No such by-law shall have any force or effect until after it has been approved by a vote of at least three-fourths of the shareholders, present in person or by proxy at a general meeting of the company duly called for considering the same, and representing at least two-thirds of the stock of the company, and sanctioned by the Lieutenant-Governor.

4. Whenever the total amount of the purchase or purchases of preferred stock made in accordance with a by-law passed in virtue of this article reaches or exceeds ten per cent of the capital stock of the company, notice thereof must be given to the Provincial Secretary within the thirty days following the date when such purchase or purchases reached or exceeded such amount.

Such notice must be published forthwith by the Provincial Secretary, at the expense of the company, in the *Quebec Official Gazette* and in two newspapers, one published in the French and the other in the English language in the locality where the company has its head office, or, if there be none published in that locality, then in newspapers published in the place nearest thereto.

Failure to comply with this provision shall render the company liable, in addition to the costs, to a fine of one hundred dollars for each day that such failure to send such notice to the Provincial Secretary continues.

5. Holders of shares of such preferred stock shall be shareholders, and shall in all respects possess the rights and be subject to the liabilities of shareholders within the meaning of this Part; subject, however, to the provisions of the by-law respecting the rights, privileges and restrictions therein mentioned.

6. No preference or priority given to the holders of preferred stock under this article shall in any way affect the rights of creditors of any company. R. S., 1909, art. 6039, part; R. S. C., c. 79, s. 47, *part, and New.*

"**5990.** The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any share; and the receipt of the

shareholder in whose name the same stands in the books of the company shall be a valid and binding discharge to the company for any dividend or money payable in respect of such share, and whether or not notice of such trust has been given to the company; and the company shall not be bound to see to the application of the money paid upon such receipt. R. S., 1909, art. 6040.

"§ 18.—*Share certificates*

"**5991**. 1. Every shareholder shall, without payment, be entitled to a certificate under the common seal of the company, stating the number of shares held by him and the amount paid up thereon; but, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate.

2. The certificate shall be *prima facie* evidence of title of the shareholder to the shares mentioned in it. R. S., Ont., c. 178, s. 54, § 1, 2.

"**5991***a*. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding twenty-five cents, and on such terms, if any, as to evidence and indemnity as the directors think fit. R. S., Ont., c. 178, s. 55.

"**5991***b*. A company, if so authorized by its letters patent or supplementary letters patent, and subject to the provisions thereof, may, with respect to any fully paid-up shares, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the share or shares therein specified, and may provide, by coupons or otherwise, for the payment of the future dividends on the share or shares included in the warrant hereafter termed a share warrant.

2. A share warrant shall entitle the bearer thereof to the shares therein specified, and the shares may be transferred by delivery of the warrant.

3. The bearer of a share warrant shall, subject to the provisions and regulations respecting share warrants contained in the letters patent or supplementary letters patent, be entitled, on surrendering it for cancellation, to have his name entered on the books of the company as the holder of the shares specified in such share warrant, and the company shall be responsible for any loss incurred by any person by reason of the company entering on the books

of the company the name of the bearer of a share warrant in respect of the shares therein specified without the warrant being surrendered and cancelled.

4. The bearer of a share warrant may, if the provisions and regulations respecting share warrants so provide, be deemed to be a shareholder of t e company either to the full extent or for any purposes defined by such regulations: except that he shall not be qualified in respect of the shares specified in the warrant for being a director of the company.

5. On the issue of a share warrant the company shall remove from its books the name of the shareholder then entered therein as holding such share or shares as if he had ceased to be a shareholder, and shall enter in such books the following particulars, namely:

a. the fact of the issue of the warrant;

b. a statement of the shares included in the warrant, and

c. the date of the issue of the warrant.

6. Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Part to be entered in the books of the company in respect of such share or shares, and, on the surrender, the date of the surrender shall be entered as if it were the date at which a person ceased to be a shareholder.

7. Unless the bearer of a share warrant is entitled to attend and vote at general meetings, the shares represented by such share warrant shall not be counted as part of the stock of the company for the purposes of a general meeting. R. S. C., c. 79, s. 68A.; 4-5 Geo. V (Can.), c. 23, s. 2.

"§ 19. *Increase and Reduction of Capital, and alteration in the value of shares*

"**3992.** 1. The directors of the company may, at any time, make a by-law subdividing the existing shares into shares of a smaller amount.

2. The directors may also, at any time, whenever the par value of the existing shares of the company is less than one hundred dollars each, make a by-law consolidating them into shares of a greater par value; but no such consolidated share shall exceed the par value of one hundred dollars.

3. For the purpose of such consolidation, the company may purchase fractions of shares, and the company shall sell any such shares held by them, within a delay of two years. R. S., 1909, art 6041.

"**3993.** 1. The directors may, at any time after ninety per cent of the capital stock of the company has been taken up and fifty per cent thereon paid in, make a by-law for increasing the capital stock to any amount which they consider requisite for the due carrying out of the objects of the company.

2. Such by-law shall declare the number of the shares of such new stock, and may prescribe the manner in which the same shall be allotted; and in default of its so doing, the control of such allotment shall vest absolutely in the directors. R. S., 1909, art. 6042.

"**3994.** A company may by by-law reduce its share capital in any way, and in particular, without prejudice to the generality of the foregoing power, may:

a. extinguish or reduce the liability on any of its shares in respect of share capital not paid up; or

b. either with or without extinguishing or reducing liability on any of its shares, cancel any paid-up share capital which is lost or unrepresented by available assets; or

c. either with or without extinguishing or reducing liability on any of its shares, pay off any paid-up share capital which is in excess of the wants of the company;

and may reduce the amount of its share capital and of its shares accordingly. R. S. C., c. 79, s. 54, *part*; 7-8 Geo. V (Can), c. 25, s. 8.

"**3994***a*. 1. Where the proposed reduction of share capital involves either extinction or diminution of liability in respect of unpaid share capital or the payment to any shareholder of any paid-up share capital, and in any other case if the Provincial Secretary so directs, every creditor of the company who at the date of the petition for supplementary letters patent, is entitled to any debt or claim which, it that date were the commencement of the winding-up of the company, would be admissible in proof against the company, shall be entitled to object to the reduction.

2. The Provincial Secretary shall settle a list of creditors so entitled to object, and for that purpose shall ascertain the names of those creditors and the nature and amount of their debts or claims. He may thereupon publish notices fixing a day or days within which creditors not entered on the list are to claim to be so entered or are to be excluded from the right of objecting to the reduction.

3. Where a creditor entered on the list does not consent to the reduction, the Provincial Secretary may, if he thinks fit, dispense with the consent of that creditor, on the company paying to the creditor his debt or claim in one of the ways hereafter mentioned, as the Provincial Secretary may direct, to wit:

a. If the company admits the full amount of his debt or claim, or, though not admitting it, is willing to pay it, then the full amount of the debt or claim;

b. If the company does not admit or is not willing to provide for the full amount of the debt or claim, or if the amount is contingent or not ascertained, then an amount fixed by the Provincial Secretary after the like inquiry and adjudication as if the company were being wound up. R. S. C., c. 79, s. 54B; 7-8 Geo. V (Can.) c. 25, s-8.

"**399-4***b*. 1. A shareholder of the company, past or present, shall not be liable in respect of any share to any call or contribution exceeding in amount the difference, if any, between the amount paid, or, as the case may be, the reduced amount, if any, which is to be deemed to have been paid, on the share, and the amount of the share as fixed by the supplementary letters patent:

Provided that if any creditor, entitled in respect of any debt or claim to object to the reduction of share capital, is, by reason of his ignorance of the proceedings or reduction, or of their nature and effect with respect to his claim, not entered on the list of creditors, and, after the reduction, the company is unable, within the meaning of the provisions respecting the winding up of companies, to pay the amount of his debt or claim, then,—

a. every person who was a shareholder of the company at the date of the supplementary letters patent shall be liable to contribute for the payment of that debt or claim an amount not exceeding the amount which he would have been liable to contribute if the company had commenced to be wound up on the day before the date of the supplementary letters patent; and

b. if the company is wound up, the court, on the application of any such creditor and proof of his ignorance as aforesaid, may, if it thinks fit, settle accordingly a list of persons so liable to contribute, and make and enforce calls and orders on the contributories settled on the list as if they were ordinary contributories in a winding-up.

2. Nothing in this article shall affect the rights of the

contributories among themselves, nor the recourse of any creditor against the company or the shareholders. R. S. C., c. 79, s. 54D; 7-8 Geo. V. (Can.), c. 25, sec. 8.

"**5994c.** Any director, manager, or officer of the company who (*a*) wilfully conceals the name of any creditor entitled to object to the reduction, or wilfully misrepresents the nature or amount of the debt or claim of any creditor; or who (*b*) aids or abets in any such concealment or misrepresentation—is guilty of an indictable offence and liable to one year's imprisonment or to a fine not exceeding two hundred dollars, or to both. R. S. C., c. 79, s. 54E; 7-8 Geo. V. (Can.), c. 25, sec. 8.

"**5994d.** The Provincial Secretary may require the company to publish, as he directs, the reasons for reduction, or such other information in regard thereto as he may think expedient with a view to give proper information to the public. R. S. C., c. 79, s. 54F; 7-8 Geo. V, (Can.), c. 25, s. 8.

"**5995.** No by-law for increasing or reducing the capital stock of the company, or for subdividing the shares, or consolidating them into shares of a greater par value, shall have any force or effect, until it is approved by the votes of shareholders representing at least two-thirds in value of all the subscribed stock of the company, at a special general meeting of the company, and afterwards confirmed by supplementary letters patent. R. S., 1909, art. 6044, part.

"**5996.** 1. The application for supplementary letters patent to confirm the by-law must be made by the directors not more than six months after the approval of the by-law by the shareholders.

2. The directors shall, with such application, produce a copy of such by-law, under the seal of the company, and signed by the president or vice-president and the secretary, and establish, to the satisfaction of the Provincial Secretary, the due passage and approval of such by-law, and the expediency and *bonâ fide* character of the increase or reduction of capital or subdivision or consolidation of shares as the case may be, thereby provided for.

3. The Provincial Secretary shall, for that purpose, take and keep of record any requisite evidence in writing, by oath or affirmation. R. S., 1909, art. 6045, part.

5997. Upon proof of the passing and approval of the

by-law, the Lieutenant-Governor may grant such supplementary letters patent, and notice thereof shall be forthwith given by the Provincial Secretary in the *Quebec Official Gazette*, according to the form M; and thereupon, from the date of the supplementary letters patent, the capital stock of the company shall be and remain increased or reduced, or the shares shall be sub-divided, or consolidated into shares of a greater par value, as the case may be, to the amount, in the manner and subject to the conditions set forth by such by-law; and the whole of the stock, as so increased or reduced, shall become subject to the provisions of this part, in like manner as if every part thereof had been or formed part of the stock of the company originally subscribed. R. S., 1909, art. 6046, part.

§ 20.—*Calls*

"**5998.** Not less than ten per cent upon the allotted shares of stock of the company shall, by means of one or more calls, be called in and made payable within one year from the incorporation of the company; the residue shall be payable when and as the letters patent, or the provisions of this Part, or the by-laws of the company direct. R. S., 1909, art. 6047.

"**5999.** A call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed; and if a shareholder fails to pay any call due by him, on or before the day appointed for the payment thereof, he shall be liable to pay interest thereon at the rate of six per cent per annum, from the day appointed for payment to the time of actual payment thereof. R. S., 1909, art. 6048.

"**6000.** The directors may, if they think fit, receive from any shareholder willing to advance the same, all or any part of the amounts due on the shares held by such shareholder, beyond the sums then actually called for; and upon the moneys so paid in advance, or so much thereof as, from time to time, exceeds the amount of the call then made upon the shares in respect of which such advance is made, the company may pay interest at such rate, not exceeding eight per cent. per annum, as the shareholders who pay such sum in advance and the directors agree upon. R. S., 1909, art. 6049

"**6001.** If after such demand or notice as is prescribed by the letters patent, or by resolution of the directors, or

by the by-laws of the company, any call made upon any share is not paid within such time as, by such letters patent or by resolution of the directors or by the by-laws, is limited in that behalf, the directors, in their discretion, by vote to that effect duly recorded in their minutes, may summarily declare forfeited any shares whereon such payment has not been made; and the same shall thereupon become the property of the company and may be disposed of as, by the by-laws of the company or otherwise, they prescribe; but, notwithstanding such forfeiture, the holder of such shares at the time of forfeiture shall continue liable to the then creditors of the company for the full amount unpaid on such shares at the time of forfeiture, less any sums which are subsequently received by the company in respect thereof. R. S., 1909, art. 6050.

"**6002.** The directors may, if they see fit, instead of declaring forfeited any share or shares, enforce payment of all calls, and interest thereon, by action in any court of competent jurisdiction; and in such action it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the defendant is a holder of one share or more, stating the number of shares, and is indebted in the sum of money to which the calls in arrears amount, in respect of one call or more, upon one share or more, stating the number of calls and the amount of each call, whereby an action has accrued to the company under this part.

A certificate under the seal of the company, and purporting to be signed by any of its officers, to the effect that the defendant is a shareholder, that such calls have been made, and that so much is due by him thereon, shall be received in all courts as *primâ facie* evidence to that effect. R. S., 1909, art. 6051.

§ 21.—*Transfer of Shares*

"**6003.** 1. No transfer of shares, unless made by sale under execution or under the decree, order or judgment of a court of competent jurisdiction, shall be valid for any purpose until entry thereof is duly made in the register of transfer, except for the purpose of exhibiting the rights of the parties thereto towards each other and of rendering the transferee liable in the meantime, jointly and severally with the transferor, to the company and its creditors.

2. This article shall not apply to companies whose stock is listed and dealt with on any recognized stock exchange by means of scrip commonly in use, endorsed in blank and transferable by delivery, which shall constitute valid

transfers; but the scrip-holder shall not be entitled to vote upon the shares until they are registered in his name in the books of the company. R. S., 1909, art. 6052.

"**6004.** No transfer of shares, whereof the whole amount has not been paid in, shall be made without the consent of the directors; and whenever any transfer of shares not fully paid in has been made, with such consent, to a person who is not apparently of sufficient means to fully pay up such shares, the directors shall be jointly and severally liable to the creditors of the company, in the same manner and to the same extent as the transferring shareholder, but for such transfer, would have been; but if any director present when any such transfer is allowed does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and is able so to do, enter on the minute book of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto, such director may thereby and not otherwise, exonerate himself from such liability. R. S., 1909, art. 6053.

"**6005.** No share shall be transferable until all calls payable thereon up to the time of transfer have been fully paid. R. S., 1909, art. 6055.

"**6006.** The directors may decline to register any transfer of shares belonging to any shareholder who is indebted to the company. R. S., 1909, art. 6056.

"**6007.** Any transfer of the shares or other interest of a deceased shareholder, made by his representative, shall, notwithstanding such representative is not himself a shareholder, be of the same validity as if he had been a shareholder at the time of his execution of the instrument of transfer. R. S., 1909, art. 6057.

"**6008.** 1. Whenever the interest in any shares of the capital stock of the company is transmitted by the death of any shareholder or otherwise, or whenever the ownership of any shares or the legal right of possession of the same changes by any lawful means other than by transfer, according to the provisions of this Part, and the directors of the company entertain reasonable doubts as to the

legality of any claim to such shares, the company may make and file in the Superior Court in and for the district in which the head office of the company is situated, a petition in writing, addressed to such court or to one of the judges thereof, setting forth the facts and the number of shares previously belonging to the person in whose name such shares stand in the books of the company, and praying for an order or judgment adjudicating and awarding the said shares to the person or persons legally entitled to the same.

2. Notice of the intention to present such petition shall be given to the person claiming such shares, or to the attorney of such person duly authorized for the purpose, who shall, upon the filing of such petition, establish his right to the shares referred to in such petition; and the time to plead and all other proceedings in such cases shall be the same as those observed in analogous cases before the said Superior Court.

3. The costs and expenses incurred in procuring such order or judgment shall be paid by the person or persons to whom such shares are declared lawfully to belong, and such shares shall not be transferred in the books of the company until such costs and expenses are paid, saving the recourse of such person against any person contesting his right to such shares.

4. The company shall be guided by the order or judgment of the court establishing the right to such shares. Such order or judgment shall hold the company harmless and indemnified and released from every other claim to the said shares or arising in respect thereof. R. S., 1909, art. 6054.

"§ 22.—*Borrowing Powers, etc.*

"**6009.** 1. If authorized by by-law, sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the company represented at a general meeting called for considering the by-law, the directors may, from time to time:

a. borrow money upon the credit of the company;

b. issue debentures or other securities of the company, and pledge or sell the same for such sums and at such prices as may be deemed expedient;

c. notwithstanding article 2017 of the Civil Code, hypothecate, mortgage or pledge the moveable or immoveable property, present or future, of the company, to secure any such debentures, or other securities, or give part only of such guarantee for such purposes; and constitute the hypothec, mortgage or

pledge mentioned in this sub-paragraph, by trust deed, in accordance with articles 6119*b* and 6119*c*, or in any other manner;

d. hypothecate or mortgage the immoveable property of the company, or pledge the moveable property, or do both, to secure the payment of loans made otherwise than by the issue of debentures, as well as the payment or performance of any other debt, contract or obligation of the company.

2. The limitations and restrictions contained in this article shall not apply to the borrowing of money by the company on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the company. R. S. 1909, art. 6058, part;

"**6009***a*. 1. A copy of any trust deed for securing any issue of debentures or other securities of the company shall be forwarded to every holder of any such debenture or other security at his request, on payment in the case of a printed trust deed of the sum of twenty-five cents, or such less sum as may be prescribed by by-law of the company, or, where the trust deed has not been printed, on payment of ten cents for every hundred words required to be copied.

2. If such copy is refused or is not forwarded upon request, the company shall be liable to a fine not exceeding one hundred dollars for such refusal or neglect, and to a further fine not exceeding ten dollars for every day during which the neglect to forward a copy continues, and every director, manager, secretary, or other officer of the company who knowingly authorizes or permits the neglect shall incur the like penalty. R. S. C., c. 79, s. 69J, part; 7-8 Geo V (Can.) c. 25, s. 9; 8 Ed. VII (Imp.), c. 69, s. 102, part.

" § 23.—*Dividends*

"**6010.** 1. No dividend shall be declared which will impair the capital of the company.

2. The annual dividend may, however, be supplemented or paid entirely out of the reserve fund. R. S., 1909, 6059, part.

"**6010***a*. The directors may provide that the amount of any dividend that they may lawfully declare shall be paid, in whole or in part, in capital stock of the company, and for that purpose they may authorize the issue of shares of the company as fully paid or partly paid, or may credit the amount of such dividend on the shares of the company already issued but not fully paid, and,

in the latter case, the liability of the holders of such shares shall be reduced by the amount of such dividend.

"**6011.** The directors may deduct from the dividends payable to any shareholder all such sums of money as are due from him to the company, on account of calls or otherwise. R. S., 1909, art. 6060.

"§ 24.—*Directors and their Powers*

"**6012.** The affairs of the company shall be managed by a board of not less than three directors. R. S., 1909, art. 6061, part.

"**6013.** The persons named as such, in the letters patent, shall be the directors of the company, until replaced by others duly appointed in their stead; and, in the absence of other provisions in respect thereof in the letters patent, their number shall be that of the directors to be elected, until otherwise provided in accordance with article 6016.

If not so replaced within six months from the date of the incorporation of the company, any of said persons or, if they be not living, their heirs or assigns, may cause a meeting to be held by giving fifteen clear days' notice of the time and place thereof in the *Quebec Official Gazette*, and the said persons, their heirs or assigns, present at such meeting, may pass by-laws, allot stock, and elect directors. R. S., 1909, art. 6062.

"**6014.** If, at any time, an election of directors is not made, or does not take effect at the proper time, the company shall not be held to be thereby dissolved; but such election may take place at any subsequent general meeting of the company duly called for that purpose; and the retiring directors shall continue in office until their successors are elected. R. S., 1909, art. 6063.

"**6015.** No person shall be elected or appointed as a director thereafter unless he is a shareholder, owning stock absolutely in his own right, and to the amount required by the by-laws of the company, and not in arrears in respect of any call thereon.

In the absence of any provision in that respect in the by-laws, the number of shares necessary as qualification for a director shall be one. R. S., 1909, art. 6064; *and New.*

"**6016.** The company may, by by-law, increase, or decrease to not less than three, the number of its

directors, or may change the company's head office, provided it be within the Province, but no by-law for either of the said purposes shall be valid or acted upon, unless it is approved by a vote of at least two-thirds in value of the stock represented by the shareholders present at a special general meeting duly called for considering the by-law, nor until a copy of such by-law, certified under the seal of the company, has been deposited with the Provincial Secretary, and has also been published in the *Quebec Official Gazette*. R. S., 1909, art. 6065, part.

"**6017.** Directors of the company shall be elected by the shareholders, in general meeting of the company assembled, at some place within the Province, at such times, in such manner and for such term, not exceeding two years, as the letters patent or, if it makes no provision therefor, as the by-laws of the company prescribe. R. S., 1909, art. 6066.

"**6018.** In the absence of other provisions in such behalf, in the letters patent or by-laws of the company,—

a. the election of directors shall take place yearly, and all the directors then in office shall retire, but, if otherwise qualified, they shall be eligible for re-election.

b. every election of directors shall be by ballot;

c. any vacancy occurring in the board of directors may be filled, for the remainder of the term, by the directors, from among the qualified shareholders of the company;

d. the directors shall, from time to time, elect from among themselves a president and, if they see fit, a vice-president of the company; and may also appoint all other officers thereof. R. S., 1909, art. 6067.

"**6019.** Every director of the company may, with the consent of the company, given at any general meeting thereof, from time to time, and at all times, be indemnified and saved harmless out of the funds of the company, from and against all costs, charges and expenses which he sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing 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 sustains or incurs, in or about or in relation to the affairs thereof,—except such costs, charges or expenses as are occasioned by his own fault. R. S., 1909, art. 6068.

"**6020.** 1. The directors may administer the affairs of the company in all things, and make or cause to be made for it, in its name, any kind of contract which it may lawfully enter into.

2. They may, from time to time, make by-laws not contrary to law, or to the letters patent of the company, for the following purposes:

a. the regulating of the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificates of stock, the forfeiture of stock for non-payment, the disposal of forfeited stock and of the proceeds thereof, and the transfer of stock;

b. the declaration and payment of dividends;

c. the number of the directors, their term of service, the amount of their stock qualifications, and their remuneration, if any;

d. the appointment, functions, duties and removal of all agents, officers and servants of the company, the security to be given by them to the company, and their remuneration;

e. the time and the place within the Province for the holding of the annual meetings of the company, the calling of meetings, regular and special, of the board of directors and of the company, the quorum, the requirements as to proxies not otherwise prescribed by this Part, and the procedure in all things at such meetings;

f. the imposition and recovery of all penalties and forfeitures which admit of regulation by by-law;

g. the conduct in all other particulars, of the affairs of the company.

3. The directors may, from time to time, repeal, amend or re-enact such by-laws; but every such by-law (except by-laws made respecting the matters set forth in sub-paragraph *d* of paragraph 2 of this article) and every repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a general meeting of the company duly called for that purpose, shall have effect only until the next annual meeting of the company, and, in default of confirmation thereat, shall, at and from that time only, cease to be in force. R. S., 1909, art. 6069.

6020*a*. When a company has ceased to carry on business, except for the purpose of winding up its affairs, and has no debts or obligations that have not been provided for

or protected, the directors may pass by-laws for distributing the assets of the corporation, or any part of them, among the shareholders. No such distribution shall be made until fifteen days after the publication of a summary of the by-law in the *Quebec Official Gazette*. R. S. Ont., c. 178, s. 15, part, and *New*.

"§ 25.—*Liability of Directors*

"**6021.** If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend the payment of which renders the company insolvent or impairs the capital thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, for all the debts of the company then existing and for all thereafter contracted during their continuance in office; but if any director present when such dividend is declared does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and able so to do, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published then in the newspaper nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability. R. S., 1909, art. 6070; part.

"**6022.** No loan shall be made by the company to any shareholder. If such loan is made, all directors and other officers of the company making the same, or in anywise assenting thereto, shall be jointly and severally liable for the amount of such loan, with interest, to the company, and also to the creditors of the company. R. S., 1909, art. 6071.

6023. The directors of the company shall be jointly liable to the clerks, labourers, servants and apprentices thereof, for all debts not exceeding six months' wages due for service performed for the company whilst they are such directors respectively; but no director shall be liable to an action therefor, unless the company is sued therefor within one year after the debt becomes due, nor unless such director is sued therefor within one year from the time when he ceased to be such director, nor unless an execution against the company in respect of such debt is returned unsatisfied wholly or in part; and the amount unsatisfied

on such execution shall be the amount recoverable with costs from the directors. R. S., 1909, art. 6072, part.

§ 26.—*General Meetings*

"**6024.** In default of other express provision in the letters patent or supplementary letters patent or by-laws of a company, notice of the time and place for holding general meetings, including the annual and special meetings, shall be given at least ten days previously thereto by registered letter to each shareholder at his last known address, and by an advertisement in a newspaper published in the English language and in a newspaper published in the French language at the place where the company has its head office, and, if there are no newspapers published at that place, or if there is only one, by a notice inserted in one or two newspapers, as the case may be, published in the nearest place. R. S., Ont., c. 178, s. 44, *part*; *and New.*

"**6024***a*. 1. An annual meeting of the shareholders of the company shall be held at such time and place in each year as the letters patent or by-laws of the company provide, and in default of such provisions in that behalf an annual meeting shall be held at the place named in the letters patent as the place of the head office of the company, on the fourth Wednesday in January in every year, and, if such day be a holiday, then on the next following juridical day.

2. At such meeting the directors shall lay before the company,—

a. a balance sheet made up to a date not more than four months before such annual meeting: Provided however that a company which carries on its undertaking outside the Province may, by resolution at a general meeting, extend this period to not more than six months;

b. a general statement of income and expenditure for the financial period ending nearest to the date of such balance sheet;

c. the report of the auditor or auditors;

d. such further information respecting the company's financial position as the letters patent or by-laws of the company require.

3. Every balance sheet shall be drawn up so as to distinguish severally at least the following classes of assets and liabilities, namely:—

a. cash;

b. debts owing to the company from its customers;

c. debts owing to the company from its directors, officers and shareholders respectively;

d. stock in trade;

e. expenditures made on account of future business;

f. moveable and immoveable property;

g. goodwill, franchises, patents and copy rights, trade-marks, leases, contracts and licenses;

h. debts owing by the company secured by mortgage or other lien upon the property of the company;

i. debts owing by the company but not secured;

j. amount of common shares, subscribed for and allotted and the amount paid thereon, showing the amount thereof allotted for services rendered, for commissions or for assets acquired since the last annual meeting;

k. amount of preferred shares subscribed for and allotted and the amount paid thereon, showing the amount thereof allotted for services rendered, for commissions or for assets acquired since the last annual meeting;

l. indirect and contingent liabilities;

m. amount written off on account of depreciation of plant, machinery, stock in trade and all other similar items. R. S. C., c. 79, s. 105; 7-8 George V. (Can.), c. 25, s. 12.

"**60-24***b.* 1. Upon the receipt by the secretary of the company of a requisition in writing, signed by the holders of not less than one-tenth of the subscribed shares of the company, setting out the objects of the proposed meeting, the directors, or, if there is not a quorum in office, the remaining directors or director shall forthwith convene a special general meeting of the company for the transaction of the business mentioned in the requisition.

2. If the meeting is not called and held within twenty-one days from the date upon which the requisition was left at the head office of the company, any shareholders holding not less than one-tenth in value of the subscribed shares of the company, whether they signed the requisition or not, may themselves convene such special general meeting.

3. The directors may at any time, of their own motion, call a special general meeting of the company for the transaction of any business.

4. Notice of any special general meeting shall state the

business which is to be transacted thereat. R. S. Ont., c. 178, s. 46.

"**6024***c*. The president shall preside as chairman at every general meeting of the company, and if there is no president or vice-president, or if at any meeting neither of them is present within fifteen minutes after the time appointed for holding the meeting, the shareholders present shall choose one of their number to be chairman. R. S., Ont, c. 178, s. 47.

"**6024***d*. 1. At any general meeting, unless a poll is demanded, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the minutes of the company, shall be *prima facie* evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

2. If a poll is demanded it shall be taken in such manner as the by-laws prescribe, and if the by-laws make no provision therefor, then as the chairman may direct.

3. In the case of an equality of votes at any general meeting the chairman shall be entitled to a second or casting-vote. R. S. Ont., c. 178, s. 49.

"**6024***e*. Subject to the letters patent, supplementary letters patent or by-laws, at all meetings of shareholders every shareholder shall be entitled to as many votes as he holds shares in the company, and may vote by proxy, but no shareholder in arrear in respect of any call shall be entitled to vote at any meeting. R. S. Ont., c. 178, s. 50.

"**6024***f*. 1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the common seal of the corporation or under the hand of an officer or attorney so authorized, and shall cease to be valid after the expiration of one year from the date thereof, unless it be for some other period.

2. No person shall act as proxy unless he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy or has been appointed to act at that meeting as proxy for a corporation.

3. A proxy for an absent shareholder shall not have the right to vote on a show of hands.

4. An instrument appointing a proxy may be according to Form N or such other form as may be prescribed by the by-laws of the company, and shall not contain anything but the appointment of the proxy or a revocation of a former instrument appointing a proxy.

5. An instrument appointing a proxy may be revoked at any time. R. S., Ont., c. 178, s. 51.

§ 27. —*Books of the Company*

"**6025.** 1. The company shall cause a book or books to be kept by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded:

a. a copy of the letters patent incorporating the company, and of any supplementary letters patent, and of every by-law of the company;

b. the names, alphabetically arranged, of all persons who are or have been shareholders;

c. the address and calling of every such person, while such shareholder, as far as can be ascertained;

d. the number of shares of stock held by each shareholder;

e. the amounts paid in and remaining unpaid, respectively, on the stock of each shareholder;

f. the names, addresses and callings of all persons who are or have been directors of the company, with the several dates at which each became or ceased to be such director.

2. A book called the register of transfers, shall be provided, and in such book shall be entered the particulars of every transfer of shares in the capital of the company. R. S., 1909, art. 6075.

"**6025***a*. 1. Every company shall keep a register of mortgages, and enter therein all mortgages and charges affecting property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge, and (except in the case of debentures and other securities payable to order or to bearer) the names of the mortgagees or persons entitled thereto As regards the hypothecs and charges securing the payment of debentures and other securities payable to order or to bearer, it shall be sufficient to mention the name of the trustee in whose favour the hypothec is created.

2. If any director, manager, or other officer of the

company knowingly and wilfully authorizes or permits the omission of any entry required to be made in pursuance of this article, he shall be liable on summary conviction to a fine not exceeding two hundred dollars. R. S. Can., c. 79, s. 69H, 7-8 Geo. V (Can.), c. 25, s. 9; 8 Ed. VII. (Imp.), c. 69, s. 100.

"**6026.** Such books shall, during reasonable business hours of every day, except Sundays and holidays, be kept open, at the head office or chief place of business of the company, for the inspection of holders of preferred or common shares and creditors of the company, and their representatives, and of any judgment creditor of a shareholder; and every such shareholder, creditor or representative may make extracts therefrom. R. S., 1909, art. 6076.

"**6027.** Every director, officer, or servant of the company who knowingly makes or assists in making any untrue entry in any such book, or who refuses or neglects to make any proper entry therein, or to exhibit the same, or to allow the same to be inspected and extracts to be taken therefrom, shall be liable to a penalty of one hundred dollars for every such untrue entry and for every such refusal or neglect, and also in damages for all loss or injury which any party interested may have sustained thereby. R. S., 1909, art. 6077.

"**6028.** Every company which neglects to keep such book or books as aforesaid, shall be liable to a penalty not exceeding twenty dollars for each day that such neglect continues, and also in damages for all loss or injury which any party interested may have sustained thereby. R. S., 1909, art. 6078.

"**6029.** Such books shall be *primâ facie* evidence of all facts purporting to be thereby stated, in any action, suit or proceeding against the company or against any shareholder. R. S., 1099, art. 6079.

§ 28.—*Inspection*

"**6030.** 1. The Provincial Secretary may appoint one or more competent inspectors to investigate the affairs of any company, and to report thereon in such manner as the Provincial Secretary may direct, on the application of shareholders holding such a proportion of the issued stock of the company as in the opinion of the Provincial Secretary warrants the application.

2. The application shall be supported by such evidence as the Provincial Secretary may require for the purpose of showing that the applicants have good reason for and are not actuated by malicious motives in applying, for the investigation; and the Provincial Secretary may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry.

3. It shall be the duty of all officers and agents of the company to produce to the inspectors all books and documents in their custody or power.

4. An inspector may examine on oath the officers and agents of the company in relation to its business, and may administer an oath accordingly.

5. If any officer or agent refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable on summary conviction to a fine not exceeding one hundred dollars in respect of each offence.

6. On the conclusion of the investigation the inspectors shall report their opinion to the Provincial Secretary, and a copy of the report shall be forwarded by the Provincial Secretary to the company, and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

7. The report shall be written or printed, as may be directed by the Provincial Secretary.

8. All expenses of and incidental to the investigation shall be defrayed by the applicants, unless the Provincial Secretary directs the same to be paid by the company, which the Provincial Secretary is hereby authorized to do. R. S. C., c. 79, s. 92; 7-8 Geo. V (Can.), c. 25, s. 11; 8 Ed. VII (Imp.), c. 69, s. 109.

"**6030***a*. 1. A company may by resolution at any annual or special general meeting appoint inspectors to investigate its affairs.

2. Inspectors so appointed by the company shall have the same powers and duties as inspectors appointed by the Provincial Secretary, except that, instead of reporting to the Provincial Secretary, they shall report in such manner and to such persons as the company by resolution may direct.

3. Officers and agents of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Provincial

Secretary. R. S. C., c. 79, s. 93; 7-8 Geo. V (Can.), c. 25, s. 11; 8 Ed. VII (Imp.), c. 69, s. 110.

"**6030***b*. [illegible] of the report of any inspectors appointed under [illegible] art, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report. R. S. C., c. 79, s. 94; 7-8 Geo. V (Can), c. 25, s. 11; 8 Ed. VII, (Imp.), c. 69, s. 111.

§ 29.—*Auditors*

"**6030***c*. 1. Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

2. If an appointment of auditors is not made at an annual general meeting, the Provincial Secretary may, on the application of any shareholder of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

3. A director or officer of the company shall not be capable of being appointed auditor of the company.

4. The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act. R. S. C., c. 79, s. 94A; 7-8 Geo. V (Can.), c. 25, s. 11; 8 Ed. VII (Imp), c. 69, s. 112.

"**6030***d*. 1. Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

2. The auditors shall make a report to the shareholders on the accounts examined by them, and on every balance sheet laid before the company in general meeting during their tenure of office, and the report shall state,—

" *a*. whether or not they have obtained all the information and explanations they have required; and

" *b*. whether the balance sheet referred to in the report is drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the [illegible]mpany.

3. The balance sheet shall be signed on behalf of the board by two of the directors of the company, and the auditor's report shall be attached to the balance sheet, or there shall be inserted at the foot of the balance sheet a reference to the report, and the report shall be read before the shareholders in general meeting, and shall be open to inspection by any shareholder.

4. Thereafter any shareholder shall be entitled to be furnished with a copy of the balance sheet and auditors' report at a charge not exceeding ten cents for every hundred words.

5. If any copy of a balance sheet which has not been signed as required by this article is issued, circulated or published, or if any copy of a balance sheet is issued, circulated, or published without either having a copy of the auditors' report attached thereto or containing such reference to that report as is required by this article, the company, and every director, manager, or other officer of the company who is knowingly a party to the default, shall, on summary conviction, be liable to a fine not exceeding two hundred dollars. R. S., Can., c. 79, s. 94B; 7-8 Geo. V (Can.), c. 25, s. 11; 8 Ed. VII (Imp). c. 69, s. 113.

"§ 30. *Summary to be sent to Provincial Secretary*

"**6031.** 1. Every company shall, on or before the first day of September in every year, make a summary as of date the 30th day of June preceding, specifying the following particulars:

a. the corporate name of the company;

b. the manner in which the company is incorporated, whether by special act or by letters patent, and the date thereof;

c. the place of the head office of the company, giving the street and number thereof when possible;

d. the date upon which the last annual meeting of shareholders of the company was held;

e. the amount of the share capital of the company, and the number of shares into which it is divided;

f. the number of shares taken from the commencement of the company up to the date of the return;

g. the amount called up on each share;

h. the total amount of calls received;

i. the total amount paid on shares otherwise than in cash, showing severally the amounts paid by services,

commissions or assets acquired since the last annual return;

j. the total amount of calls unpaid;

k. the total amount of the sums, if any, paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any debentures;

l. the total number of shares forfeited, and the amount paid thereon at the time of forfeiture;

m. the total amount of shares issued as preference shares, and the rate of dividend thereon, and whether cumulative;

n. the total amount paid on such shares;

o. the total amount of debentures authorized and the rate of interest thereon;

p. the total amount of debentures issued;

q. the total amount paid on debentures, showing severally the amounts of discount thereon and the amounts issued for services and assets acquired since the last annual return;

r. the total amount of share warrants issued;

s. the names and addresses of the persons who at the date of the return are the directors of the company, or occupy the position of directors, by whatever name called.

2. The said summary must be completed and filed in duplicate in the Department of the Provincial Secretary on or before the first day of September aforesaid. Each of the said duplicates shall be signed by the president and the manager, or, if these are the same person, by the president and by the secretary of the company, and shall be duly verified by their affidavits. There shall also be filed therewith an affidavit proving that the copies of the said summary are duplicates.

3. If a company makes default in complying with any requirement of this article, it shall be liable to a fine not exceeding twenty dollars for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty, and such fines may be recoverable on summary conviction.

4. The Provincial Secretary, or an official of the Department of the Provincial Secretary designated for that purpose, shall endorse upon one duplicate of the above summary the date of the receipt thereof by the Provincial Secretary, and shall return the said dupli-

cate summary to the company, and the same shall be retained at the head office of the company available for perusal or for the purpose of making copies thereof or extracts therefrom by any shareholder or creditor of the company.

5. The duplicate of the said summary endorsed as aforesaid shall be *prima facie* evidence that the said summary was filed in the Department of the Provincial Secretary pursuant to the provisions of this article on any prosecution under paragraph 3 of this article, and the signature of an official of the Department of the Provincial Secretary to the endorsement of the said duplicate shall be deemed *prima facie* evidence that the said official has been designated to affix his signature thereto.

6. A certificate under the hand and seal of office of the Provincial Secretary that the aforesaid summary in duplicate was not filed in the Department of the Provincial Secretary by a company pursuant to the provisions of this article shall be *prima facie* evidence, on a prosecution under paragraph 3 of this article, that such summary was not filed in the Department of the Provincial Secretary.

7. Companies organized after the 30th day of June in any year shall not be subject to the provisions of this article until the 30th day of June of the following year. R. S. C., c. 79, s. 106, part; 7-8 Geo. V, (Can.), c. 25, s. 13.

§ 31.—*Procedure*

6032. Any summons, notice, order or proceeding requiring authentication by the company, may be signed by any director, manager or other authorized officer of the company, and need not be under the seal of the company. R. S., 1909, art. 6081.

"**6033.** Subject to the provisions of article 6024 respecting general meetings, notices to be served by the company upon the shareholders may be served either personally or by sending them through the post, in registered letters, addressed to the shareholders at their places of abode as they appear on the books of the company. R. S., 1909, art. 6082.

"**6034.** A notice or other document served by post by the company on a shareholder, shall be held to be served at the time when the registered letter containing it would be delivered in the ordinary course of post; and to prove the fact and time of service it shall be sufficient to prove that such letter was properly addressed and regis-

tered, 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. R. S., 1909, art. 6083.

"**6035.** A copy of any by-law of the company, under its seal, and purporting to be signed by any officer of the company, shall be received as against any shareholder of the company, as *primâ facie* evidence of such by-law in all courts in the Province. R. S., 1909, art. 6084.

"**6036.** In any action or other legal proceeding, it shall not be requisite to set forth the mode of incorporation of the company, otherwise than by mention of it under its corporate name, as incorporated by virtue of letters patent or supplementary letters patent, as the case may be, under this Part; and the notice in the *Quebec Official Gazette*, of the issue of such letters patent or supplementary letters patent, shall be *primâ facie* proof of all things therein contained; and on production of the letters patent, or supplementary letters patent, or of any exemplification or copy thereof, the fact of such notice shall be presumed. R. S., 1909, art. 6086, part.

"**6037.** Except in any proceeding by *scire facias* or otherwise for the purpose of rescinding or annulling the same, the letters patent or supplementary letters patent, or any exemplification of copy thereof, shall be proof of every matter and thing therein set forth. R. S., 1909, art. 6086, part.

"**6038.** Proof of any matter which is necessary to be made under this Part may be made by oath. R. S., 1909, art. 6087.

"**6039**. Every holder of preferred shares or debentures of a company has the same right as ordinary shareholders to examine the financial statement, the auditor's report or any other report R.S., Can., c. 79, s. 94C; 7-8 Geo. V (Can.), c. 25, s. 11.

§ 32.—*Offences and penalties*

"**6040**. Every one who, being a director, manager or officer of a company, commits any act contrary to the provisions of this Part, or fails or neglects to comply with any such provision, shall, if no penalty for such act, failure or neglect is expressly provided by this Part, be liable, on summary conviction, to a penalty of not more than two hundred dollars, or to imprisonment for not more than two months, or to both: Provided that no proceeding shall

be taken under this article without the consent in writing of the Attorney-General. R. S. C., c. 79, s. 113; 7-8 Geo. V., (Can.), c. 25, s. 14.

PART II

JOINT STOCK COMPANIES' GENERAL CLAUSES

"§ 1.—*Definitions*

"**6041.** The following expressions, both in this Part and in the charter, have the following meanings, unless the subject matter or context otherwise requires:

a. The word "charter" means any act of the Legislature of this Province incorporating a joint stock company for any of the purposes or objects to which the legislative authority of the Province extends, except for the construction and working of railways, for the transaction of insurance or trust business, or for any other purpose for which other special provisions of law exist.

b. The word "company" means the company incorporated by the charter;

c. The word "undertaking" means the whole of the works and business of every kind, which the company is authorized to carry on;

d. The word "shareholder" or "stockholder" means every subscriber to, or holder of, stock in the company, and extends to and includes the personal representatives of the shareholder;

e. The word "manager" includes also the cashier, the secretary, the treasurer and the secretary-treasurer;

f. The word "debentures" includes also bonds and debenture-stock.

R. S., 1909, art. 5958; and *New.*

"§ 2.—*Application of Part* II.

"**6042.** This Part shall apply:

1. To every joint stock company incorporated by an act of the Legislature of this Province, after the coming into force of this Part, for any purpose other than the construction and working of railways or the transaction of insurance or trust business or any other purpose for which other special provisions of law exist;

2. To every joint stock company incorporated by an act of the Legislature of this Province before the coming

into force of this Part, and which was, before their repeal, governed by the provisions of articles 5957 to 6001, inclusive, of the Revised Statutes, 1909. R. S., 1909, art. 5959, part.

"**6043.** The provisions of this Part, even although not specially inserted in the charter, shall, save in so far as they are expressly varied or excepted by such charter, be construed as if formally embodied and reproduced therein. R. S., 1909, art. 5960.

" § 3.—*Tariff of fees*

6044. 1. The Lieutenant-Governor in Council may establish, alter, replace or repeal the tariff of the duties and fees to be paid on the doing of any act to be done by the Provincial Secretary, by the department over which he presides or by an officer of such department, as well as by the Lieutenant-Governor or by any person whomsoever, under this Part.

2. The Lieutenant-Governor in Council may likewise, from time to time, determine all other matters and prescribe all formalities necessary to ensure the carrying out of the objects of this Part.

3. No act to be done by the Provincial Secretary, or document or certificate to be issued by him under this part, shall be so done or issued until after due payment of all the duties and fees payable in respect thereof. R. S., 1909, art. 6018, part.

"§ 4.—*Commencement of Business*

"**6044***a*. The company shall not commence its operations or incur any liability before ten per cent of its authorized capital has been subscribed and paid for.

Every director who expressly or impliedly authorizes such operations being so commenced or liabilities being so incurred, before such subscription and payment, shall be jointly and severally liable with the company for the payment of such liabilities.

Nevertheless, the adoption by a company of the resolutions and other measures for the acquisition of any moveable or immoveable property, right, contract or franchise, in consideration, either altogether or in part only, of shares issued by such company, shall suffice, if the value of such property, or of such right, contract or franchise, is at least equal to the amount which must be subscribed and paid up before the company may commence its operations, and if the acquisition is actually made. *New.*

"§ 5.—*Forfeiture of Charter*

"**6045.** Unless another delay be specified in the charter of a company, such charter shall be forfeited *de jure* by non-user during three consecutive years, or if the company does not go into actual operation within three years after it is granted. *New.*

'§ 6.—*Surrender of Charter*

6045*a*. 1. The charter of a company may be surrendered if the company proves to the satisfaction of the Lieutenant-Governor:

a. that it has no debts or obligations; or

b. that it has parted with its property, divided its assets rateably among its shareholders or members, and has no debts or liabilities; or

c. That the debts and obligations of the company have been duly provided for or protected, or that the creditors of the company or their assignees consent; and

d. That the company has given notice of the application for leave to surrender by publishing the same once in the *Quebec Official Gazette* and once in a newspaper published in the French language and once in a newspaper published in the English language at or as near as may be to the place where the company has its head office.

2. The Lieutenant-Governor in Council, upon a due compliance with the provisions of this part, may accept a surrender of the charter and direct its cancellation and fix a date upon and from which the company shall be dissolved. Notice of such dissolution shall be given by the Provincial Secretary by one insertion in the *Quebec Official Gazette*, in the Form J, and the company shall thereupon become dissolved from and after the date fixed. R.S., Ont., c. 178, s. 31.

"§ 7.—*General powers and duties of the company*

"**6046.** All powers given by the charter to the company are subject to the provisions and restrictions contained in this part. R. S., 1909, art. 5962.

"**6047.** The company may acquire and hold moveable and immoveable property requisite for the carrying on of its undertaking, may sell and alienate such property, both moveable and immoveable, and hypothecate the latter,

and shall forthwith become and be vested with all property and rights, moveable and immoveable, held for it up to the date of the letters patent, under any trust created with a view to its incorporation, and with all the powers, privileges and immunities requisite or incidental to the carrying on of its undertaking.

R. S., 1909, art. 5961; part; R. S., Ont., c. 178, s. 26, part.

"**6048.** The company shall, at all times, have an office in the place in which its chief place of business is situate, which shall be the legal domicile of the company; and notice of the situation thereof or of any change therein shall be published in the *Quebec Official Gazette*, in the form K.

The company may establish such other offices and agencies elsewhere as it deems expedient. *New.*

"**6049.** Every contract, agreement, engagement or bargain made, and every bill of exchange drawn, accepted or indorsed, and every promissory note and cheque made, drawn or indorsed on behalf of the company, by any agent, officer or servant of the company, in general accordance with his powers as such under the by-laws of the company, shall be binding upon the company; and in no case shall it be necessary to have the seal of the company affixed to any such contract, agreement, engagement, bargain, bill of exchange, promissory note or cheque, or to prove that the same was made, drawn, accepted or indorsed, as the case may be, in pursuance of any by-law, resolution or special order; and the person so acting as agent, officer or servant or the company shall not be thereby subjected individually to any liability whatsoever to any third person therefor; provided always, that nothing in this Part shall authorize the company to issue any note payable to the bearer thereof, or any promissory note intended to be circulated as money, or as a bank-note. R. S., 1909, art. 5997.

"§ 8.—*Liability of shareholders*

"**6050.** The shareholders of the company shall not as such be responsible for any act, default or liability whatever of the company, or for any engagement, claim, payment, loss, injury, transaction, matter or thing whatever, relating to or connected with the company, beyond the amount unpaid on their respective shares in the capital stock thereof. R. S. 1909, art. 5985.

"**6051.** No person holding stock in the company as an executor, administrator, tutor, curator, guardian or trustee of or for any person named in the books of the

company as being so represented by him, shall be personally subject to liability as a shareholder; but the estate and funds in the hands of such person shall be liable in like manner, and to the same extent, as the testator or intestate, or the minor, ward or interdicted person, or the person interested in such trust fund would be, if living and competent to act and holding such stock in his own name; and no person holding such stock as collateral security shall be personally subject to such liability, but the person pledging such stock shall be considered as holding the same and shall be liable as a shareholder accordingly. R. S., 1909, art. 5986; and *New.*

"**6052.** Every such executor, administrator, tutor, curator, guardian or trustee, shall represent the stock held by him, at all meetings of the company, and may vote thereon as a shareholder; and every person who pledges his stock may represent the same at all such meetings and, notwithstanding such pledge, vote thereon as a shareholder, R. S., 1909, art. 5987; and *new.*

"§ 9.—*Holding Stock of other Companies*

"**6053.** The company shall not use any of its funds in the purchase of stock in any other company unless and until the directors have been expressly authorized by a by-law passed by them for the purpose and sanctioned by a vote of not less than two-thirds in value of the capital stock represented at a general meeting of the company duly called for considering the subject of the by-law; but if the charter authorizes such purchase it shall not be necessary to pass such by-law.

This article shall not apply to a company incorporated for the purpose of carrying on the business of buying, selling or dealing in shares, as to shares bought with the intention of reselling them. R. S., 1909, art. 5998, part.; R. S., Ont., c. 178, s. 94, part.

§ 10—*Capital Stock*

"**6054.** Subscriptions for stock must be paid in cash unless payment therefor in some other manner has been agreed upon by a contract filed with the Provincial Secretary at or before the issue of such shares or within thirty days thereof.

The amount of paid up capital, from year to year, shall be published annually in a report to the shareholders of the company. R. S., 1909, art. 5974, *part, and new.*

"**6054***a*. The stock of the company shall be deemed moveable property, and shall be transferable, in such

manner only, and subject to all such conditions and restrictions as by this Part, or by the charter or the by-laws of the company, shall be prescribed. R. S. 1909, art. 5975.

"**6054***b*. If the charter makes no other definite provision, the stock of the company shall be allotted when and as the directors, by by-law or otherwise, may order. R. S. 1909, art. 5976, part.

"**6054***c*. 1. The directors of the Company may make by-laws for creating and issuing any part of the capital stock as preferred stock.

2. Any such by-law may give such preferred stock such preference and priority, as respects principal, dividends, or in any other respect, over common stock, as in such by-law declared; or may limit the right of the holders thereof to specific dividends, profits or repayments; or may provide that the holders of such shares shall have the right to select a certain stated proportion of the board of directors, or that they shall have greater or less control over the affairs of the company than the holders of common stock, which control shall be stated in the by-law; or may restrict or extend the rights of holders of such shares in any other way not contrary to law or to these provisions; or may provide for the purchase of such shares by the company in the manner set forth in the by-law.

The provisions of any by-law granting rights or privileges to the holders of such shares, or restricting those conferred upon them by law, shall be set out at length in the certificate of such shares, and, if not so set out, such rights, privileges and restrictions shall be deemed non-existent.

3. No such by-law shall have any force or effect until after it has been approved by a vote of at least three-fourths of the shareholders, present in person or by proxy at a general meeting of the company duly called for considering the same, and representing at least two-thirds of the stock of the company, and sanctioned by the Lieutenant-Governor.

4. Whenever the total amount of the purchase or purchases of preferred stock made in accordance with a by-law passed in virtue of this article reaches or exceeds ten per cent of the capital stock of the company, notice thereof must be given to the Provincial Secretary within the thirty days following the date when such purchase or purchases reached or exceeded such amount.

Such notice must be published forthwith by the Provincial Secretary at the expense of the company, in the *Quebec Official Gazette* and in two newspapers, one published in the French and the other in the English language in

the locality where the company has its head office, or, if there be none published in that locality, then in newspapers published in the place nearest thereto.

Failure to comply with this provision shall render the company liable, in addition to the costs, to a fine of one hundred dollars for each day that such failure to send such notice to the Provincial Secretary continues.

5. Holders of shares of such preferred stock shall be shareholders, and shall in all respects possess the rights and be subject to the liabilities of shareholders within the meaning of this Part; subject, however, to the provisions of the by-law respecting the rights, privileges and restrictions therein mentioned.

6. No preference or priority given to the holders of preferred stock under this article shall in any way affect the rights of creditors of any company. R. S., 1909, art. 6039, part; R. S. C., c. 79, s. 47, part, *and New.*

"**6054***d*. The company shall not be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any shares; and the receipt of the shareholder in whose name the same may stand in the books of the company, shall be a valid and binding discharge to the company for any dividend or money payable in respect of such shares, whether or not notice of such trust shall have been given to the company; and the company shall not be bound to see to the application of the money paid upon such receipt. R. .S., 1909, art. 5996.

"§ 11 —*Share certificates*

"**6054***e*. 1. Every shareholder shall, without payment, be entitled to a certificate under the common seal of the company, stating the number of shares held by him and the amount paid up thereon; but, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate.

2. The certificate shall be *prima facie* evidence of title of the shareholder to the shares mentioned in it. R. S., Ont,. c. 178, s. 54, pars. 1 and 2.

"**6054***f*. If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding twenty-five cents, and on such terms, if any, as to evidence and indemnity as the directors think fit. R. S., Ont., c. 178, s. 55.

60[54]*g*. A company, if so authorized by its charter, and subject to the provisions thereof, may, with respect to any fully paid-up shares, issue under its common seal a warrant stating that the bearer of the warrant is entitled to the share or shares therein specified, and may provide, by coupons or otherwise, for the payment of the future dividends on the share or shares included in the warrant, hereafter termed a share warrant.

2. A share warrant shall entitle the bearer thereof to the shares therein specified, and the shares may be transferred by delivery of the warrant.

3. The bearer of a share warrant shall, subject to the provisions and regulations respecting share warrants contained in the charter, be entitled, on surrendering it for cancellation, to have his name entered on the books of the company as the holder of the shares specified in such share warrant, and the company shall be responsible for any loss incurred by any person by reason of the company entering on the books of the company the name of the bearer of a share warrant in respect of the shares therein specified without the warrant being surrendered and cancelled.

4. The bearer of a share warrant may, if the provisions and regulations respecting share warrants so provide, be deemed to be a shareholder of the company either to the full extent or for any purposes defined by such regulations; except that he shall not be qualified in respect of the shares specified in the warrant for being a director of the company.

5. On the issue of a share warrant the company shall remove from its books the name of the shareholder then entered therein as holding such share or shares as if he had ceased to be a shareholder, and shall enter in such books the following particulars, namely:

a. the fact of the issue of the warrant;

b. a statement of the shares included in the warrant, and

c. the date of the issue of the warrant.

6. Until the warrant is surrendered, the above particulars shall be deemed to be the particulars required by this Part to be entered in the books of the company in respect of such share or shares, and, on the surrender, the date of the surrender shall be entered as if it were the date at which a person ceased to be a shareholder.

7. Unless the bearer of a share warrant is entitled to attend and vote at general meetings the shares represented by such share warrant shall not be counted as part of the stock of the company for the purposes of a general meeting. R. S. C., c. 79, s. 68A; 4-5 Geo V (Can.), c. 23, s. 2.

"§ 12.—*Changing the value of the shares*

"**6054***h*. 1. The directors of the company may, at any time, make a by-law subdividing the existing shares into shares of a smaller amount.

2. The directors may also, at any time, whenever the par value of the existing shares of the company is less than one hundred dollars each, make a by-law consolidating them into shares of a greater par value; but no such consolidated share shall exceed the par value of one hundred dollars.

3. For the purpose of such consolidation, the company may purchase fractions of shares, and the company shall sell by such shares held by them, within a delay of two year. *New.*

"**6054***i*. No by-law for increasing or reducing the capital stock of the company, or for subdividing the shares, or consolidating them into shares of a greater par value, shall have any force or effect, until it is approved by the votes of shareholders representing at least two-thirds in value of all the subscribed stock of the company, at a special general meeting of the company, and afterwards confirmed by the Lieutenant-Governor. *New.*

"**6054***j*. 1. The application for confirmation of the by-law by the Lieutenant-Governor must be made by the directors not more than six months after the approval of the by-law by the shareholders.

2. The directors shall, with such application, produce a copy of such by-law, under the seal of the company, and signed by the president or vice-president and the secretary, and establish, to the satisfaction of the Provincial Secretary, the due passage and approval of such by-law, and the expediency and *bonâ fide* character of the subdivision or consolidation of shares, as the case may be, thereby provided for.

3. The Provincial Secretary shall, for that purpose, take and keep of record any requisite evidence in writing, by oath or affirmation. *New.*

6054*k*. Upon proof of the passing and approval of the by-law, the Lieutenant-Governor may grant such confirmation, and notice thereof shall be forthwith given by the Provincial Secretary in the *Quebec Official Gazette*, according to form O; and thereupon, from the date of the letters patent the shares of the company shall be sub-divided. or consolidated into shares of a greater par value, as

the case may be, in the manner and subject to the conditions set forth by such by-law. *New.*

"§ 13.—*Calls*

"**6055.** Not less than ten per cent. upon the allotted shares of stock of the company shall, by means of one or more calls, be called in and made payable within one year from the incorporation of the company; the residue shall be payable when and as the charter, or the provisions of this Part, or the by-laws of the company, direct. R. S., 1909, art. 5978.

"**6055a.** A call shall be deemed to have been made at the time upon the resolution of the directors authorizing such call was passed; and if a shareholder fails to pay any call due by him on or before the day appointed for the payment thereof he shall be liable to pay interest thereon at the rate of six per cent. per annum, from the day appointed for payment to the time of actual payment thereof. R. S., 1909, art. 5979.

"**6055b.** The directors may, if they think fit, receive from any shareholder willing to advance the same, all or any part of the amounts due on the shares held by such shareholder, beyond the sums then actually called for; and upon the moneys so paid in advance, or so much thereof as, from time to time, exceeds the amount of the call then made upon the shares in respect of which such advance is made, the company may pay interest at such rate, not exceeding eight per cent. per annum, as the shareholders who pay such sum in advance and the directors agree upon. *New.*

"**6055c.** If after such demand or notice as is prescribed by the charter, or by resolution of the directors, or by the by-laws of the company, any call made upon any share is not paid within such time as, by such charter or by resolution of the directors or by the by-laws, is limited in that behalf, the directors, in their discretion, by vote to that effect duly recorded in their minutes, may summarily declare forfeited any shares whereon such payment has not been made, and the same shall thereupon become the property of the company and may be disposed of as, by the by-laws of the company or otherwise, they prescribe; but, notwithstanding such forfeiture, the holder of such shares at the time of forfeiture shall continue liable to the then creditors of the company for the full amount unpaid on such shares at the time of forfeiture, less any sums which

are subsequently received by the company in respect thereof. R. S., 1909, art. 5981, *and New.*

"**6055***d*. The directors may, if they see fit, instead of declaring forfeited any share or shares, enforce payment of all calls, and interest thereon, by action in any court of competent jurisdiction; and in such action it shall not be necessary to set forth the special matter, but it shall be sufficient to declare that the defendant is a holder of one share or more, stating the number of shares, and is indebted in the sum of money to which the calls in arrears amount, in respect of one call or more, upon one share or more, stating the number of calls and the amount of each call, whereby an action has accrued to the company under this Part.

A certificate under the seal of the company, and purporting to be signed by any of its officers, to the effect that the defendant is a shareholder, that such calls have been made and that so much is due by him thereon, shall be received in all courts as *prima facie* evidence to that effect R. S., 1909, art. 5982; *and New.*

§ 14.—*Transfer of Shares*

"**6056.** 1. No transfer of shares, unless made by sale under execution or under the decree, order or judgment of a court of competent jurisdiction, shall be valid for any purpose until entry thereof is duly made in the register of transfer, except for the purpose of exhibiting the rights of the parties thereto towards each other and of rendering the transferee liable in the meantime, jointly and severally with the transferor, to the company and its creditors.

2. This article shall not apply to companies whose stock is listed and dealt with on any recognized stock exchange by means of scrip commonly in use, endorsed in blank and transferable by delivery, which shall constitute a valid transfer; but the scrip-holder shall not be entitled to vote upon the shares until they are registered in his name in the books of the company. R. S., 1909, art. 5991, and *New.*

"**6056***a*. No transfer of shares, whereof the whole amount has not been paid in, shall be made without the consent of the directors; and whenever any transfer of shares not fully paid in has been made, with such consent, to a person who is not apparently of sufficient means to fully pay up such shares, the directors shall be jointly and severally liable to the creditors of the company, in the same manner and to the same extent as the transferring shareholder, but for such transfer, would have been; but

if any director present when any such transfer is allowed, does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and is able so to do, enter on the minute-book of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published, then in the newspaper published nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability. R. S., 1909, art. 5990.

"**6056***b*. No share shall be transferable until all calls payable thereon up to the time of transfer have been fully paid. R. S., 1909, art. 5982.

6056*c*. The directors may decline to register any transfer of shares belonging to any shareholder who is indebted to the company. *New.*

"**6056***d*. Any transfer of the shares or other interest of a deceased shareholder, made by his representative, shall, notwithstanding such representative is not himself a shareholder, be of the same validity as if he had been a shareholder at the time of his execution of the instrument of transfer. *New.*

"**6056***e*. 1 Whenever the interest in any shares of the capital stock of the company is transmitted by the death of any shareholder or otherwise, or whenever the ownership of any shares or the legal right of possession of the same changes by any lawful means other than by transfer, according to the provisions of this Part, and the directors of the company entertain reasonable doubts as to the legality of any claim to such shares, the company may make and file in the Superior Court in and for the district in which the head office of the company is situated, a petition in writing, addressed to such court or to one of the judges thereof, setting forth the facts and the number of shares previously belonging to the person in whose name such shares stand in the books of the company, and praying for an order or judgment adjudicating and awarding the said shares to the person or persons legally entitled to the same.

2. Notice of the intention to present such petition shall be given to the person claiming such shares, or to the attorney of such person duly authorized for the purpose, who shall, upon the filing of such petition, establish his right

to the shares referred to in such petition; and the time to plead and all other proceedings in such cases shall be the same as those observed in analogous cases before the said Superior Court.

3. The costs and expenses incurred in procuring such order or judgment shall be paid by the person or persons to whom such shares are declared lawfully to belong, and such shares shall not be transferred in the books of the company until such costs and expenses are paid, saving the recourse of such person against any person contesting his right to such shares.

4. The company shall be guided by the order or judgment of the court establishing the right to such shares.

5. Such order or judgment shall hold the company harmless and indemnified and released from every other claim to the said shares or arising in respect thereof. *New.*

"§ 15.—*Borrowing Powers, etc.*

'**6056***f*. 1. If authorized by by-law, sanctioned by a vote of not less than two-thirds in value of the subscribed stock of the company represented at a general meeting called for considering the by-law, the directors may, from time to time:

a. borrow money upon the credit of the company;

b. issue debentures or other securities of the company and pledge or sell the same for such sums and at such prices as may be deemed expedient;

c. notwithstanding article 2017 of the Civil Code, hypothecate, mortgage or pledge the moveable or immoveable property, present or future, of the company, to secure any such debentures or other securities, or give part only of such guarantee for such purposes; and constitute the hypothec, mortgage or pledge mentioned in this subparagraph, by trust deed, in accordance with articles 6119*b* and 6119*c*, or in any other manner;

d. Hypothecate or mortgage the immoveable property of the company, or pledge the moveable property, or do both, to secure the payment of loans made otherwise than by the issue of debentures, as well as the payment or performance of any other debt, contract or obligation of the company.

2. The limitations and restrictions contained in this article shall not apply to the borrowing of money by the company on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the company. R. S., 1909, art. 5988, part.

"**6057.** 1. A copy of any trust deed for securing any issue of debentures or other securities of the company shall be forwarded to every holder of any such debenture or other security at his request, on payment in the case of a printed trust deed of the sum of twenty-five cents, or such less sum as may be prescribed by by-law of the company, or, where the trust deed has not been printed, on payment of ten cents for every hundred words required to be copied.

2. If such copy is refused or is not forwarded upon request, the company shall be liable to a fine not exceeding one hundred dollars for such refusal or neglect, and to a further fine not exceeding ten dollars for every day during which the neglect to forward a copy continues, and every director, manager, secretary, or other officer of the company who knowingly authorizes or permits the neglect shall incur the like penalty. R. S. C., c. 79, s. 69*j*, part; 7-8 Geo. V (Can.), c. 25, s. 9; 8 Ed. VII (Imp.), c. 69, s. 102, part.

"§16.—*Dividends*

"**6057***a*. 1. No dividend shall be declared which will impair the capital of the company.

2. The annual dividend may, however, be supplemented or paid entirely out of the reserve fund. R.S., 1909, art. 5999, part.

"**6057***aa*. The directors may provide that the amount of any dividend that they may lawfully declare shall be paid, in whole or in part, in capital stock of the company, and for that purpose may authorize the issue of shares of the company as fully paid or partly paid, or may credit the amount of such dividend on the shares of the company already issued but not fully paid, and, in the latter case, the liability of the holders of such shares shall be reduced by the amount of such dividend. *New.*

"**6057***b*. The directors may deduct from the dividends payable to any shareholder all such sums of money as are due from him to the company, on account of calls or otherwise. *New.*

"§ 17.—*Directors and their Powers*

"**6057***c*. The affairs of the company shall be managed by a board of not less than three directors. R. S., 1909, art. 5963.

"**6057***d*. The persons named as such in the charter shall be the directors of the company, until duly replaced; and, in the absence of other provisions in respect thereof in the charter, their number shall be that of the directors to be elected, until otherwise provided in accordance with article 6059*a*.

If not so replaced within six months from the date of the incorporation of the company, any of said persons or, if they be not living, their heirs or assigns, may cause a meeting to be held by giving fifteen clear days' notice of the time and place thereof, in the *Quebec Official Gazette*, and the said persons, or their heirs or assigns, present at such meeting, may pass by-laws, allot stock and elect directors. R. S., 1909, art. 5964.

"**6058.** If at any time an election of directors be not made or do not take effect at the proper time, the company shall not be held to be thereby dissolved; but such election may take place at any general meeting of the company duly called for that purpose; and the retiring directors shall continue in office until their successors are elected. R. S., 1909, art. 5968.

"**6059.** No person shall be elected or appointed as a director thereafter unless he is a shareholder, owning stock absolutely in his own right, and to the amount required by the by-laws of the company, and not in arrears in respect of any call thereon. In the absence of any provisions in that respect in the by-laws, the number of shares necessary as qualification for a director shall be one. R. S., 1909, art. 5965; and *New*.

"**6059***a*. The company may, by by-law, increase, or decrease to not less than three, the number of its directors, but no such by-law shall be valid or acted upon, unless it is approved by a vote of at least two-thirds in value of the stock represented by the shareholders present at a special general meeting duly called for considering the by-laws, nor until a copy of such by-law, certified under the seal of the company, has been deposited with the Provincial Secretary, and has also been published in the *Quebec Official Gazette*. *New*.

"**6060.** Directors of the company shall be elected by the shareholders, in general meeting of the company assembled, at some place within the Province, at such, times, in such manner, and for such term, not exceeding two years, as the charter, or, if it makes no provision

therefor, as the by-laws of the company prescribe. R. S., 1909, art. 5966.

"**6061.** In the absence of other express provisions in such behalf, in the charter or the by-laws of the company:

a. the election of directors shall take place yearly, and all the directors then in office shall retire, but, if otherwise qualified, they shall be eligible for re-election;

b. every election of directors shall be by ballot;

c. any vacancy occurring in the board of directors may be filled, for the remainder of the term, by the directors, from among the qualified shareholders of the company;

d. the directors shall, from time to time, elect from among themselves a president and, if they see fit, a vice-president, of the company; and may also appoint all other officers thereof. R. S., 1909, art. 5967, part.

"**6061***a*. Every director of the company may, with the consent of the company, given at any general meeting thereof, from time to time, and at all times, be indemnified and saved harmless, out of the funds of the company, from and against all costs, charges and expenses which he sustains or incurs in or about any action, suit or proceeding which is brought, commenced or prosecuted against him, for or in respect of any act, deed, matter or thing 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 sustains or incurs, in or about or in relation to the affairs thereof,—except such costs, charges or expenses as are occasioned by his own fault. *New.*

"**6062.** 1. The directors may administer the affairs of the company in all things, and may make or cause to be made for it in its name any kind of contract which it may lawfully enter into.

2. They may, from time to time, make by-laws not contrary to law, or to the charter of the company, for the following purposes:

a. the regulating of the allotment of stock, the making of calls thereon, the payment thereof, the issue and registration of certificates of stock, the forfeiture of stock for non-payment, the disposal of forfeited stock and of the proceeds thereof, and the transfer of stock:

b. the declaration and payment of dividends;

c. the number of the directors, their term of service, the amount of their stock qualifications, and their remuneration, if any;

d. the appointment, functions, duties and removal of all agents, officers and servants of the company, the security to be given by them to the company, and their remuneration;

e. the time and the place within the Province for the holding of the annual meetings of the company, the calling of meetings, regular and special, of the board of directors and of the company, the quorum, the requirements as to proxies not otherwise prescribed by this Part, and the procedure in all things at such meetings;

f. the imposition and recovery of all penalties and forfeitures which admit of regulation by by-law;

g. the conduct in all other particulars, of the affairs of the company.

3. The directors may, from time to time, repeal, amend or re-enact such by-laws; but every such by-law (except by-laws made respecting the matters set forth in subparagraph *d* of paragraph 2 of this article) and every repeal, amendment or re-enactment thereof, unless in the meantime confirmed at a general meeting of the company, duly called for that purpose, shall have effect only until the next annual meeting of the company, and in default of confirmation thereat, shall, at and from that time only, cease to be in force. R. S., 1909, art. 5969; and *New.*

"**6062***a*. When a company has ceased to carry on business, except for the purpose of winding up its affairs, and has no debts or obligations that have not been provided for or protected, the directors may pass by-laws for distributing the assets of the corporation, or any part of them, among the shareholders. No such distribution may be made until fifteen days after the publication of a summary of the by-law in the *Quebec Official Gazette.* R. S. Ont., c. 178, s. 15, part.

"§ 18.—*Liabilities of Directors*

"**6063.** If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend the payment of which renders the company insolvent or impairs the capital thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, for all the debts of the company then existing and for all thereafter contracted

during their continuance in office; but if any director present when such dividend is declared does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware thereof and able so to do, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if there is no newspaper there published then in the newspaper nearest thereto, such director may thereby, and not otherwise, exonerate himself from such liability. R. S., 1909, art. 6000, part.

6063*a*. No loan shall be made by the company to any shareholder. If such loan is made, all directors and other officers of the company making the same, or in anywise assenting thereto, shall be jointly and severally liable for the amount of such loan, with interest, to the company, and also to the creditors of the company. R. S., 1909, art. 5970.

"**6064.** The directors of the company shall be jointly liable to the clerks, labourers, servants and apprentices thereof, for all debts not exceeding six months' wages due for service performed for the company whilst they are such directors respectively; but no director shall be liable to an action therefor, unless the company is sued therefor within one year after the debt becomes due, nor unless such director is sued therefor within one year from the time when he ceased to be such director, nor unless an execution against the company in respect of such debt is returned unsatisfied wholly or in part; and the amount unsatisfied on such execution shall be the amount recoverable with costs from the directors. R. S., 1909, art. 5971, part.

"§ 19.—*General Meetings*

"**6065.** In default of other express provision in the charter or by-laws of a company, notice of the time for holding general meetings, including the annual and special meetings, shall be given at least ten days previously thereto by registered letter to each shareholder at his last known address, and by an advertisement in a newspaper published in French and in a newspaper published in English at the place where the company has its head office, and if there are no newspapers published at that place, or if there is only one, by a notice inserted in one or two

newspapers, as the case may be, published in the nearest place. R. S., Ont., c. 178, s. 44.

"**60(65***a*. 1. An annual meeting of the shareholders of the company shall be held at such time and place in each year as the charter or by-laws of the company provide, and in default of such provisions in that behalf an annual meeting shall be held at the place named in the charter as the place of the head office of the company, on the fourth Wednesday in January in every year and, if such day be a holiday, then on the next following juridical day.

2. At such meeting the directors shall lay before the company,—

a. a balance sheet made up to a date not more than four months before such annual meeting: Provided however that a company which carries on its undertaking outside the Province may, by resolution at a general meeting, extend this period to not more than six months;

b. a general statement of income and expenditure for the financial period ending nearest to the date of such balance sheet;

c. the report of the auditor or auditors;

d. such further information respecting the company's financial position as the charter or by-laws of the company require.

3. Every balance sheet shall be drawn up so as to distinguish severally at least the following classes of assets and liabilities, namely:—

a. cash;

b. debts owing to the company from its customers;

c. debts owing to the company from its directors, officers and shareholders respectively;

d. stock in trade;

e. expenditures made on account of future business;

f. moveable and immoveable property;

g. goodwill, franchises, patents and copy rights, trademarks, leases, contracts and licenses;

h. debts owing by the company secured by mortgage or other lien upon the property of the company;

i. debts owing by the company but not secured;

j. amount of common shares, subscribed for and allotted and the amount paid thereon, showing the amount thereof allotted for services rendered, for commissions or for assets acquired since the last annual meeting;

k. amount of preferred shares subscribed for and

allotted and the amount paid thereon, showing the amount thereof allotted for services rendered, for commissions or for assets acquired since the last annual meeting;

l. indirect and contingent liabilities;

m. amount written off on account of depreciation of plant, machinery, good-will and similar items. R. S., Can., c. 79, s. 105; 7-8 Geo. V (Can.), c. 25, s. 12.

"**6065***b.* 1. Upon the receipt by the secretary of the company of a requisition in writing, signed by the holders of not less than one-tenth of the subscribed shares of the company, setting out the objects of the proposed meeting, the directors, or, if there is not a quorum in office, the remaining directors or director shall forthwith convene a special general meeting of the company for the transaction of the business mentioned in the requisition.

2. If the meeting is not called and held within twenty-one days from the date upon which the requisition was left at the head office of the company, any shareholders holding not less than one-tenth in value of the subscribed shares of the company, whether they signed the requisition or not, may themselves convene such special general meeting.

3. The directors may at any time, of their own motion, call a special general meeting of the company for the transaction of any business.

4. Notice of any special general meeting shall state the business which is to be transacted thereat. R. S. Ont., c. 178, s. 46.

"**6065***c.* The president shall preside as chairman at every general meeting of the company, and if there is no president or vice-president, or if at any meeting neither of them is present within fifteen minutes after the time appointed for holding the meeting, the shareholders present shall choose one of their number to be chairman. R. S., Ont., c. 178, s. 47.

"**6065***d.* 1. At any general meeting, unless a poll is demanded, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the minutes of the company, shall be *prima facie* evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

2. If a poll is demanded it shall be taken in such manner as the by-laws prescribe, and if the by-laws make no provision therefor, then as the chairman may direct.

3. In the case of an equality of votes at any general meeting the chairman shall be entitled to a second or casting vote. R. S. Ont., c. 178, s. 49.

"**6065***e*. Unless otherwise specially provided in the charter, or in any by-law authorizing the issue of preferred stock, at all meetings of shareholders every shareholder shall be entitled to as many votes as he holds shares in the company, and may vote by proxy, but no shareholder in arrear in respect of any call shall be entitled to vote at any meeting. R. S. Ont., c. 178, s. 50.

"**6065***f*. 1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorized, and shall cease to be valid after the expiration of one year from the date thereof, unless it be for some other period.

2. No person shall act as proxy unless he is entitled on his own behalf to be present and vote at the meeting at which he acts as proxy, or has been appointed to act at that meeting as proxy for a corporation.

3. A proxy for an absent shareholder shall not have the right to vote on a show of hands.

4. An instrument appointing a proxy may be according to Form N or such other form as may be prescribed by the by-laws of the company, and shall not contain anything but the appointment of the proxy or a revocation of a former instrument appointing a proxy.

5. An instrument appointing a proxy may be revoked at any time. R. S., Ont., c. 178, s. 51.

"§ 20.—*Books of the company*

"**6066.** The company shall cause a book or books to be kept by the secretary, or by some other officer specially charged with that duty, wherein shall be kept recorded:

a. every by-law of the company;

b. the names, alphabetically arranged, of all persons who are or have been shareholders;

c. the address and calling of every such person, while such shareholder;

d. the number of shares of stock held by each shareholder;

e. the amounts paid in, and remaining unpaid, respectively, on the stock of each shareholder; and

f. the names, addresses and callings of all persons who

are or have been directors of the company, with the several dates at which each became or ceased to be such director.

2. A book called the register of transfers shall be provided, and in such book shall be entered the particulars of every transfer of shares in the capital of the company. R. S., 1909, art. 5989.

"**6067.** 1. Every company shall keep a register of mortgages, and enter therein all mortgages and charges specifically affecting property of the company, giving in each case a short description of the property mortgaged or charged, the amount of the mortgage or charge, and (except in the case of debentures or other securities to order or to bearer) the names of the mortgagees or persons entitled thereto. In regard to hypothecs or other charges securing the payment of debentures or other securities payable to order or to bearer, it shall be sufficient to mention the name of the trustee in whose favour the hypothec is created.

2. If any director, manager, or other officer of the company knowingly and wilfully authorizes or permits the omission of any entry required to be made in pursuance of this article, he shall be liable on summary conviction to a fine not exceeding two hundred dollars. R. S. C., c. 79, s. 69H; 7-8 Geo. V (Can.), c. 25, s. 9; 8 Ed. VII (Imp.), c. 69, s. 100.

"**6068.** Such books shall, during reasonable business hours of every day, except Sundays and holidays, be kept open, at the head office or chief place of business of the company, for the inspection of holders of preferred or common shares and creditors of the company, and their representatives, and of any judgment creditor of a shareholder; and every such shareholders, creditor or representative may make extracts therefrom. R. S., 1909, art, 5992.

"**6069.** Every director, officer or servant of the company, who knowingly makes or assists in making any untrue entry in any such book, or who refuses or neglects to make any proper entry therein, or to exhibit the same, or to allow the same to be inspected and extracts to be taken therefrom, shall be liable to a penalty of one hundred dollars for every such untrue entry and for every such refusal or neglect, and also in damages for all loss or injury which any party interested may have sustained thereby. R. S., 1909, art. 5994.

"**6070.** Every company which neglects to keep such

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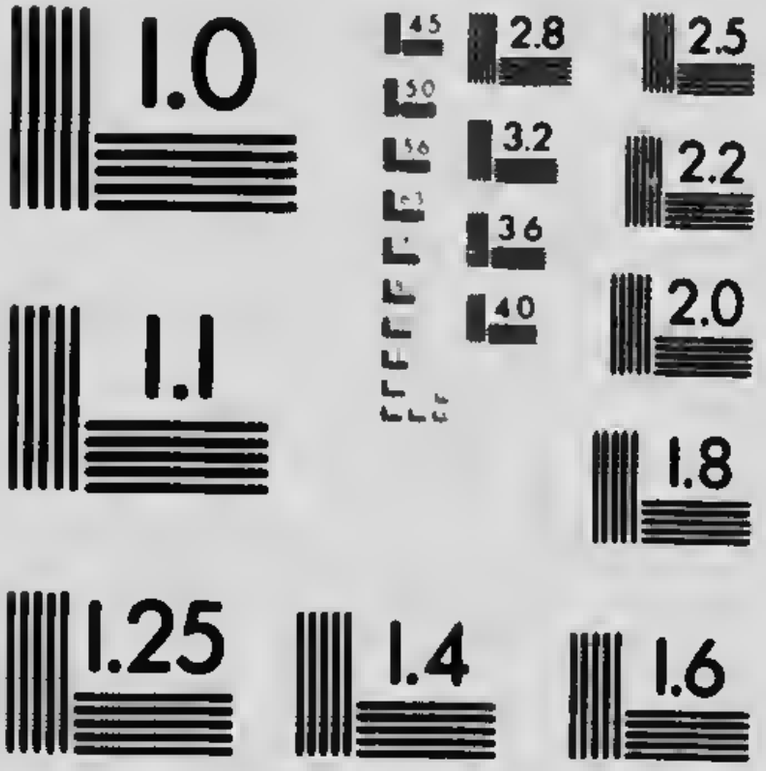

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book or books as aforesaid, shall be liable to a penalty not exceeding twenty dollars for each day that such neglect continues, and also in damages for all loss or injury which any party interested may have sustained thereby. *New.*

"**6071.** Such books shall be *primâ facie* evidence of all facts purporting to be thereby stated, in any action, suit or proceeding against the company or against any shareholder.

"§ 21.—*Inspection*

"**6071***a*. 1. The Provincial Secretary may appoint one or more competent inspectors to investigate the affairs of any company and to report thereon in such manner as the Provincial Secretary may direct, on the application of shareholders holding such a proportion of the issued stock of the company as in the opinion of the Provincial Secretary warrants the application.

2. The application shall be supported by such evidence as the Provincial Secretary may require for the purpose of showing that the applicants have good reason for and are not actuated by malicious motives in requiring, the investigation; and the Provincial Secretary may, before appointing an inspector, require the applicants to give security for payment of the costs of the inquiry.

3. It shall be the duty of all officers and agents of the company to produce to the inspectors all books and documents in their custody or power.

4. An inspector may examine on oath the officers and agents of the company in relation to its business, and may administer an oath accordingly.

5. If any officer or agent refuses to produce any book or document which under this section it is his duty to produce, or to answer any question relating to the affairs of the company, he shall be liable on summary conviction to a fine not exceeding one hundred dollars in respect of each offence.

6. On the conclusion of the investigation the inspectors shall report their opinion to the Provincial Secretary, and a copy of the report shall be forwarded by the Provincial Secretary to the company,and a further copy shall, at the request of the applicants for the investigation, be delivered to them.

7. The report shall be written or printed, as may be directed by the Provincial Secretary.

[8. All expenses of and incidental to the investigation shall be defrayed by the applicants, unless the Provincial

Secretary directs the same to be paid by the company, which the Provincial Secretary, is hereby authorized to do.]. R. S. C., c 79, s. 92; 7-8 Geo. V (Can.), c. 25, s. 11; 8 Ed. VII (Imp.), c. 69, s. 109.

"**6071***b*. 1. A company may by resolution at any annual or special general meeting appoint inspectors to investigate its affairs.

2. Inspectors so appointed by the company shall have the same powers and duties as inspectors appointed by the Provincial Secretary, except that, instead of reporting to the Provincial Secretary, they shall report in such manner and to such persons as the company by resolution may direct.

3. Officers and agents of the company shall incur the like penalties in case of refusal to produce any book or document required to be produced to inspectors so appointed, or to answer any question, as they would have incurred if the inspectors had been appointed by the Provincial, Secretary. R. S. C., c. 79, s. 93; 7-8 Geo. V (Can.), c. 25, s. 11; 8 Ed. VII (Imp.), c. 69, s. 110.

"**6071***c*. A copy of the report of any inspectors appointed under this Part, authenticated by the seal of the company whose affairs they have investigated, shall be admissible in any legal proceeding as evidence of the opinion of the inspectors in relation to any matter contained in the report. R. S. C., c. 79, s. 94; 7-8 Geo. V (Can.), c. 25, s. 11; 8 Ed. VII (Imp.), c. 69, s. 111.

"§ 22.—*Auditors*

6072. 1. Every company shall at each annual general meeting appoint an auditor or auditors to hold office until the next annual general meeting.

2. If an appointment of auditor is not made at an annual general meeting, the Provincial Secretary may, on the application of any shareholder of the company, appoint an auditor of the company for the current year, and fix the remuneration to be paid to him by the company for his services.

3. A director or officer of the company shall not be capable of being appointed auditor of the company.

4. The directors may fill any casual vacancy in the office of auditor, but while any such vacancy continues the surviving or continuing auditor or auditors, if any, may act. R. S. C., c. 79, s. 94A; 7-8 Geo. V (Can.) c. 25, s. 11; 8 Ed. VII (Imp.) c. 69, s. 112.

"**6072***a*. 1. Every auditor of a company shall have a right of access at all times to the books and accounts and vouchers of the company, and shall be entitled to require from the directors and officers of the company such information and explanation as may be necessary for the performance of the duties of the auditors.

2. The auditors shall make a report to the shareholders on the accounts examined by them, and on every balance sheet laid before the company in general meeting during their tenure of office, and the report shall state,—

a. whether or not they have obtained all the information and explanations they have required; and

b. whether, in their opinion, the balance sheet referred to in the report is drawn up so as to exhibit a true and correct view of the state of the company's affairs according to the best of their information and the explanations given to them, and as shown by the books of the company.

3. The balance sheet shall be signed on behalf of the board by two of the directors of the company, and the auditor's report shall be attached to the balance sheet, or there shall be inserted at the foot of the balance sheet a reference to the report, and the report shall be read before the company in general meeting, and shall be open to inspection by any shareholder.

4. Thereafter any shareholder shall be entitled to be furnished with a copy of the balance sheet and auditors' report at a charge not exceeding ten cents for every hundred words.

5. If any copy of a balance sheet which has not been signed as required by this article is issued, circulated or published, or if any copy of a balance sheet is issued, circulated, or published without either having a copy of the auditors' report attached thereto or containing such reference to that report as is required by this article, the company, and every director, manager, secretary, or other officer of the company who is knowingly a party to the default, shall on summary conviction, be liable to a fine not exceeding two hundred dollars. R. S., Can., c. 79, s. 94B; 7-8 Geo. V (Can.), c. 25, s. 11; 8 Ed. VII (Imp.), c. 69, s. 113.

"§ 23.—*Summary to be sent to Provincial Secretary*

6073. 1. Every company shall, on or before the first day of September in every year, make a summary as of date the 30th day of June preceding, specifying the following particulars:—

a. The corporate name of the company;

b. The citation of the act incorporating the company and of any act amending its charter;
c. The place of the head office of the company giving the street and number thereof when possible;
d. The date upon which the last annual meeting of shareholders of the company was held;
e. The amount of the share capital of the company, and the number of shares into which it is divided;
f. The number of shares taken from the commencement of the company up to the date of the return;
g. The amount called up on each share;
h. The total amount of calls received;
i. The total amount paid on shares otherwise than in cash, showing severally the amounts paid by services, commissions or assets acquired since the last annual return;
j. The total amount of calls unpaid;
k. The total amount of the sums, if any, paid by way of commission in respect of any shares or debentures, or allowed by way of discount in respect of any debentures;
l. The total number of shares forfeited, and the amount paid thereon at the time of forfeiture ;
m. The total amount of shares issued as preference shares and the rate of dividend thereon,and whether cumulative;
n. The total amount paid on such shares;
o. The total amount on debentures authorized, and the rate of interest thereon;
p. The total amount of debentures issued;
q. The total amount paid on debentures, showing severally the amounts of discount thereon and the amounts issued for services and assets acquired since the last annual return;
r. The total amount of share warrants issued;
s. The names and addresses of the persons who at the date of the return are the directors of the company, or occupy the position of directors, by whatever name called.

2. The said summary must be completed and filed in duplicate in the Department of the Provincial Secretary on or before the first day of September aforesaid. Each of the said duplicates shall be signed by the president and the manager or, if these are the same person, by the president and by the secretary of the company, and shall be duly verified by their affidavits. There shall also be filed therewith an affidavit proving that the copies of the said summary are duplicates.

3. If a company makes default in complying with any requirement of this article it shall be liable to a fine not exceeding twenty dollars for every day during which the default continues, and every director and manager of the company who knowingly and wilfully authorizes or permits the default shall be liable to the like penalty, and such fines may be recoverable on summary conviction.

4. The Provincial Secretary or an official of the Department of the Provincial Secretary designated for that purpose, shall endorse upon one duplicate of the above summary the date of the receipt thereof by the Provincial Secretary, and shall return the said duplicate summary to the company, and the same shall be retained at the head office of the company available for perusal or for the purpose of making copies thereof or extracts therefrom by any shareholder or creditor of the company.

5. The duplicate of the said summary endorsed as aforesaid shall be *prima facie* evidence that the said summary was filed in the Department of the Provincial Secretary pursuant to the provisions of this article on any prosecution under paragraph 3 of this article, and the signature of an official of the Department of the Provincial Secretary to the endorsement of the said duplicate shall be deemed *prima facie* evidence that the said official has been designated to affix his signature thereto.

6. A certificate under the hand and seal of office of the Provincial Secretary that the aforesaid summary in duplicate was not filed in the Department of the Provincial Secretary by a company pursuant to the provisions of this article shall be *prima facie* evidence, on a prosecution under paragraph 3 of this article, that such summary was not filed in the Department of the Provincial Secretary.

7. Companies organized after the 30th day of June in any year shall not be subject to the provisions of this article until the 30th day of June of the following year. R. S. Can., c. 79, s. 106, *part;* 7-8 Geo. V (Can.), c. 25, s. 13.

"§ 24.—*Procedure*

"**6074.** Any summons, notice, order or proceeding requiring authentication by the company, may be signed by any director, manager or other authorized officer of the company, and need not be under the seal of the company. *New.*

"**6075.** Subject to the provisions of article 6065 respecting general meetings, notices to be served by the company upon the shareholders, may be served either

personally or by sending them through the post, in registered letters, addressed to the shareholders at their places of abode as they appear on the books of the company. *New.*

"**6076.** A notice or other document served by post by the company on a shareholder, shall be held to be served at the time when the registered letter containing it would be delivered in the ordinary course of post; and to prove the fact and time of service it shall be sufficient to prove that such letter was properly addressed and registered, 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. *New.*

"**6077.** A copy of any by-law of the company, under its seal, and purporting to be signed by any officer of the company, shall be received as against any shareholder of the company, as *primâ facie* evidence of such by-law in all courts in this Province. R. S., 1909, art. 5972.

"**6078.** In any action or other legal proceeding, it shall not be requisite to set forth the mode of incorporation of the company, otherwise than by mention of it under its corporate name, as incorporated by virtue of its charter. *New.*

"**6079.** Proof of any matter which is necessary to be made under this section may be made by oath. *New.*

"**6080.** Every holder of preferred shares or debentures of a company has the same right as ordinary shareholders to examine the financial statement, the auditor's report or any other report. R. S., Can., c. 79; s. 94C; 7-8 Geo. V (Can), c. 25, s. 11.

"§ 25.—*Offences and penalties*

"**6081.** Every one who, being a director, manager or officer of a company, or acting on its behalf, commits any act contrary to the provisions of this Part, or fails or neglects to comply with any such provisions, shall, if no penalty for such act, failure or neglect is expressly provided by this part, be liable, on summary conviction, to a penalty of not more than two hundred dollars, or to imprisonment for not more than two months, or to both such penalty ty and imprisonment; Provided that no proceeding shall be taken under this section without the consent in writing

of the Attorney-General. R. S. C., c. 79, s. 113; 7-8 Geo. V, (Can.), c. 25, s. 14.

PART III.

CORPORATIONS OR ASSOCIATIONS HAVING NO SHARE CAPITAL, INCORPORATED BY LETTERS PATENT

"§ 1.—*Definitions*

"**6082.** In this Part, and in all letters patent and supplementary letters patent issued under it, as well as in all by-laws made by the corporations, unless the context otherwise requires,—

a. the word: "corporation' means any corporation or association to which this Part applies;

b. the word: "undertaking' means the business or operations of every kind which the corporation or association is authorized to carry on;

c. The word "member" means any person recognized as such by the rules or by-laws of the corporation. *New.*

§ 2.—*Application of this part*

"**6083.** This Part applies to:

a. every corporation incorporated under it;

b. every corporation existing under any special or general act which obtains letters patent under the provisions of article 6088. *New.*

"§ 3.—*Formation of New Corporations*

"**6084.** The Lieutenant-Governor may, by letters patent under the Great Seal, grant a charter to any number of persons, not less than three, who petition therefor, for objects of a national, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional, or sporting character, or the like, but without pecuniary gain. Such charter shall constitute such persons, and others who have become subscribers to the petition and declaration hereinafter mentioned and who thereafter become members of the corporation thereby created, a body corporate and politic for any of the purposes or objects above set forth or other objects of the same nature, and for no other purpose. *New;* R. S. Can.,c. 79, s. 7A; 7-8 Geo. V (Can.), c. 25, s. 4, *part.*

6085. The applicants for such letters patent, who

must be of the full age of twenty-one years, shall file in the Department of the Provincial Secretary a petition drawn up according to form P, setting forth:—

a. the proposed corporate name, which shall not be that of any other known company, corporation, association or body incorporated or unincorporated, unless with the consent of the latter, or any name liable to be confounded therewith, or otherwise on public grounds objectionable;

b. the purposes for which incorporation is sought:

c. the place within the Province where its head office is to be situated;

d. the amount to which the immoveable property which may be owned or possessed by the company, or the revenue therefrom, is limited;

e. the names in full and the address and calling of each of the applicants, with special mention of the names of not less than three of their number, who are to be the first or provisional directors of the corporation.

2. The application shall be accompanied by a memorandum of agreement, in duplicate, which shall set out the by-laws or regulations of the corporation. Such document may be drawn up in the form Q; such by-laws shall, more particularly, provide for the following matters:—

a. conditions of membership, including societies or companies becoming members of the corporation;

b. mode of holding meetings, rights of voting and of making, repealing or amending by-laws or regulations;

c. appointment, removal and replacement of the members of the board of management or officers, the respective powers of such board, of such officers, and the remuneration which may attach to the holders of such offices;

d. provision for audit of accounts and appointment of auditors;

e. determination whether or how members may withdraw from the corporation.

R. S., Can., c. 79, s. 7A; 7-8 Geo. V (Can.), c. 25, s. 1, *part.*

"**6086.** The petition may also request that any of the by-laws or regulations the applicants desire may be embodied in the letters patent, but in such case such by-laws

shall not be repealed or amended except by the issue of supplementary letters patent.

By-laws or regulations not embodied in the letters patent or supplementary letters patent may be repealed or amended in accordance with the provisions referred to in article 6088c.

The by-laws in the memorandum mentioned in paragraph 2 of article 6085, not inserted in the letters patent, shall come into force at the same time as the charter of the corporation, and may be repealed in accordance with the preceding paragraph. R. S. Can.; c. 79, s. 7A; 7-8 Geo. V (Can.), c. 25, s. 4; *part*; and *New*.

"**6087**. Notice of the granting of the letters patent, shall be forthwith given by the Provincial Secretary, by one insertion in the *Quebec Official Gazette*, in the form R, and, subject to such publication, but counting from the date of the letters patent, the persons therein named, and such persons as thereafter become members of the corporation shall be a corporation, by the name mentioned in the letters patent. *New*.

"**6088**. Any existing corporation created by or under any special or general act for any of the objects mentioned in article 6084 may apply under this Part for the issue of letters patent creating it a corporation under this part, and the Lieutenant-Governor may issue such letters patent incorporating the members of the said corporation as a corporation governed by the provisions of this Part.

Notice of the granting of the letters patent shall be forthwith given by the Provincial Secretary, by one insertion in the *Quebec Official Gazette*, in the form S; and subject to such publication, but counting from the issue of such letters patent, all the rights, property and obligations of the former corporation shall be and become transferred to the new corporation, and all proceedings may be continued or commenced by or against the new corporation that might have been continued or commenced by or against the old corporation.

The corporation shall thereafter be governed in all respects by the provisions of this Part, except that the liability of the members to creditors of the old corporation shall remain as at the time of the issue of the letters patent." R. S. C., c. 79, s 14, part; and *New*.

"**6088***a*. The annual subscription or contribution of the members of the corporation or association must be paid in money at the dates and places and in the manner fixed by the by-laws or regulations. *New*.

"**6088***b*. Every year a list shall be prepared of the duly qualified members, and each of them shall be entitled to take communication thereof. *New.*

"**6088***c*. The articles of Part I of this section shall apply, *mutatis mutandis*, to every corporation or association incorporated under the provisions of this Part, except the following:

5958 and 5959; 5961; 5962; paragraphs 1 and 2 of 5963; 5966; 5967*a* to 5967*e*, inclusive; 5971; 5972; 5982 to 5984 inclusive; 5986 to 5991 inclusive; 5991*a* and 5991*b*; 5992 to 5994 inclusive; 5994*a* to 5994*d* inclusive; 5995 to 6008 inclusive; 6010; 6010*a*; 6011; 6015; sub-paragraphs *a* and *b* of paragraph 2 of 6020; 6020*a*; 6021; 6023; sub-paragraphs *j* and *k* of paragraph 3 of 6024*a*; 6024*c*; 6024*f*; sub-paragraphs *d* and *e* of paragraph 1 and paragraph 2 of 6025; 6030*c*; 6030*d*; sub-paragraphs *e*, *f*, *g*, *h*, *i*, *j*, *k*, *l*, *m*, *n*, and *r* of paragraph 1 of 6031; 6039 and 6040. R. S., Can., c. 79, s. 7A, 7-8 Geo., V (Can.), c. 25, s. 3; *part.*

"**6088***d*. In applying to corporations created under this Part those sections of Part I of this section which apply to such corporations,—

a. the word "company" shall be deemed to mean a corporation so created;

b. the word "shareholder" shall be deemed to mean a member of such a corporation;

c. a provision that the votes of shareholders representing a specified proportion in value of the stock of a company shall be requisite for any purpose, shall be deemed to mean that the votes of a like proportion in number of the members of the corporation are requisite for that purpose. R. S. Can., c. 79, s. 7A; 7-8 Geo. V. (Can.), c. 25, s. 4, *part.*

"**6089**. No provision of this Part shall have the effect of withdrawing any corporation incorporated thereunder, from the provisions of any other law which is applicable thereto. *New.*

"§ 4.—*Tariff of Fees.*

"**6090.** The Lieutenant-Governor in Council may establish, alter, replace or repeal the tariff of the duties and fees to be paid on the doing of any act to be done by the Provincial Secretary, by the department over which he presides or by an officer of such department, as well as as by the Lieutenant-Governor or by any person whomsoever, under this Part.

The Lieutenant-Governor in Council may likewise, from time to time, determine all other matters and prescribe all formalities necessary to ensure the carrying out of the objects of this Part.

No act to be done by the Provincial Secretary, or document or certificate to be issued by him under this part, shall be so done or issued until after due payment of all the fees payable in respect thereof."

2. Article 6111 of the Revised Statutes, 1909, is amended by inserting therein, after the word: "company", in the first line thereof, the words: "other than companies incorporated under the Quebec Companies' Act, 1919, or under the Joint Stock Companies' General Clauses' Act, 1919".

3. Any reference in any previous act, still in force, incorporating or amending the charter of any company, or in any proclamation, order in council, regulation, instrument or document, to any provision of the Revised Statutes, 1909, or to the general act previous thereto, repealed by this act, with regard to any subsequent transaction, matter or thing, shall be deemed to be a reference to the provisions of this act to the same effect as the act or provision repealed.

4. The acts, or parts thereof, mentioned in the annex to this act, are repealed to the extent therein set forth.

5. This act shall come into force on the day of its sanction.

ANNEX

Citation of the act	*Title*	*Extent of the repeal*
R. S., 1888.....	Joint Stock Companies Incorporation Act.....	Arts. 4604 to 4753, and Schedules A and B.
58 Victoria, chapter 37 ...	An Act to amend the Joint Stock Companies' Incorporation Act.....	Section 1.
61 Victoria, chapter 36....	An Act to amend the Joint Stock Companies' Incorporation Act.....	Section 1.
2 Edward VII, chapter 31....	An Act to amend the law respecting Joint Stock Companies.....	Sections 2 and 3.
4 Edward VII, chapter 33....	An Act to amend the Joint Stock Companies' Incorporation Act	Section 1.
6 Edward VII, chapter 30....	An Act to amend section second of chapter third of title 11th of the Revised Statutes.....	Section 1.
6 Edward VII, chapter 31....	An Act to amend the law respecting Joint Stock Companies.....	Section 3.
9 Edward VII, chapter 60....	An Act to amend the Joint Stock Companies Incorporation Act and the Quebec Companies' Act, 1907.....	Section 1.
R. S., 1909.....	Joint Stock Companies General Clauses Act.....	Arts. 5957 to 6090, and Forms A. B, C, D and E.
3 George V, chapter 44....	An Act respecting Trust Companies.....	Section 2.
7 George V, chapter 42....	An Act to amend the Quebec Companies' Act.....	Sections 1 and 2.

FORMS

A.—(*Article* 5959, § 2)

Notice of Supplementary Letters Patent respecting existing companies

Notice is hereby given that under the *Quebec Companies Act*, 1920, supplementary letters patent, bearing date the day of , were issued by the Lieutenant-Governor of the Province of Quebec, amending the charter being (*here give the nature of the charter, with the date thereof,*) of the Company, (*here state the name of the company*), as follows: (*here state the amendments mentioned in the supplementary letters patent*)

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,
Provincial Secretary.

B.—(*Articles* 5962, 5963, 5967*a*)

Petition for Incorporation

To His Honour the Lieutenant-Governor of the Province of Quebec:

The petition of
respectfully showeth as follows:—

The undersigned petitioners are desirous of obtaining letters patent under the provisions of Part I of *the Quebec Companies' Act*, 1920, constituting your petitioners and such others as may become shareholders in the company thereby created, a body corporate and politic under the name of

or such other name as shall appear to you to be proper in the premises.

The undersigned have satisfied themselves and are assured that the proposed corporate name of the company under which incorporation is sought, is not the corporate name of any other known company incorporated or unincorporated, (*or as the case may be*) or any name liable to be confounded therewith or otherwise on public grounds objectionable.

Your petitioners are of the full age of twenty-one years.

The purposes for which incorporation is sought by the petitioners are:

The head office of the proposed company will be at in the district of

The amount of the capital stock of the company is to be

dollars divided into
shares of dollars each

(1) (If the capital stock is to include preferred shares) The part of the capital stock to be issued as preferred shares is dollars divided into shares of dollars each.

(*In such case the petition must contain all the provisions which must appear in a by-law passed under article 5989, authorising the issue of part of the capital stock as preferred shares.*)

(If the capital stock is to be divided into shares having no nominal or par value with or without preferred stock:)

(1) The capital stock of the company is divided into shares having no nominal or par value, and the amount of capital stock with which the company will commence its operations will be dollars.

(*Or, as the case may be*)

(1) The capital stock of the company is divided into shares having no nominal or par value, and into preferred shares of dollars each. (*In this case the petition must contain all the provisions which must appear in a by-law passed under article 5989 authorizing the issue of part of the capital stock as preferred shares*), and the amount with which the company will commence its operations will be dollars.

(1) Shares other than preferred shares shall be issued and allotted at the price of dollars (*or, as the case may be,* at such price as may be fixed by the directors.)

The following are the names in full and the address and profession or calling of each of the petitioners, with the number of shares subscribed by each petitioner respectively:

Petitioners	Profession or calling	Number of shares Subscribed
		Common shares
		Preferred shares

(1) *These declarations may be omitted, as the case may be.*

The said
will be the first or provisional directors of the company.

A stock-book has been opened and a memorandum of agreement by the petitioners under seal, in accordance with the act, has been executed in duplicate,—one of the duplicates being transmitted herewith.

The undersigned therefore request that a charter may be granted constituting them and such other persons as hereafter become shareholders in the company, a body corporate and politic for the purposes above set forth.

Signatures of Witnesses	Signatures of Petitioners
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Dated at this day of 19 .

C.—(*Articles* 5962, 5962*a*, 5963)

(To be executed in duplicate; one duplicate to be transmitted with the application.)

Memorandum of Agreement and Stock Book

The.....Company

We, the undersigned, do hereby severally covenant and agree each with the other to become incorporated as a

company under the provisions of Part I of the *Quebec Companies' Act*, 1920, under the name of The Company, or such other name as the Lieutenant-Governor of the Province of Quebec may give to the company, with a capital of dollars divided into shares of dollars each (*or* into preferred, shares *or* common shares, *as the case may be*, of dollars each (*or* into shares without nominal or par value, etc. *as the case may be*).

And we do hereby severally, and not one for the other, subscribe for and agree to take the respective amounts of the capital stock of the said company set opposite our respective names as hereunder and hereafter written, and to become shareholders in such company to the said amounts.

In witness whereof we have signed.

Name of Subscriber	Amount of Subscription.	Date and place of subscription.		Residence of Subscriber	Name of Witness
		Date.	Place.		
Preferred shares.....					
Common share.....					

D. (*Article* 5966)

Notice of Letters Patent

Notice is hereby given that under Part I of the *Quebec Companies' Act*, 1920, letters patent have been issued by the Lieutenant-Governor of the Province of Quebec, bearing date the day of 19 , incorporating (*here state names, address and calling of each shareholder named in the letters patent*), for the purpose of (*here state the undertaking of the company, as set forth in the letters patent*), by the name of (*here state the name of the company as in the letters patent*) with a total capital stock of dollars, divided into preferred shares (*if any,*) and common shares (*as the case may be*) of dollars,

or shares without nominal or par value.
The head office of the company will be at (*name of place, street and number*).

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,
Provincial Secretary

E.—(*Article* 5967)

Notice of correction Letters Patent (*or*, as the case may be) *notice of new letters patent correcting the letters patent already issued.*

Notice is hereby given that, under Part I of the *Quebec Companies' Act*, 1920, the Lieutenant-Governor of the Province of Quebec has been pleased to correct (*or* to issue new letters patent) of date the day of of to replace the letters patent bearing date the day of of (*here state the name of the company*), in the following manner (*here state briefly the correction, or state the tenor of the new letters patent*).

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,
Provincial Secretary.

F.—(*Article* 5967*a*.)

Notice of Letters Patent issued for a company already incorporated in this Province.

Notice is hereby given that under Part I of the *Quebec Companies' Act*, 1920, letters patent have been issued by the Lieutenant-Governor of the Province of Quebec, bearing date the day of 19 , incorporating as a company governed by the said act, the company (*name of the company*) already incorporated by (*here state its manner of incorporation*), for the purpose of (*here state the undertaking of the company, as set forth in the letters patent*), by the name of (*here state the name of the company as in the letters patent*). The total capital stock of the company is dollars, divided

into common shares, and into preferred shares (*as the case may be*) of dollars each, *or* into shares having no nominal or par value, and with its head office at (*name of place, street and number*).

Dated at the office of the Provincial Secretary, this day , 19 .

A. B.,
Provincial Secretary.

G.—(*Article* 5967*e*)

Notice of Letters Patent or Supplementary Letters Patent

Notice is hereby given that under Part I of the *Quebec Companies' Act*, 1920, letters patent (*or*, as the case may be,) supplementary letters patent, bearing date the day of , were issued by the Lieutenant-Governor of the Province of Quebec, to allow the (*here state the name*) corporation, already incorporated without share capital, under the provisions of article 6084 (*or, here give other details respecting the incorporation*, and that the capital stock is dollars, divided into common shares, and (as the case may be) preferred shares of dollars each, (*or as the case may be*), into shares having no nominal or par value.

The principal place of business of the company is at (*name of the city, town, etc.*) at No. St.

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,
Provincial Secretary.

NOTE.—Give all further details, if any, mentioned in Form B, respecting the allotment of shares, etc.

H.—(*Article* 5967*f*)

Notice of Letters Patent confirming the petition for amalgamation of companies

Notice is hereby given that, under Part I of the *Quebec Companies' Act*, 1920, letters patent, bearing date the day of 19 , have been issued by the Lieutenant-

Governor of the Province of Quebec, authorizing the amalgamation of (*here give the names of the companies, and after each, the way in which it was incorporated*) for the purpose of (*here state the objects which the company is authorized to undertake*), under the name of (*here give the name as in the letters patent*), with a total capital of dollars, divided into common shares and preferred shares, (*as the case may be*) of dollars each, or into shares without nominal or par value.

The head office of the company will be at No. St.

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,
Provincial Secretary.

I.—(*Article* 5968)

Notice of Supplementary Letters Patent changing the name of a company

Notice is hereby given that under Part I of the *Quebec Companies' Act*, 1920, supplementary letters patent, bearing date the day of , were issued by the Lieutenant-Governor of the Province of Quebec, changing the name of the Company, incorporated by letters patent (*or* supplementary letters patent *as the case may be*), bearing date the day of under the name of (*original name*) to that of (*here state the new name,*) for the following purposes (*here give the tenor of the original letters patent, mentioning all details, including the capital and the head office.*)

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,
Provincial Secretary.

J.—(*Article* 5973*a*, 6045*a*.)

Notice of acceptance of Surrender of Charter

Notice is hereby given that under Part I (*or, as the case may be,* Part II) of the *Quebec Companies' Act,* 1920, the Lieutenant-Governor of the Province of Quebec has been pleased to accept the surrender of the charter of the (*give the name of the company*), incorporated by (*here state the manner of incorporation*) dated the day of 19 .

Notice is also hereby given that from and after the date of the publication of this notice, the said company shall be dissolved.

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,
Provincial Secretary.

K.—(*Articles* 5976 *and* 6048)

Notice of changing the address of the head office

Notice is hereby given that, the (*name*) company incorporated by (*give the manner and date of incorporation*) and having its head office in (*name of the place*), where its office was situated up to to-day, has moved it to (*give the new address*).
ation) and having its principal place of business in (*name of the place*), where its office was situated up to to-day, has moved it to (*give the new address*).

From and after the date of this notice the said office shall be considered by the company as being the head office of the company.

Dated at (*name of the place*), this day of . 19

Signature of the authorized officer.

L.—(*Article* 5981)

Notice of Supplementary Letters Patent granting further Powers and restricting the Powers

Notice is hereby given that under Part I of the *Quebec Companies' Act*, 1920, supplementary letters patent, bearing date the day of , were issued by the Lieutenant-Governor of the Province of Quebec, granting further powers to, (*or* restricting the powers of, *as the case may be*) the Company, (*here state the other purposes or objects or the restrictions, mentioned in the supplementary letters patent.*)

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,
Provincial Secretary.

M.—(*Article* 5997)

Notice of Supplementary Letters Patent changing the Amount of the Capital or changing the value of the shares

Notice is hereby given that, under Part I of the *Quebec Companies' Act*, 1920, supplementary letters patent, bearing date the day of 19 , have been issued by the Lieutenant-Governor of the Province of Quebec, increasing (*or* reducing, *as the case may be*) the capital of (*here state the name of the company*), from dollars to dollars, the additional capital being divided into shares of dollars each ; *or* subdividing, *or* consolidating into shares of a greater par value (*as the case may be*) the shares of the stock of the (*here state the name of the company*), originally divided into shares of dollars, each.

Dated at the office of the Provincial Secretary, this day of , 19 .

A. B.,
Provincial Secretary.

N.—(*Article* 6024*f*, 6065*f*)

Proxy (Name of the Company or Corporation)

I, (*a*) of
one of the shareholders of being the
owner of common or preferred shares, hereby appoint Mr. of as my proxy
to vote for me and in my name at the annual (*or* special) general meeting of the company (*or* corporation), to be held on the day of , 19 , at
, and at
any adjournment thereof and, *as the case may be*, revoke the proxy of date , 19 , favour of.....
Dated at , this day of ,
19 .
Witness (*b*)

N. B.—(*a*) If the appointor is a corporation or one of its officers, the form must be varied accordingly. (*b*) If the proxy is issued by a corporation, it must bear its seal.

———

O.—(*Article* 6054*k*)

Notice of supplementary letters patent subdividing or consolidating the shares.

Notice is hereby given that under Part II of the Quebec Companies' Act, 1920, supplementary letters patent have been issued by the Lieutenant-Governor, bearing date the
day of , subdividing (*or* consolidating into shares of a greater par value, (*as the case may be*) the shares of the stock of (*here state the name of the company*), originally divided into shares of dollars each such shares now being subdivided (*or* consolidated, *as the case may be*), into shares of dollars each.
Dated at the office of the Provincial Secretary, this day of 19 .

A. B.,
Provincial Secretary.

———

P. — (*Article* 6085)

Petition for Incorporation

To His Honour the Lieutenant-Governor of the Province of Quebec:

The petition of

respectfully showeth as follows:—

The undersigned petitioners are desirous of obtaining letters patent under the provisions of Part III of *the Quebec Companies' Act*, 1920, (*without share capital*), constituting your petitioners and such others as may become members in the corporation thereby created a body corporate and polite, under the name of

or such other name as shall appear to you to be proper in the premises.

The undersigned have satisfied themselves and are assured that the proposed corporate name of the corporation under which incorporation is sought, is not the corporate name of any other known corporation incorporated or unincorporated, unless with the consent of the latter, or any name liable to be confounded therewith or otherwise on public grounds objectionable.

Your petitioners are of the full age of twenty-one years.

The purposes for which incorporation is sought by the petitioners are:

The head office of the corporation will be at

in the district of

profession or calling of each of the petitioners:

The amount to which the value of (*or* the annual revenue from) the immoveable property which the company may possess, is to be limited, is $

The following are the names in full and the address and profession or calling of each of the petitioners:

Petitioners	Profession or calling	Address

The said
will be the first or provisional directors of the corporation.

A memorandum of agreement by the petitioners under seal, in accordance with the act, has been executed in duplicate—one of the duplicates being transmitted herewith.

The undersigned therefore request that a charter may be granted constituting them and such other persons as hereafter become members of the corporation, a body corporate and politic, without share capital, for the purposes above set forth.

Signatures of Witnesses	Signatures of Petitioners

Dated at this day of 19 .

Q.—(*Article* 6085)

Memorandum of Agreement

(To be executed in duplicate; one duplicate to be transmitted with the application.)

The.....Corporation

We, the undersigned, do hereby severally covenant and agree each with the other to become incorporated as a corporation, without share capital, under the provisions of Part III of the *Quebec Companies' Act*, 1920, under the name of The , or such other name as the Lieutenant-Governor of the Province of Quebec may give to the corporation.

And we do hereby severally agree to become members of the corporation, and subject to by-laws containing the following provisions:

The by-laws the insertion of which in the letters patent we apply for, are as follows: (*This allegation to be inserted in case the applicants desire to avail themselves of the provisions of article* 6086).

In witness whereof we have signed.

Name of Applicant	Calling and Residence	Name of Witness

R.—(*Article* 6087)

Notice of Letters patent

Notice is hereby given that under Part III of the Quebec *Companies' Act*, 1920, letters patent have been issued by the Lieutenant-Governor of the Province, bearing date the day of 19 , to incorporate as a corporation without share capital, (*here give the name, address and calling of each of the members of the corporations as mentioned in the letters patent*) for the purpose of (*here give the objects as set out in the letters patent with those by-laws insertion of which in the letters patent is applied for*); under the name of (*here give the name of the corporation as in the letters patent*).

The head office of the corporation will be (*name of place, street and number*).

Dated at the office of the Provincial Secretary, this day of 19 .

A. B.,
Provincial Secretary.

S (*Article 6088*)

Notice of letters patent issued to an existing corporation without share capital, previously incorporated under an act of this Province

Notice is hereby given that under the Quebec Companies' Act, 1919, letters patent have been issued by the Lieutenant-Governor, bearing date the day of , to constitute the same a corporation without share capital, under the name of (*here give the name under which the company wishes to be incorporated*), the (*here give the name of the existing corporation*) incorporated by (*here state how it was originally incorporated, and the date of the incorporation*), and that (*here give the details required by article* 6085).

Dated at the office of the Provincial Secretary, this day of 19 .

A. B.,
Secretary

EXTRA PROVINCIAL COMPANIES

SECTION IV

EXTRA-PROVINCIAL CORPORATIONS AND JOINT STOCK COMPANIES

6098. Extra-provincial corporations, for the purposes of this section, comprise all commercial corporations and joint stock companies not constituted by or in virtue of an act of the Legislature of this Province, or of the Parliament of Canada, of the Legislature of the late Province of Lower Canada, or that of the late Province of Canada, except :

a. Loan and investment societies licensed under the provisions of section second of chapter fourth of title eleventh of these Revised Statutes (articles 7158 to 7164) ;

b. Insurance companies, mutual benefit societies and charitable societies, the same, being governed by section twenty-second of this chapter (articles 6832 to 7069).

c. Corporations and companies incorporated under or in virtue of an act of a Legislature of another Province of Canada, in which corporations and companies incorporated under and in virtue of the laws of the Province of Quebec, are authorized to do business without being obliged to take out a license therefor.

d Trust companies incorporated in virtue of the laws of one of the provinces of Canada or of a foreign country, which are governed by the act respecting trust companies 1 Ed. VII, c. 34, s. 1 ; 9 Ed. VII, c. 62, s. 1 ; 3 Geo. V, c. 44, s. 3.

6099. No extra provincial corporation shall carry on business in the Province, unless a license under this section has been granted to it and unless such license is in force.

No company, firm, broker, agent or other person shall, as the representative or agent of or acting in any capacity other than as traveller taking orders for any such extra-provincial corporation, carry on any of its business in the Province, unless such corporation has received such license and unless such license is in force. 1 Ed. VII, c. 34, s. 2.

6100. Such license shall be granted by the Lieutenant-Governor upon petition by the extra-provincial corporation, provided that the corporation :

a. Deposits in the office of the Provincial Secretary a copy of its charter, articles of association or other deed constituting the corporation, certified by the officer having the custody of the original ;

b. Establishes that it is so constituted as to carry out the obligations it may contract ;

c. Deposits in the office of the Provincial Secretary a power of attorney constituting a chief agent in the Province for the purpose of receiving service in any suit or proceeding against it, and declaring where the principal office of the corporation is to be established ;

d. Pays the fees that may be fixed for such license by the Lieutenant-Governor in Council ;

e. Establishes that its name is not that of any other known company, nor liable to be confounded therewith, or otherwise on public grounds objectionable.

The Lieutenant-Governor may, at any time, refuse to grant or to continue a license to a company which does not comply with the requirements of this subsection, unless such name be changed or modified to the satisfaction of the Provincial Secretary.

Such exchange or modification of name shall in no way affect the corporate existence, rights or obligations of the company. 4 Ed. VII, c. 34, s. 3 ; 9 Ed. VII, c. 62, s. 2.

6101. Notice of the granting of such license shall be published by the Provincial Secretary in the *Quebec, Official Gazette,* and from the date of such publication such extra-provincial corporation may commence business. 4 Ed. VII, c. 34, s. 4.

6102. Whenever any extra-provincial corporation changes its chief agent or the location of its chief office, it shall forward to the Provincial Secretary a copy of the new power of attorney concerning the same, and notice thereof shall be given in the *Quebec Official Gazette.* 4 Ed. VII, c. 34, s. 5.

6103. If an extra-provincial corporation, licensed in virtue of this section, changes its name, it shall send to the Provincial Secretary a copy of the document establishing that such change has been legally effected, and such copy shall be certified by the officer who has charge of the original.

A new license may then be granted by the Lieutenant-Governor, and notice thereof shall be given by the Provincial Secretary in the *Quebec Official Gazette* 4 Ed. VII, c. 34, s. 5*a* ; 8 Ed. VII, c. 66, s. 1.

6104. Any extra-provincial corporation receiving a license under this section may, subject to the limitations and conditions of the license and of the laws of this Province, and also subject to the provisions of its charter, acquire, hold, mortgage, alienate and otherwise dispose of immoveable property in the Province, to the same extent as if incorporated by letters patent of the Lieutenant-Governor with power to carry on the business and exercise the powers embraced in the license. 4 Ed. VII, c. 34, s. 6.

6105. If an extra-provincial corporation receiving a license under this section does not observe or comply with the limitations and conditions of such license, or the regulations respecting the appointment and continuance of a representative in the Province, the Lieutenant-Governor in Council may suspend or revoke such license wholly or in part, and may remove such suspension or cancel such revocation and restore such license.

Notice of such suspension, revocation, removal or restoration shall be given by the Provincial Secretary in the *Quebec Official Gazette.* 4 Ed. VII, c. 34, s. 7.

6106. The Lieutenant-Governor in Council may, from time to time, make, amend and repeal regulations respecting the following matters :

a. The forms of licenses, powers of attorney, applications, notices, statements, and other documents relating to applications and other proceedings under this section ;

b. The fees to be collected and received for granting the licenses and publication of notices under this section ;

c. Generally whatever may be necessary for the efficient working of this section. 4 Ed. VII,, c. 34, s. 8.

6107. Any person doing business for an extra-provincial corporation which has not complied with the requirements of this section, is liable to a fine not ex-

ceeding one hundred dollars for each offence and, in default of payment, to imprisonment not exceeding three months. 4 Ed. VII, c. 34, s. 9.

6108. Prosecutions under this section shall be instituted within six months after the date of the offence and shall be governed by the provisions of part XV of the Criminal Code. 4 Ed. VII, c. 34, s. 10.

6109. A statement showing the licenses issued under this section during the preceding fiscal year, and the authorized capital of the extra-provincial corporations licensed, and the fee paid for each license, shall be laid before the Legislature at each session thereof. 4 E. VII, c. 34, s. 11.

6110. Nothing in this section shall prevent articles 6091 to 6097 from applying to extra-provincial corporations. 4 Ed. VII, c. 34, s. 14.

VOLUNTARY WINDING UP OF COMPANIES

SECTION VI

VOLUNTARY WINDING UP OF JOINT STOCK COMPANIES

§ 1. —*Method of Winding Up*

6120. Any joint stock company, incorporated by letters patent or special act, may be wound up voluntarily, whenever the directors deem it expedient that the company shall be dissolved. R. S. Q., 4773.

6121. The directors, shall thereupon convene a general meeting of the shareholders, mentioning in the notice that the dissolution of the company will be proposed at such meeting. R. S. Q., 4774.

6122. The resolution of the directors, declaring it to be expedient that the company should be wound up voluntarily, shall be submitted to the general meeting of the shareholders, and if such meeting pass, by a majority representing not less than two-thirds of the stock, a resolution that the company shall be wound up voluntarily and dissolved, then the company shall forth-

with subsist and carry on business for the purpose only of winding up its affairs. R. S. Q., 4775.

6123. The corporate state and corporate powers of the company shall continue until its affairs are wound up. R. S. Q., 4776.

§ 2.—*Liquidators*

6124. At the general meeting, a liquidator or liquidators shall be appointed for the purpose of winding up the affairs of the company and of distributing its assets; and thereupon the board of directors shall cease to exist. R. S. Q., 4777.

6125. If any vacancy occurs in the office of liquidator by death, resignation or otherwise, the company may, at a general meeting, fill up such vacancy; and such general meeting may be called by the continuing liquidator or liquidators, or by any shareholder.

The company may also, at a general meeting called by any three shareholders, on notice mentioning that the removal of the liquidators or of any liquidator will be proposed, remove such liquidator or liquidators, and appoint another or others in his or their place. R. S. Q., 4778.

6126. In default of the shareholders appointing or replacing a liquidator or liquidators, any judge of the Superior Court, in the district where the company has its chief office or principal place of business, may, on application of a shareholder, after a default of fifteen days, appoint a liquidator or liquidators.

The judge may also, on due cause shown, remove any liquidator; and he may, after a default of fifteen days on the part of the shareholders to do so, appoint another. R. S. Q., 4779.

6127. Notice of the resolution passed by the shareholders for the winding up and dissolution of the company, shall be registered forthwith in the office of the prothonotary of the Superior Court for the district, and in the registry office for the registration division, in which the company has its chief office or principal place of business.

Notice of such resolution shall also be given to the Provincial Secretary, and shall be published by him in the *Quebec Official Gazette*. R. S. Q., 4780.

6128. The liquidator or liquidators shall take into his or their custody, and under his or their control, all the assets of the company, and shall, subject however to such limitations as may be determined by the resolution of the shareholders for the dissolution of the company, have power :

1. To bring or defend any action or other judicial proceeding in the name and on behalf of the company ;
2. To carry on the business of the company, so far as may be necessary for the beneficial winding up of the same, and to collect all moneys due to it ;
3. To sell the moveable and immoveable property of the company, by public auction or private sale,and either in the lump or in parcels ; provided that, at a general meeting of the shareholders, the majority have given their consent to such sale in the lump ;
4. To execute, in the name and on behalf of the company, all deeds, acquittances, receipts and other documents ;
5. To draw, accept, make or endorse bills of exchange, or promissory notes, in the name and on behalf of the company ; and to raise upon the security of the assets of the company, from time to time, any requisite sums of money ;
6. To do and execute whatever else may be necessary for winding up the affairs of the company and distributing its assets, including the power to compromise, at discretion, all claims,and rights belonging to the company. R. S. Q., 4781.

6129. When several liquidators are appointed, their powers may be validly exercised by the majority of them. R. S. Q., 4782.

6130. The liquidator or liquidators shall first pay the debts of the company, and the costs, charges and expenses of winding it up, and shall afterwards distribute the balance of the proceeds of the assets among the shareholders, according to their rights and interests in the company. R. S. Q., 4783.

6131. The liquidator or liquidators shall recover and collect unpaid calls, in full or proportionately as

the case may require, from shareholders in default, should he or they deem it necessary ; but in case of the non-collection in whole or in part of such unpaid calls, the shareholders in default shall only rank in the distribution when those who have paid more shall have been ranked for the excess so paid by them. R.S.Q., 4784.

6132. The shareholders shall fix the remuneration of the liquidator or liquidators ; and also whether or not he or they shall give security for his or their administration, specifying when security shall be given and the amount thereof. R. S. Q., 4785.

6133. If the winding up continues for more than one year, the liquidator or liquidators shall call a general meeting of the shareholders, at the end of the first year, and at the end of each succeeding year, or so soon thereafter as may be convenient ; and he or they shall lay before such meetings an account, showing his or their acts and dealings, and the manner in which the operations for the winding up have been conducted during the preceding year. R. S. Q., 4786.

6134. As soon as the affairs of the company are fully wound up, the liquidator or liquidators shall make up an account showing the cash on hand at the date on which the company was placed in liquidation, the property of the company disposed of, the amounts realized, the sums paid, and generally the manner in which such winhing up has been conducted, and shall attest the same before a justice of the peace ; and thereupon he or they shall call a general meeting of the company for the purpose of laying such account before the shareholders, and of having the same confirmed. R. S. Q., 4787.

6135. The liquidator or liquidators shall make a return to the Provincial Secretary of such meeting having been held, and also of such meeting having confirmed the account, showing the manner in which the winding up has been conducted.

The Provincial Secretary shall cause such return to be registered in the registers of the Province ; and forthwith, on the registration thereof, the company shall be dissolved.

"**6135***a*. In the course of the voluntary winding-up, but before the sale of the property, the general meeting of shareholders may decide, by a majority representing not less than two-thirds of the capital, to discontinue the winding-up proceedings and continue the operations of the company.

At the same meeting the shareholders shall direct one of their member to present a petition, in the name of the company, to a judge of the Superior Court, praying for the approval of the resolution.

Notice of the day when such petition will be presented shall be given to the liquidators, to the creditors and to the shareholders, by registered letter deposited in the post office at least six days before the day fixed for the presentation of the petition.

The resolution of the shareholders shall have no effect until approved by the judge.

Notice of such resolution and of its approval shall be registered in the prothonotary's office and in the registry office where the notice of the winding-up and dissolution of the company has been registered, and the prothonotary and the registrar must mention the annulment of the latter notice on the margin of its registration.

The same notice shall be forwarded to the Provincial Secretary, who shall have the same published in the *Quebec Official Gazette*.

The approval of such resolution by the judge shall put an end to the powers of the liquidators, but every act done by them while in office shall remain valid, and any action instituted by them may be taken up and carried on by the company in the usual way." R. S. Q., 4788 ; 9 Geo. V, c. 65, s. 1.

§ 3.—*Proceedings after Dissolution*

6136. The Provincial Secretary shall, without delay, publish a notice of the dissolution of the company in the *Quebec Official Gazette*, and the liquidator or liquidators shall also forthwith register a notice of the dissolution in the office of the prothonotary of the Superior Court for the district, and in the registry office for the registration division in which the company had its chief office or principal place of business. R. S. Q., 4789.

6137. Within thirty days after the date of the dissolution of the company, the liquidator or liquidators shall

deposit with the Provincial Treasurer the amount of all debts and of all dividends which may then be unclaimed and unpaid, with a statement thereof attested before a justice of the peace ; and the money so deposited shall be treated as a deposit under section twenty-fourth of chapter fifth of title fourth of these Revised Statutes respecting judicial and other deposits (articles 1480 to 1493) ; and when claimed shall be paid over to the persons entitled thereto. R. S. Q., 4790.

6138. Within the same period of thirty days, the liquidator or liquidators shall deposit, in the office of the prothonotary of the Superior Court for the district in which the company had its chief office or principal place of business, the books, accounts and documents of the company, and also the sworn account submitted to the shareholders and confirmed by them, showing the manner in which the winding up has been conducted and a duplicate of the sworn statement of the moneys deposited with the Provincial Treasurer. R. S. Q., 4791.

6139. If the liquidator or liquidators neglects or neglect to deposit the moneys with the Provincial Treasurer, or to deposit the books, accounts and documents as provided in articles 6137 and 6138, he or they severally shall be liable to a penalty not exceeding ten dollars for every day during which he or they is or are in default. R. S. Q., 4792.

6140. The liquidator or liquidators shall be bound to render his or their accounts and to pay over the moneys for which he is or they are accountable, under the same obligations and penalties as a curator to the property of a dissolved corporation under the Civil Code. R. S. Q., 4793.

CONSTITUTION IN CORPORATION OF COMPANIES

TARIFF

On letters patent incorporating joint stock companies, when the capital is $20,000, and less than $20,000, the fee will be $40.00.

When the capital is more than $20,000, and less than $50,000, the fee will be $75.00.

When the capital is $50,000 or more, and less than $100,000, the fee will be $100.00.

When the capital is $100,000 or more, and less than $150,000, the fee will be $150.00.

When the capital is $150,000, or more, and less than $200,000, the fee will be $200.00.

When the capital is $200,000 or more, and less than $300.000, the fee will be $250.00.

When the capital is $300,000 or more, and less than $400,000, the fee will be $300.00.

When the capital is $400,000 or more, and less than $500,000, the fee will be $350.00.

When the capital is $500,000 or more and less than $600,000, the fee will be $375.00.

When the capital is $600,000 or more, and less than $700,000, the fee will be $400.00.

When the capital is $700,000 or more, and less than $800,000, the fee will be $425.00.

When the capital is $800,000 or more, and less than $900,000, the fee will be $450.00.

When the capital is $900,00 or more, and less than $1,000,000, the fee will be $475.00.

When the capital is $1,000,000, the fee will be $500.00.

For every million dollars of additional capital, or fraction thereof, the fee will be $100.00

When application is made to increase the capital, the fee will be calculated on the actual amount of the increases in question, and the fee payable will be the same as that payable on letters patent for the incorporation of a company whose capital is of the same amount as the said increase.

On applications for supplementary letters patent, other than those for the increase of capital, the fee will be 50% of the amount required as the fee for the incorporation.

The fee payable by every subsisting and valid corporation applying for letters patent to carry on its business under the "Quebec Companies Act, 1920" will be 50% of the amount which would then become due on the constitution of such company into a corporation.

For incorporating, by letters patent, city or town municipalities, in virtue of the statute 3 Edward VII, chap. 38 :

On letters patent incorporating town municipalities $150.00.

City municipalities, $250.00.

EXTRA PROVINCIAL COMPANIES

TARIFF

Of fees to be paid for the license granted to Extra-Provincial Commercial Corporations, and Joint Stock Companies, under article 8, chapter 34, 4 Edward VII.

1°. When the capital stock of the Company is $40,000 or less, the fee will be $100.00.

2°. When the capital stock is over $40,000, but does not exceed $100,000, the fee will be $100.00 and $1.00 for every $1,000 or fractional part thereof in excess of $40,000.

3°. When the capital stock is over $100,000, but does not exceed $1,000,000, the fee will be $160.00 and $2.50 for every $10,000 or fractional part thereof in excess of $100,000.

4°. When the capital stock is over $1,000,000, the fee will be $385.00 and $2.50 for every $10,000 or fractional part thereof in excess of $1,000,000.

5°. When the Company has no determined stock, the fee will be $100.00.

6. When the Company employs only a portion of its capital here, the tariff fee, (from 1 to 4), will be charged on such part so employed here, upon an affidavit or solemn declaration, stating what portion is so employed.

If the company increases this portion, it must produce an affidavit or declaration thereof, and shall then pay an additional fee to cover the proportion of increased capital so employed in the Province, according to the above tariff, (from 1 to 4).

The Honourable the Secretary may require the Company, its officers, directors, clerks and employees to furnish, under oath or otherwise, such information respecting the capital and affairs of the Company as he may deem desirable and necessary.

REVISED STATUTES, 1909

TITLE XI

CHAPTER THIRD

COMPANIES

" SECTION I

" CERTAIN COMPANIES AND CORPORATIONS

PART I

INCORPORATION OF JOINT STOCK COMPANIES BY LETTERS PATENT

PART II

JOINT STOCK COMPANIES' GENERAL CLAUSES

PART III.

CORPORATIONS OR ASSOCIATIONS HAVING NO SHARE CAPITAL, INCORPORATED BY LETTERS PATENT

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SECTION VI

Volontary winding up of joint stock companies

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NOTE. The figures in the first column refer to the articles of the first part of the Act respecting the incorporation of joint stock companies by letters patent. Those in the second column refer to the articles of the second part of the Act, respecting the joint stock Companies' general clauses. In the third column are mentioned the articles of the third part of the law governing corporations or associations having no share capital, incorporated by letters patent.

EXTRA-PROVINCIAL CORPORATIONS AND JOINT STOCK COMPANIES.

VOLUNTARY WINDING UP OF JOINT STOCK COMPANIES.