



CHAPTER 65

An Act to amend the Quebec Railway Act

[Assented to, the 22nd of June, 1940]

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

1. The Quebec Railway Act (Revised Statutes, R. S., c. 230, 1925, chapter 230), is amended by adding thereto the following division and sections: Division IIIa, added.

"DIVISION IIIa

"ARRANGEMENT WITH CREDITORS

"10a In this Division, "company" means any "Company". railway company incorporated under an Act of the Legislature of the Province of Quebec; "unsecured creditor" means any creditor of a company who is not a secured creditor whether resident or domiciled within or without the Province; and "secured creditor" means a holder of a mortgage, hypothec, pledge, charge, lien or privilege on or against, or any assignment, cession or transfer of, all or any property of a company as security for indebtedness of the company, or a holder of any bond, debenture, debenture stock or other evidence of indebtedness of a company secured by a mortgage, hypothec, pledge, charge, lien or privilege on or against, or an assignment, cession or transfer of, or a trust in respect of, all or any property of the company, whether any such holder or beneficiary be resident or domiciled within or without the Province; and a trustee under

"Unsecured creditor".
"Secured creditor".

any trust deed or other instrument securing any such bonds, debentures, debenture stock or other evidences of indebtedness shall be deemed to be a secured creditor for all purposes of this Division except voting at creditors' meetings in respect of any such bonds, debentures, debenture stock or other evidences of indebtedness.

Compromise
with unse-
cured credit-
ors.

10b. Where a compromise or arrangement is proposed between a company and its unsecured creditors or any of class of them, a judge of the Superior Court of the district in which the company has its head office or chief place of business may, on application in a summary way of the company or of any such creditor, order a meeting of such creditors or class of creditors and, if the judge so determines, of the shareholders of such company, to be summoned in such manner as the judge directs.

Compromise,
with secured
creditors.

10c. Where a compromise or arrangement is proposed between a company and its secured creditors or any class of them, a judge of the Superior Court of the district in which the company has its head office or chief place of business may, on application in a summary way of the company or of any such creditor, order a meeting of such creditors or class of creditors and, if the judge so determines, of the shareholders of such company, to be summoned in such manner as the judge directs.

Compromise,
etc., agreed
upon, etc.,
may be
sanctioned by
judge.

10d. If at least one-half in value of the creditors or class of creditors, as the case may be, are present in person or represented by proxy at the meeting or meetings thereof respectively held pursuant to sections 10b and 10c of this Division, or either of such sections, and if at least three-fourths in value of the creditors or class of creditors, as the case may be, so present or represented at such meeting or meetings, agree to any compromise or arrangement either as proposed or as altered or modified at such meeting or meetings, such compromise or arrangement may be sanctioned by a judge as aforesaid. If so sanctioned, a certified copy of the judgment or order giving such sanction shall be filed in the Office of the Provincial Secretary and notice of the sanction shall be published by the Provincial Secretary in the *Quebec Official Gazette*. From and after the date of such publication, the compromise or arrangement as so sanctioned shall be binding on all the creditors or

Notice of
sanction to be
published in
Quebec
Official
Gazette.
After publica-
tion, com-
promise, etc.,
shall be
binding.

the class of creditors, as the case may be, and on any trustee for any such class of creditors, whether secured or unsecured as the case may be, and shall also be binding on the company.

10e. If an alteration or modification of any compromise or arrangement is proposed at any time after the judge has directed a meeting or meetings to be summoned, such meeting or meetings may be adjourned on such terms as to notice and otherwise as the judge may direct, and such directions may be given as well after as before adjournment of any meeting or meetings, and the judge may in his discretion direct that it shall not be necessary to adjourn any meeting or to convene any further meeting of any class of creditors or shareholders which in the opinion of the judge is not adversely affected by the alteration or modification proposed, and a compromise or arrangement so altered or modified may be sanctioned by the judge and have effect under section 10*d* of this Division. ^{Adjournment.}

10f. The provisions of this Division shall be in extension and not in limitation of the provisions of any trust deed or other instrument now or hereafter existing governing the rights of creditors or of any class of them and shall have full force and effect notwithstanding anything to the contrary contained in any such trust deed or other instrument." ^{Scope of Division.}

2. This act shall come into force on the day of its sanction. ^{Coming into force.}

