



CHAPTER 41

An Act respecting the converting of certain joint-stock companies into coöperative agricultural associations

[Assented to, the 4th of April, 1931]

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

1. The Coöperative Agricultural Association Act (Revised Statutes, 1925, chapter 57) is amended by adding thereto, after section 32 thereof, the following sections:

“33. Every company incorporated under the provisions of Part I of the Quebec Companies' Act (Chap. 223), having as sole object one or more of the following operations: cultivating of the land, cultivating and canning of vegetables and fruits, dairying, butter or cheese making, or any other agricultural exploitation, may form itself into a coöperative agricultural association governed by the provisions of this act, provided that two-thirds in number of its shareholders have signed a memorandum to that effect, authorizing the board of directors to take the necessary procedure to obtain such conversion.

“34. On receipt of such memorandum, the board of directors shall transmit to the Minister of Agriculture a memorandum of association in conformity with form 1 of this act, to which is affixed that of the shareholders.

If the Minister of Agriculture deem it expedient to authorize such conversion he shall give notice thereof once in the *Quebec Official Gazette*, according to form 6 of this act. From and after the date of the publication of such notice, the company shall become a coöperative agricultural association governed by the provisions of this act.

Notification of change. **“35.** Within the fifteen days following the publication of such notice, the board of directors of the new coöperative shall notify the Provincial Secretary of the change effected. It shall also inform, in writing, all the shareholders of the former company of the said change.

Attributions of directors of former company. **“36.** The directors of the former company shall constitute the board of directors of the coöperative agricultural association so organised, and shall remain in office until the general meeting which shall be held on the date fixed in conformity with the provisions of this act.

Additional directors. The board of directors may associate new members with themselves to complete the required number of directors, if need be.

Apportionment of capital stock, etc. **“37.** The new coöperative agricultural association shall apportion its capital stock in conformity with subsection 7 of section 5 of this act, on the basis of five shares of ten dollars or of ten shares of ten dollars. The balance of the number of shares held by any shareholder-producer of the new coöperative association shall be converted into preferred shares provided for under the provisions of subsection 1 of section 5 of this act. With respect to shares held by non-producers, they shall be entirely converted into preferred shares.

Rights and obligations. **“38.** The new coöperative agricultural association shall have the rights and assume all the obligations of the former joint-stock company, and the by-laws of the latter, in force at the date of the conversion, shall continue in force until repealed or replaced by the said coöperative agricultural association.”

R. S., c. 57, form 6, added. **2.** The said act is amended by adding thereto, after form 5 thereof, the following form:

“6.—(Section 34)

“Notice of Conversion

Notice of conversion. “Notice is hereby given that, on the application therefor made by its board of directors, pursuant to a memorandum of two-thirds in number of its shareholders, the joint stock company, known as (*name of former company*), is, from and after this day, constituted a coöperative agricultural association under the name of “The Coöperative Agricultural Association of ”.”

Coming into force. **3.** This act shall come into force on the day of its sanction.